

Industry Agenda

Security in Travel

Promoting Seamless and Secure Travel through Cross-Border Data Sharing and Collaboration

March 2016



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
Email: contact@weforum.org
www.weforum.org

World Economic Forum®

© 2016 – 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.

REF 020216

Contents

3	Preface
4	Executive Summary
5	A New Global Landscape
5	Smart and secure travel: Stimulating growth and job creation
8	From Recovery to Solutions
9	Technologically-enabled solutions
9	The future of security checkpoints: Beyond automated gates
9	The future of visas: E-visa and beyond
10	The future of regional visa agreements and trusted traveller programmes
10	The benefits of big data: Traveller analytics
12	A Global Travel Security Framework
12	Global trusted travellers programme
13	Emergency preparedness guidebook
14	Recommendations
15	Acknowledgements

Preface

We live in an era of unprecedented connectivity. Technology and innovation have revolutionized travel and transport, communication and the way we share data. Effectively, barriers to travel have been reduced, improving links between nations and enabling tourism with all the associated economic and social benefits it delivers.

Yet, the world is facing growing turmoil and uncertainty. From geopolitical tensions and a more complex international security landscape to the threat and fear of terrorism and concerns about the rise in global pandemics, travel security is now top of mind. There are worrying signs that this, in the worst case, will lead to greater protectionism, during which countries close their doors and the era of borderless travel is over.

These trends are clearly demonstrated in the World Economic Forum's Global Risk Report. These trends are significant for the travel and tourism industry, but also every industry for which mobility is key to their business model, and whose success is entirely dependent on the ability and freedom of people to travel – urging a cross-industry call for smarter travel security.

There are clear opportunities for the industry and policy-makers alike to consider solutions to enhance security while enabling seamless travel. To guide the discussion, the World Economic Forum's Global Agenda Council on the Future of Travel & Tourism views secure facilitation of travel and tourism through a smart travel approach, notably:

- The review and streamlining of current visa processes, including further adoption of new technology based on electronic data management to strengthen security systems as well as smooth and simplified visa processes. The goal is to move towards smart mobility policies that make checks easier, faster and better, with advanced data analytics and biometrics as core components.
- The implementation of technologies and innovative processes to ensure transboundary accountability, greater security and efficiency at border crossings.
- The move towards a global travel security framework with greater compliance, harmonized global security standards, enhanced law enforcement cooperation, a common electronic identity authentication for border crossing and a global database of known travellers.
- The need to enable greater global collaboration to better respond to security challenges in a coordinated and seamless fashion.
- The shift in verifying an individual's eligibility to travel from a country of origin-based system to a global secure traveller programme, which relies on advanced data analytics background checks and data sharing to determine travel eligibility.

Executive Summary

Over the past few decades, increasing connectivity has enabled the world to experience the socio-economic benefits of international travel. Yet, in today's uncertain security landscape, there is a need to continue developing a "smart travel" approach that not only facilitates growth and job creation through business and tourism travel, but also ensures seamless and secure travel through better cross-border electronic data flows, sharing processes and enhanced transboundary collaboration.

Currently accounting for nearly 10% of global GDP, 1 in 11 jobs and 6% of global exports, the travel and tourism industry is expected to reach 1.8 billion international tourists by 2030,¹ compared to 1.14 billion in 2014. This growth is contingent on the ability of people to travel safely and securely across borders. As such, it is essential for business and governments to understand the implications of events that impact travel and tourism and implement technologically enabled solutions to manage them effectively while minimizing their impact on the industry and society as a whole.

The World Economic Forum's Global Agenda Council on the Future of Travel & Tourism, via this white paper, recognizes that security is central to the industry and urges states to move from reactivity to proactivity when tackling security and mobility-related challenges. The paper recommends a smart travel approach, focusing on two types of processes, notably, the enhancement of existing solutions as well as new and innovative solutions to take the industry to the next level:

- **Implement comprehensive technologically-enabled solutions within the current framework to enhance security and efficiency.** This ranges from re-envisioning the future of checkpoints and borders controls to the improvement of data analytics tools and the application of e-visas, regional e-visa agreements and expansion of traveller programmes. A properly implemented smart travel approach should include data-sharing across government agencies and countries. Through the implementation of such solutions, the travel process will rid itself of redundancies while enhancing security. It will simultaneously improve the passenger experience and allow security personnel to implement a more risk-based approach to screening.

- **Develop a new framework for trusted global travellers.** While travel has become a way of life for people across the globe, current frameworks often assess risk levels on the basis of an individual's nationality. The concept of "global access" or a global trusted traveller programme should be developed as a tool to enhance security and be the catalyst to the shift the current system verifying eligibility to travel from "country of origin" to an individual-based, electronically-led system facilitated by global cooperation. Such a system would enable "low risk" passengers to travel in an expedited way across borders, while enhancing global security standards through better inter-governmental cooperation.
- **Support governments in being better prepared to manage crises.** Crises from wars, terrorism, pandemics and natural disasters have inundated the news, forcing many countries and businesses to quickly develop coping strategies to these shocks. Given the increasing frequency of such disruptive occurrences, governments and businesses should have effectively coordinated strategies and a clear plan of action in place, prior to the event, to be able to proactively manage them, preferably jointly, while minimizing the impact on their nation and the travel and tourism industry. Specifically, the creation of an emergency preparedness handbook is recommended to enable knowledge and best-practice sharing from previous crises as well as a toolkit for effective management. Preparedness for all types of crises requires actions for prevention and detection, standard protocols for execution, clear roles and responsibilities, communication and action plans to follow up if needed.

With over 1.1 billion international tourists on the move every year, the industry itself has a vested interest in secure travel and recognizes the need for more and smarter security, but the relevance of safe travels applies far and beyond just the travel and tourism industry. Indeed, the intensifying security challenges pose a serious threat to the continued development and economic growth of society as a whole. As such, it is critical to understand the implications and impact of these disruptions and implement sound and technologically-enabled, long-term innovations which will enhance long-term security and efficiency to facilitate safe, secure and seamless travel.

¹ United Nations World Travel Organization (WTO) and the World Travel & Tourism Council (WTTC)

A New Global Landscape

Smart and secure travel: Stimulating growth and job creation

Governments are increasingly realizing the value of travel and tourism as a creator of jobs and a generator of growth. There is a higher expectation than ever before from consumers for affordable, accessible, convenient and sustainable travel. It is essential to envision what it will take to sustain travel and tourism growth (in excess of GDP) year over year.

Accounting for 9.8% of global GDP in 2014 and supporting 277 million jobs,² the travel and tourism industry is a key pillar and sector for the global economy. While historically overlooked as a segment of international trade, the industry has expanded dramatically over the past 30 years, and currently represents 6% of global exports, and 30% of worldwide service exports.³ Still, the industry has the potential for further growth, should it take advantage of current demographic and consumer trends, while accounting for the global security context:

- The **global middle class** will more than double in size by 2030.⁴ In the next five years, 400 million more people will have access to travel as they move to the middle class.
- By 2030, **international tourist arrivals** are expected to reach 1.8 billion annually⁵ and passenger air transport is forecasted to increase by 31% between 2013 and 2017.⁶
- **Baby boomers** are a key demographic, accounting in the United States for 60% of net US wealth and 40% of spending.⁷
- The rate of international tourism growth between 2010 and 2030 will be highest in **emerging economies** in Asia, Africa, Latin America and Middle East.⁸
- There has been significant progress in **visa facilitation**. In 2014, 62% of the world's population required a

traditional visa prior to departure, down from 77% in 2008. In the same year, 19% of the world's population was able to enter a destination without a visa, as compared to 17% in 2008.⁹

- Many countries have successfully moved from paper-based to **electronic visas**, leading to both an increase in efficiency and in the number of tourists. For instance, the number of international visitors to Turkey increased from 34.91 million in 2013 to 36.84 million in 2014 following the implementation of e-visas.
- **Regional visa agreements**, such as the Pacific Alliance, have led to significant increases in tourism flows between the member nations. For instance, in 2014, Mexico received 328,213 Colombian visitors, +25.0% compared to 2013, and +100.5% compared to 2012, when Mexico announced the exemption of visas for Colombian citizens, for stays of up to 180 days.

Given the importance of the travel and tourism industry for growth, job creation and development, ensuring continued seamless and secure travel should be prioritized. Taking into account the current global context and trade, cross-border movements should prompt a thorough examination of security protocols, the resilience of existing infrastructure to external shocks, as well as internal, bilateral and regional visa policies.

Risks landscape

Faster communication systems, closer trade and investment links, increasing physical mobility and enhanced access to information are the drivers that bind different countries, economies and businesses more tightly together, but at the time risks transcend borders and sectors more than ever before. While certain global issues remain prominent on the agenda, the likelihood and prominence of risks changes from year to year.

The World Economic Forum's Global Risks Report ranks and analyses these global risks. Similarly to the top-rated risks in 2015, three of the five risks which emerged for 2016 are very much linked to geopolitical tensions and a fast-changing global security landscape, including governance failure and state collapse as well as migration which will in turn require enhanced border security policies (see Graph 1). The report explicitly highlights the issue of travel security and its importance in the current global context.

² These figures from the WTTC include direct and indirect contributions.

³ WTTC

⁴ Homi Kharas, the Brookings Institution

⁵ World Tourism Organization (UNWTO)

⁶ International Air Transport Association (IATA)

⁷ McKinsey

⁸ UNWTO

⁹ UNWTO

Graph 1: Top five risks in terms of likelihood¹⁰



Source: *World Economic Forum Global Risks Report 2016*

Protracted crisis in the Middle East; the growing instability in the Great Lakes region of Africa; continued disruptions and violence caused by organized crime in Latin America; record numbers of people on the move due to conflict and climate change causing great friction in Europe; continued skirmishes in Ukraine; the earthquake in Nepal; the rise of violent extremist groups such as Daesh and terrorist attacks around the globe – it is clear that most of the top risks for 2016 have already materialized and the trends show no sign of letting up.

These risks have significant repercussions for the travel and tourism industry, albeit mostly at the regional or destination level. Indeed, political stability and safety are prerequisites for business travel and tourism; even the mere threat of events such as civil unrest and terrorism, but also the risk of natural disasters such as earthquakes and tsunamis, can cause tourists to rethink their decision to visit a destination.

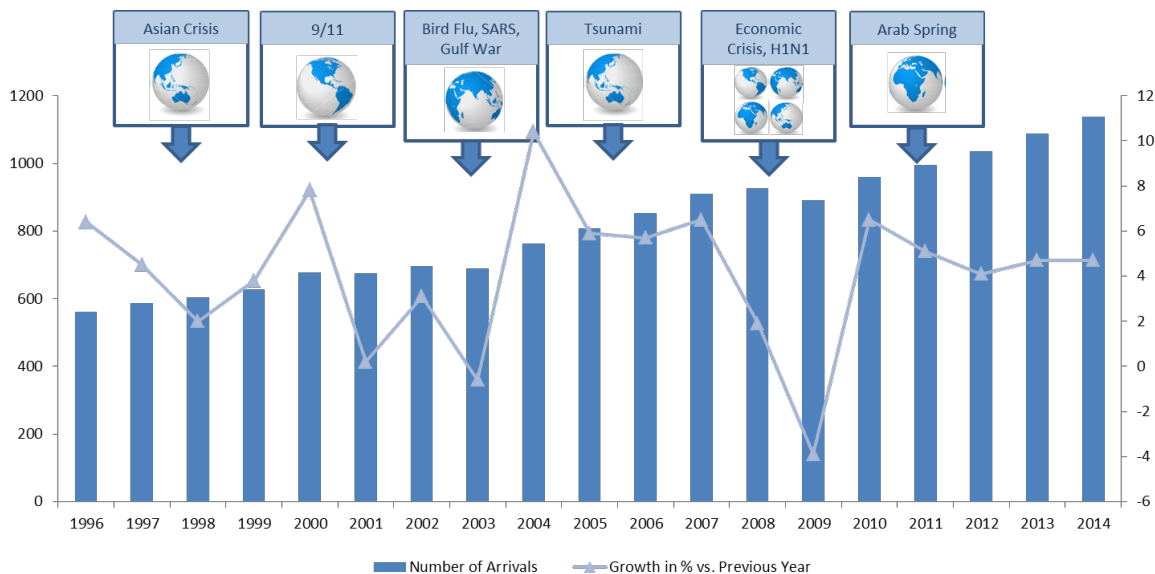
The impact of instability and uncertainty on a destination's tourism sector is immediate.

The standard way of assessing the gravity of a security shock on the travel and tourism industry is through the number (or proportion) of lost arrivals, visitors nights as well as spending.¹¹ This is of course far less important than the loss of life, infrastructure damage, including the loss of homes, economic damage and destruction of cultural and natural heritage. The graph below helps visualize the impact of different events on the industry by juxtaposing crises against international tourist arrivals data and growth of international visitors.

¹⁰ World Economic Forum, *Global Risks Report 2016*.

¹¹ Laws, Eric, Prideaux, Bruce and Kaye Chon (eds.). *Crisis Management in Tourism*. CABI, 2006.

Graph 2: Impact of crises on international tourist arrivals



Source: UNWTO

Risks landscape

The travel and tourism industry operates in a consumer-led and hyperconnected environment. As such, when hit with periods of ambiguity and uncertainty, the impact is wide ranging. Industry leaders and policy-makers must understand the impact, but also develop the tools needed to manage aftermaths. No country is immune to the shocks:

- In 2009, cases of H1N1 occurred in **Mexico**. Losses for the Mexican tourism industry were estimated at \$5 billion.
- In 2003, as a result of SARS, tourism to **Singapore** fell by 70% and the country's GDP took a \$400 million hit. **China** had a 25% reduction in tourism GPD and a loss of 2.8 million jobs.
- The Arab Spring and unrest during and after the fall of Egyptian president Hosni Mubarak in 2011 saw tourist arrivals decline in **Egypt** from 14 million in 2010 to 10.2 million in 2011. In 2013, the overthrow of Mohamed Morsi once again led to a decline in tourist arrivals from 11.5 million in 2012 to 9.5 million in 2013. The most recent crash of the Metrojet flight 9268, bound to Russia, which led to the deaths of 224 people, is likely to further impact Egypt's tourism industry.
- Following 9/11, airports around the world faced additional layers of security regulations, which cost the industry \$7.4 billion per annum.¹²
- The earthquake in **Nepal** in 2015 led to 80% cancellations of hotel reservations in the months that followed, and an estimated 45,000 tourists left the country.

¹² IATA

Yet, the impacts of shocks vary significantly in their breadth, cost and time of recovery. While political shocks tend to have little impact outside of the centre of unrest, pandemics can trigger deep and widespread declines in tourist flows. Markets may be quick to recover, but there are still commonalities in the implications of these crises.

The mere threat of events can cause tourists to cancel their trip to a particular destination. For instance, following the attacks on 9/11, the US federal government closed airports and cancelled thousands of flights. Even when the airports re-opened, tourists were wary of air travel and airlines experienced at least a 30% reduction in demand during the initial shock period and it took the United States six years to reach pre-September 11 levels in terms of international tourism arrivals. Another example is the H1N1 flu outbreak in 2009. In the spring of 2009, Mexico City recorded a 50% decline in occupancy levels.

The costs of shocks on economies are usually high and in some cases difficult to measure. While it is near to impossible to calculate the value of the loss of life, other economic and social costs must also be considered.

Estimating the costs of terrorist attacks is extremely challenging given that there are direct and indirect costs, both short and long term. Research on the Boston Marathon bombings in 2013, however, tried to estimate the losses, amounting to approximately \$438 million. This includes the costs of having a city on lockdown, property damages and indirect medical costs (estimated at \$31 million).

The World Economic Forum's *Travel & Tourism Competitiveness Report 2015* employs indices such as the business cost of crime and violence, as well as the business cost of terrorism to illustrate the negative correlation with a nation's overall competitiveness and specifically that of the travel and tourism industry. The rankings in Graph 3 indicate which countries are least affected (1-10) by the business costs of crime and violence and the business cost of terrorism, and which countries are most affected (131-

Graph 3: Travel & Tourism Competitiveness Report 2015: Security-related indices



Source: World Economic Forum

140). Shocks can be very costly from a national perspective as well. Some economists predict that MERS could shave a few billion dollars off South Korea's \$1.4 trillion economy. In the past month, South Korea's overseas shipments decreased by 10.9% compared to the previous year.

The cost of shocks is shared with the industry. For instance, the TUI Group reported a year-on-year loss of 46.4 million euros in the first quarter of 2012 as a result of weaker demand for travel to destinations in unrest-afflicted North Africa.

Time and time again, data reveals that destinations do bounce back. The industry on the whole is becoming more resilient to shocks.

For instance, occupancy levels in New York hotels took 34 months to recover from 9/11 attacks, and the wider US market took 45 months, with the impact compounded by an economic recession. In the case of Madrid, it took 12 months to recover from the 2003 train bombings and London nine months from the July 2005 attacks. In the case of Mexico, it took more than 12 months to recover from the H1N1 impact in addition to the financial and security crises. More recently the Boston Marathon bombing and the Charlie Hebdo shooting in Paris had a limited impact on hotel occupancies.

In the case of SARS, between 2002 and 2004, occupancy levels fell by 10% but bounced back to pre-crisis levels within the year. Similarly, the H1N1 flu outbreak led to a 50% decline in occupancy levels at the end of April and early May 2009. Yet, by late 2010, occupancy levels were on the mend. Research undertaken by the World Travel & Tourism Council (WTTC) reveals the average recovery time for different types of crises (see graph below).

Graph 4: Recovery time by crisis category

Crisis Category	Average Recovery Time (Months)
Political Turmoil	26.7
Terrorism	13.0
Pandemic	21.3
Environmental Disaster	23.8

Source: WTTC

The ability of nations and destinations to bounce back relatively quickly can be partly attributed to the design and implementation of security protocols and crisis preparedness plans to respond quickly and efficiently to shocks. Being proactive, rather than reactive is a key success factor.

It is essential for countries to have robust contingency plans, disaster recovery programmes and risk management protocols among others. Given the nature of the travel and tourism industry, it is essential for the sector to be accounted

for in emergency planning. For instance, the recovery efforts following the Bali bombings in 2002 were designed only after the attack took place, which led to a slower recovery of tourist confidence and revenues. On the other hand, the response to the London Underground bombings in 2005 was quick and decisive, leading to little effects on the tourism industry.

It is also important for countries to liaise with other nations in times of crisis, to support, and if required, collaborate on the evacuation of foreign nationals from the targeted areas. Although domestic and regional travellers appear to be less deterred by isolated incidents, international demand is sensitive to the threat level portrayed by the press and travel advisories. Crisis communication is a critical element of good crisis management systems, which, if managed properly, can help limit the negative impact of a crisis.

Communication management is not only important during a crisis, but also once a crisis has passed. Transparency, communication and proactive information sharing are all critical elements of any protocol. Governments and businesses should take measures to re-boost the tourism sector, focusing on changing the perception of risk through the media by creating impactful communication campaigns and collaborating to develop strategies to re-attract tourists. In this context, it is essential to have clear communication with tourists to inform them when they can return to the destination post-crisis.

In this context, the UNWTO developed a "Toolbox on Crisis Communication in Tourism", which provides step-by-step protocols, checklists, sample templates by type of crisis, guidelines to measure effectiveness as well as best practices, and has been training national tourism administrations on this issue.

From Recovery to Solutions

The road to recovery from shocks can be laborious; however, given the ability of destinations to bounce back and thrive, the investment is worthwhile.

Collaboration between the public and private sector is critical to help address the implications of these shocks, and to build trust, cohesion and resilience. To move from reactivity to proactivity, it is necessary to understand whether the challenges that nations are facing are linked to a technological gap or whether it is the lack of coordination and collaboration that is hindering responsiveness to travel security. This is becoming even more important given that emerging markets, which tend to run a higher risk of political unrest, are expected to account for 57% of total tourist arrivals by 2030.

Technologically-enabled solutions

Travel increasingly relies on technology and digitization to create a safe and seamless experience for passengers. Innovations over the past decade have led to a significant increase in automated technology to facilitate travel. Indeed, with the available technology, passengers today are able to book their flights and check in online, have their boarding passes on their smartphones, go through automated clearance gates and even validate their boarding passes electronically to board planes. Given these available technologies, these techniques should be applied to enhance border security and travel facilitation.

While there is clearly a move towards automation, technology is not fool-proof. As a result, governments are retaining security agents and staff at different checkpoints to ensure that security is maximized and travellers have a seamless travel experience. Different available technologically-enabled solutions are developed below:

The future of security checkpoints: Beyond automated gates

A number of airports today are already equipped with automated gates, which are based on biometric technology that includes both physical and behavioural recognition. There are multiple benefits, including offering document authenticity check, biometric authentication, passenger track and trace, abandoned or left item detection and thorough monitoring. The e-gates are transparent and thus visually supervised by border control officers. They are also equipped with CCTV cameras that transmit real-time images to the monitoring station allowing for real-time searching and matching images against watch lists.

In 2013, for instance, the first 14 “smart gates” opened in Dubai International Airport’s Terminal 3, automating security checkpoints through biometric recognition and expedite border clearance. Numerous other airports have implemented such technologies, including City Airport in London, Abu Dhabi International Airport and Milan Malpensa Airport. Similarly, Automated Passport Control (APC) kiosks have been implemented in the US, which streamline the traveller inspection process and enhanced security. At some of the locations, wait times decreased as much as 25-40%. To maximize the effectiveness of such systems, it is important that these installations keep pace with traffic demand and airports flow.

At the same time, the International Civil Aviation Organization (ICAO) has introduced a new security mechanism for the next generation of ePassports, namely: the Supplemental Access Control (SAC). This operating system ensures that the SAC third-generation ePassports have long-term privacy protection with anti-skimming and anti-eavesdropping technology.

Looking into the future, it is important to look at the big

picture. The International Air Transport Association (IATA) and Airports Council International (ACI) are doing just that, through the development of their smart security programme, which will enable a more efficient and secure approach to passenger screening through the use of new technologies, improved processes, risk-based security and better checkpoint management.

A move towards greater digitalization is essential to enable enhanced pre-screening as well as airport controls, which would improve both efficiency and security. Such an approach would entail that all air travellers and their passport information are electronically integrated into a database for pre-screening. On a technical level, this would imply a push towards the electronic version of IATA’s TIMATIC (a database containing cross-border passenger documentation requirements) with Global Distribution Systems, check-in systems and the capture of API data at point of ticket sale. Opportunities for improved collaboration resulting from digitalization could include the merging of immigration and security screening checkpoints. A new Interpol programme called I-CheckIt is being rolled out to enable air carriers to have access to the global stolen/lost passport database.

In effect, since 9/11, airlines, passengers and government have spent over \$100 billion on security, with airlines spending around \$8 billion annually. Yet, a global passenger survey undertaken by IATA reveals that security wait times are travellers’ biggest grievance, and are likely to worsen unless measures are implemented to improve technology and well-trained human resources.

Such an approach is essential given that airports are already facing severe bottlenecks at security checkpoints, and global air passenger traffic is set to double in the next 20 years. To achieve these goals, pilots are being undertaken in a number of airports worldwide including London’s Heathrow, Amsterdam’s Schiphol and Doha’s Hamad International Airport. Funding at both the governmental and private sector level, through processes and human resources, is critical for the success of such initiatives, despite the current era of austerity.

The future of visas: E-visa and beyond

To fully reap the benefits from international tourism, it is essential to put in place the right measures to ensure that the country/destination can be easily accessible, thus making it attractive for the tourist as well as investors. At the same time, travel facilitation measures enable government agencies to be proactive in ensuring the safety and security of their borders. Unsurprisingly, visa policies are among the most significant procedures influencing international tourism arrivals.

In 2014, destinations worldwide still required on average 62% of the global population to obtain a visa prior to departure, a decrease from 77% in 2008; 56% of improvements made between 2010 and 2014 were through the implementation of visas on arrival.¹³

¹³ UNWTO, *Visa Openness Report 2014*.

Both electronic visas (e-visas) and visas on arrival have successfully been employed as a tool to enhance security and facilitate travel. In effect, the key element for both methods of visa delivery is a proper vetting process and robust security checks prior to departure, enabling security agencies to determine whether passengers are a security risk for the destination country.

E-visas are an automated system that determines the eligibility of travellers to transit to a given country from a security standpoint, eliminating the need for paper-based visas. The benefits of e-visas are not merely financial, indeed, for paper-based applications visa applicants often need to travel great distances to apply through a consulate of the country they wish to visit, and may face long waiting times before the visa is approved. Visas are one of the worst bureaucratic inefficiencies for travellers and a significant deterrent for travel.

Travel facilitation, through a move from paper-based visas to e-visas, can be hugely beneficial in increasing the number of international visitors, thereby enabling growth at the destination level and job creation. Research shows that countries which implement policy changes relating to visa facilitation have benefited from an increase in international tourist arrivals ranging from 5% to 25%.¹⁴ At the same time, e-visas provide a critical electronic tool for nations to check the profiles and security risks of individuals prior to travel, thus being able to better monitor traveller flows into their countries. Travel facilitation policies are most often supported by strong bilateral and multilateral trade agreements, which ensure greater predictability, trust and stability among nations.

A recent example is that of South Africa, which tightened its visa restrictions in the fall of 2014, and saw a significant drop in international tourist arrivals, which amounted to an approximate loss of \$540 million in revenues annually. Following the recommendations of a committee to the country's cabinet on the impact of the current visa rules, the South African government has announced that it will relax its visa rules. Among others, visa rules will be relaxed for Chinese, Indian and Russian tourists, which were required to appear in person at a South African embassy to apply, which in turn led to a significant drop in the number of tourists from these key nations.

The future of regional visa agreements and trusted traveller programmes

While eliminating visa requirements worldwide may be unrealistic in the short term, countries can move towards regional and global travel integration by building on the trusted relationships they already have. Through collaboration, countries can either build on their proximity through regional visa agreements, or on bilateral/multilateral agreements on the basis of like-minded or shared security processes, standards and agreements.

By working together, similarly situated countries can improve their appeal to foreign travellers through the creation of common visas. Multi-destination visas or common visa areas allow travellers to visit multiple countries on a single visa. This leads to a dramatic reduction of the costs in time and money for a tourist or business traveller. This is of particular interest to long-haul travellers trying to maximize their time and experience. At the same time it enhances the attractiveness of collaborating countries as either tourist destinations or potential business centres as a result of the ease of visiting multiple countries on the same trip. This also enables cooperating nations to share some of the financial costs of visa processing, security screening and administration, while improving data sharing and enhancing regional security.

Some regions have noted the merits of this proposal and taken action, such as the Schengen area which has the most integrated visa area model including 26 European countries. In Africa, examples include the Economic Community of Western African states (ECOWAS), where nationals of the bloc's 15 members can travel freely, as well as the single destination tourist visa to Kenya, Rwanda and Uganda, which was launched together with a campaign entitled "Borderless Borders" to promote travel and trade in the region. Latin American nations are making progress through the Pacific Alliance while South-East Asian nations through ASEAN and APEC have taken positive measures towards the implementation of a multi-destination visa within their regions.

Bilateral and multilateral agreements have also been implemented through voluntary "trusted traveller" programmes, which provide an opportunity for secure, simple and efficient border crossings to pre-approved individuals for certain countries or regions. These programmes require travellers to pre-enrol and be pre-cleared for travel. Different programmes have differing codes and standards regarding privacy, data protection and data sharing. In effect, certain programmes require data sharing among participating countries while others "trust" the partner country to do the needed checking against criminal/terrorist databases. Examples of such programmes include APEC, CARICOM, the UK Registered Traveller Program, the US Global Entry and TSA Pre Check.

The APEC Business Travel Card (ABTC), which comprises 19 countries, allows pre-cleared travellers facilitated short-term entry and fast-tracked immigration to participating member states, thus eliminating the requirement for a visa application. The ABTC enhances border integrity and security in participating economies by providing benefits to border agencies, enabling cost savings for passengers and governments. Specifically, for card holders, the ABTC reduced travel cost by 38% over the 12-month period between March-July 2010 and March-July 2011 for a total savings of \$3.7 million.

The US Global Entry programme is one which precludes the "arrival country" from demanding access to personal data held in official files, but rather trusts the national's government to do the necessary checking. The Global Entry is a US Customs and Border Protection program

¹⁴ UNWTO and WTTC, *The Impact of Visa Facilitation on Job Creation in the G20 Economies*, 2012.



which allows, like APEC, expedited clearance for pre-approved, low-risk travellers upon arrival in the US. Countries involved in this initiative include the US, Germany, the Netherlands, Panama, South Korea and Mexico.

There are also instances when countries have taken the initiative to consider the visa of economies with similar or higher security standards. For instance, once Mexico started accepting the US visa as a valid visa, the number of international arrivals to Mexico increased by 1.3 million in less than 18 months, positively impacting the local economy. This approach has since been replicated by other Central American nations.

The move towards global travel integration, whether through regional visa agreements or trusted traveller programmes not only has the potential to significantly increase the number of international visitors, but also to move towards global cooperation and coordination leading to significant improvements in travel security.

The benefits of big data: Traveller analytics

More governments are employing risk-based strategies and techniques to protect their nations' borders from external threats. Thanks to advancements in technology and notably the emergence of analytics tools and big data, security bodies are able to utilize intelligence and surveillance to better focus their resources to find persons of interest as well as identify suspicious patterns.

Intelligence-driven risk based analysis of passenger data not only leads to improved security, but also to greater efficiency in the processing of travellers across borders. Through big data analytics, governments can, like corporations, better understand behavioural patterns of individuals and the security implications. Reporting tools capture information from the moment an individual buys a ticket, through check in all the way to entry and exit of the country. Trends over time can also be identified through the development of databases with travellers' histories. In effect, analytics today are the electronic equivalent of stamps in passports.

It is now common practice for governments to use big data analytics to make decisions about travellers, such as requirements around Advanced Passenger Information (API) or Passenger Name Records (PNR). Similarly, robust analytics underlie trusted travellers programmes. For instance, in the United States, TSA employs an intelligence-driven, risk-based analysis of passenger data to assess an individual's eligibility for TSA pre-check on a flight-by-flight basis, and the US Global Entry programme evaluates applicants through fingerprint verification. While analytics are key for enrolment in trusted traveller programmes, these programmes in return feed invaluable data into national databases.

Predictive analysis could also be employed to improve the security checkpoint experience. Governments and airports could use the collected data to correlate passenger arrivals and departments with border staffing and scheduling, in turn making long security queues a thing of the past.

A Global Travel Security Framework

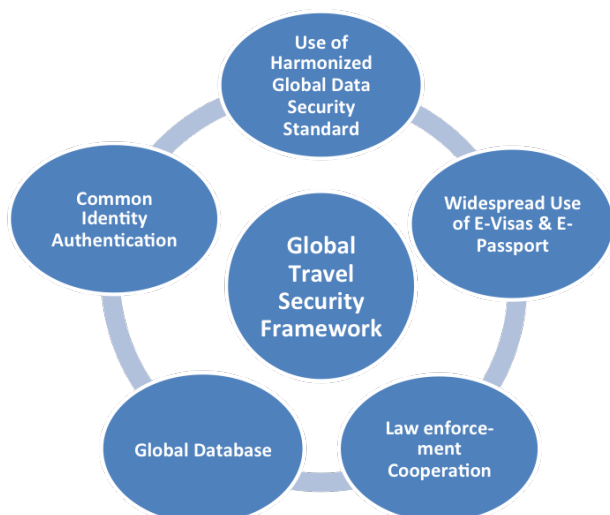
While a range of technological solutions are available, their effectiveness can only be maximized if nations have a coordinated approach to ensure global travel security. There is a clear need for a global common framework to follow set security standards by organizations such as ICAO, exchange travellers' data across borders, synchronize processes to safeguard against potential threats and ensure the free movement of people. There is also a need for greater collaboration and communication of data, intelligence and threat information between nations to be better able to respond and tackle global security challenges.

Based on this, there is a need to develop a global travel security framework, which would include the following elements:

1. Wide implementation of harmonized global data security standard
2. Use of e-visas and electronic passports for rapid entry and border clearance
3. Enhanced law enforcement cooperation
4. Common identity authentication for border crossing
5. Use of global criminal database

While the implementations of the elements of such a framework at the global level should be a medium to long-term goal, nations should consider implementing such a framework at the regional level to gain momentum and help scale up the programme. International tourism working groups and multinational organizations, such as APEC, the Pacific Alliance and OAS, could play a critical role in a regional approach to travel security integration.

Graph 5: Global travel security framework



From a Framework to Concrete Solutions

On the basis of the global travel security framework outlined above, two specific solutions are recommended to truly take travel into the 21st century, namely:

1. A global trusted traveller programme
2. An emergency preparedness guidebook

Global trusted travellers programme

Current systems to determine an individual's eligibility to travel or enter certain countries are determined by their perceived level of risk, often based upon their country of nationality/passport. Yet, with increased security concerns regarding potential foreign fighters travelling on passports from countries typically seen as low risk, a new way to determine a traveller's threat is needed which focuses on the individual, rather than on where they are from.

Given that the growth of travel and tourism is highly dependent on safety and security, the travel and tourism industry needs to think outside of the box and consider solutions beyond the current offering.

While bilateral trusted traveller programmes have started emerging, the idea of a "global access" programme has not yet successfully been implemented. The concept was considered in the past for a pilot by a Dutch organization, Flux, however it did not take off. Yet, the experience of countries piloting such programmes at the bilateral level, including the United States, has proven successful and can provide unique insights on the best practices and lessons learned. Specifically, given the importance of security in such programmes, the concept of the highest common denominator in security standards should be considered, rather than finding a consensus which reduces security standards. To ensure enhanced security, the sharing of risk assessment between countries would be recommended.

Emergency preparedness guidebook

Although it is clear that the impact of security risks – whether geopolitical tensions, terrorism, pandemics or even natural disasters – is tremendous both in terms of cost and often in terms of human lives, the majority of national governments across the world do not have emergency preparedness plans in place to be able to cope proactively to crises. In effect, time and time again, countries are faced with a security crisis and do not have the tools to tackle them, often leading to the implementation of knee-jerk policies which are not effective in the medium to long-term neither from a security or an economic perspective.

There is a unique opportunity to compile the best practices and lesson learned from countries which have faced crisis in order to enable a proactive and in some instances, through digital solutions, a real-time approach to crisis preparation and management. While it is obvious that every security shock will require a tailored solution, a common framework can be developed to provide broad-based guidelines for countries facing crises.

Specifically, a simple three-step methodology is recommended when tackling crisis. Such an approach should focus on prevention and preparation (prior to a crisis), reaction and response (during the crisis) and learning from the experience, adapt and recover (post crisis).

Every step should also have a feedback mechanism to capture the interconnectedness of the relevant issues to be addressed. These three pillars should be overlaid with cross-cutting dimensions relating to communication as well as public relations, which entails the engagement of relevant stakeholders throughout the process to establish how to manage/prepare most effectively (see Graph 3). While there are many other elements to be considered depending on the type of crisis, such as infrastructure recovery, travel advisories and support to national enterprises, the below methodology provides an overarching framework.

A number of international organizations, associations and academic institutions, including IATA and UNWTO and Harvard University, among others, have developed tools to help nations and corporations navigate the intricacies of crisis management. IATA has not only developed trainings relating to emergency planning and response, but has also introduced an Emergency Response Best Practices Handbook. Similarly, the UNWTO established in 2006 a Toolbox for Crisis Communication and the Tourism Emergency Response Network (TERN), which is a closely knit grouping of leading tourism associations of the world. This network brings together 34 international organizations and associations to ensure collaboration and cooperation among decision-makers and stakeholders in tourism in times of crisis. The UNWTO has concurrently been providing training to national tourism administrations on these issues. It is essential to have an integrated approach to learn from past experiences and best practices emerging from previous crises.

Graph 6: Methodology for emergency preparedness



Recommendations

The travel and tourism industry is at a crossroad. As security concerns mount, the industry must have both a reactive and proactive approach to safely and efficiently manage the growing number of international travellers while ensuring that the sector continues to provide wealth and jobs around the world.

This white paper urges the industry to take a proactive approach through the implementation of a smart travel system, which would not only facilitate growth and job creation through tourism, but also ensure seamless and secure travel. Two types of solutions are recommended, namely, enhancements within the existing framework as well as the development of new and forward-looking solutions to enable the sector's continued development. The industry should implement comprehensive technologically-enabled solutions within the current framework, ranging from the future of checkpoints, border controls and traveller analytics to e-visas, regional visas and trusted traveller programmes. A properly implemented smart travel approach should include data sharing across government agencies and countries. International leadership will be critical to ensure that these efforts are

standardized, but reflect different cultural preferences for the protection of data privacy.

At the same time, the industry should look beyond the status quo and consider the development of a new framework for global travellers, given the increasing consumption of international travel, and the need to reconsider risk through a collaborative and cross-border approach. The concept of global access or a global trusted traveller programme should be developed as a tool to enhance security and be the catalyst to shift the current system of verifying eligibility to travel from "country of origin" to an individual-based system facilitated by global cooperation.

Overall, the industry and policy-makers should join forces to be better prepared to manage security crises proactively and effectively. Agreeing on standards and toolkits for effective management is essential to harness the benefits of increased mobility.

From these discussions will come a reshaping of the travel environment to create an efficient, secure, globally compatible and minimally intrusive system for screening and approving the smart travellers of the future.



Acknowledgements

Global Agenda Council on the Future of Travel & Tourism

Council Chair

Rob Torres	Managing Director, Travel	Google Inc.	USA
------------	---------------------------	-------------	-----

Council Members

Nathan Blecharczyk	Co-Founder and Chief Technology Officer	Airbnb Inc.	USA
Jean-Pierre Cojan	Executive Vice-President, Strategy and Transformation	Safran Group	France
Kelly Craighead	Executive Director, National Travel and Tourism Office, International Trade Administration	US Department of Commerce	USA
Yasmin Diamond	Senior Vice-President, Global Corporate Affairs	InterContinental Hotels Group Plc	United Kingdom
Melissa Flood	Vice-President, Government Affairs	Marriott International Inc.	USA
Sadiq Gillani	Senior Vice-President; Chief Strategy Officer	Deutsche Lufthansa AG	Germany
Angela Gittens	Director-General	Airports Council International (ACI)	Canada
Gloria Guevara Manzo	Special Adviser on Government Affairs	Harvard School of Public Health	USA
Brian F. Havel	Distinguished Research Professor of Law	DePaul University College of Law	USA
K.C. Kavanagh	Senior Vice-President, Global Communications	Starwood Hotels & Resorts Worldwide Inc.	USA
Gerald Lawless	President and Group Chief Executive Officer	Jumeirah Group	United Arab Emirates
Geoffrey Lipman	President	International Coalition of Tourism Partners	Belgium
Ramón Martín	Global Head, Merchant Sales and Solutions	Visa Inc.	USA
Graham Miller	Professor of Sustainability in Business; Head, School of Hospitality and Tourism Management	University of Surrey	United Kingdom
Brian Mullis	Founder and Chair of the Executive Board	Sustainable Travel International	United Kingdom
Jonas Neihardt	Senior Vice-President, Government Affairs	Hilton Worldwide	USA
Aireen Omar	Chief Executive Officer	AirAsia Bhd	Malaysia
Vijay Poonosamy	Vice-President, International and Public Affairs	Etihad Airways	United Arab Emirates
Taleb Rifai	Secretary-General, World Tourism Organization (UNWTO), Madrid		
David Scowsill	President and Chief Executive Officer	World Travel & Tourism Council (WTTC)	United Kingdom
Magali Silva	Minister of Foreign Trade and Tourism of Peru		

For further information on this report or the work undertaken by the World Economic Forum's Aviation & Travel Industry team, contact: Tiffany Misrahi, Community Lead, Travel & Tourism Industries by email at tiffany.misrahi@weforum.org



**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