

Visa Facilitation: Stimulating Economic Growth and Development through Tourism

DIRK GLAESSER

JOHN KESTER

World Tourism Organization (UNWTO)

with

MÁRCIO FAVILLA

SANDRA CARVÃO

LORNA HARTANTYO

BIRKA VALENTIN

LISA FÜRBASS

KATE HOLMES

JACINTA GARCÍA

ALBERTO G. UCEDA

Over the past six decades, tourism has continued to expand and diversify; it is now one of the largest and fastest-growing economic sectors in the world. Many new tourist destinations have emerged alongside the traditional ones of Europe and North America. From 1980 to 2011, international tourist arrivals (i.e., overnight visitors) more than tripled worldwide, leaping from 279 million in 1980 to 996 million in 2011, corresponding to an average growth of 4.2 percent a year.

THE DIMENSIONS OF INTERNATIONAL TOURISM

In the same period, the export value of tourism—international tourism receipts, including international passenger transport—increased from US\$125 billion in 1980 to US\$1,240 billion in 2011. In real terms, this corresponds to an average growth of 4.1 percent a year, which is virtually the same pace as tourist arrivals.

According to the World Tourism Organization (UNWTO)'s long-term forecast *Tourism Towards 2030*,¹ international tourist arrivals are expected to continue to grow at the sustained pace of 3.3 percent a year on average, reaching 1.8 billion by 2030. International tourist arrivals in the emerging-economy destinations of Asia, Latin America, Central and Eastern Europe, Eastern Mediterranean Europe, the Middle East, and Africa will grow at double the pace (4.4 percent a year) of advanced-economy destinations (2.2 percent a year). As a result, arrivals in emerging economies are expected to surpass those in advanced economies by 2015. In 2030, 57 percent of international tourist arrivals will occur in emerging-economy destinations (versus 30 percent in 1980 and 47 percent in 2010). Arrivals in advanced-economy destinations will make up 43 percent of arrivals overall (versus 70 percent in 1980 and 53 percent in 2010).

In order to fully reap the benefits that international tourism can bring to an economy, it is necessary to put in place conditions that make the country easy to visit as well as attractive to develop, and to facilitate investment in its Travel & Tourism (T&T) sector.

THE FUNCTIONS OF VISAS

Visa policies are among the most important governmental formalities influencing international tourism. The development of policies and procedures for visas, as well as for other important travel documents such as passports, is closely linked to the development of tourism. With the swift growth of international tourism in the last six decades, the quality, reliability, and functionality of visa and other travel documents has evolved. Only half a century ago, travel was heavily impacted by customs regulations, currency exchange limitations, and visa formalities. A great deal of progress has been made in their facilitation, which has contributed to the remarkable growth of the tourism sector. The multilateral agreements that mutually exempt all or

certain categories of travelers from the visa requirement are particularly noteworthy. However, despite the progress made, current visa policies are still regularly mentioned as inadequate and inefficient, and are thus acknowledged to be an obstacle to tourism growth.

Visas perform several functions. They serve to ensure security; to control immigration and limit the entry, duration of stay, or activities of travelers; to generate revenue and apply measures of reciprocity; and to ensure a destination's carrying capacity and control tourism demand. Although "security" is commonly cited as the most important reason to impose a visa requirement, in practice, all the functions noted above are used as rationales to introduce or maintain a visa.

Travelers see visas mainly as a formality that imposes a cost. If the cost of obtaining a visa—either the direct monetary cost imposed in the form of fees or the indirect costs, which can include distance, time spent waiting in lines, and the complexity of the process—exceeds a threshold, potential travelers are simply deterred from making a particular journey or choose an alternative destination with less hassle. This finding is not new. It is interesting in this context to note that, in 1963, the delegates of 87 states agreed, at the United Nations Conference on International Travel & Tourism in Rome, that "Governments should extend to the maximum number of countries the practice of abolishing, through bilateral agreements or by unilateral decision, the requirement of entry Visas for temporary visitors."²

VISA FACILITATION: AREAS OF OPPORTUNITY

Joint research by the UNWTO and the World Travel & Tourism Council (WTTC), presented to the 4th T20 Ministers' Meeting in May 2012,³ demonstrates that improving visa processes could generate an additional US\$206 billion in tourism receipts and create as many as 5.1 million jobs by 2015 in the G-20 economies.⁴

The analysis also identified five important areas of opportunity for entry visa facilitation: delivery of information, current processes, differentiated treatment, the use of eVisa programs, and regional agreements. These are detailed below.

Improve the delivery of information

The availability and reliability of the information on entry formalities—especially visa requirements and procedures—that destinations provide were among the simplest, but also least addressed, areas of opportunity. This information—especially the elements of entry formalities of importance to the traveler—should also be available in multiple languages.

Facilitate current processes needed to obtain visas

A major opportunity for improvement is the way visa requests for temporary visitors are processed in general, as well as the requirements linked to this process.

Whether these requirements are personal interviews, official documents, or certificates, they usually produce at least temporary bottlenecks as well as uncertainty and longer wait times. Among the techniques suitable for improving these processes are the better use of modern information technology by service providers and the consideration of visas on arrival.

Differentiate treatment to facilitate tourist travel

The technique of facilitating the visa process for certain types of visitors is widely used among economies, especially for temporary visitors who are visiting for tourism purposes. The form this facilitation takes can range from easing restrictions depending on the means of transportation—for example, cruise passengers can be allowed to disembark from the ship without a tourist visa or to arrive by charter planes—to special treatment for specified geographical areas or ports of entry.

Institute eVisa programs

Currently, the most widely discussed opportunity is the use of eVisa. If an entry visa cannot be avoided, eVisa is the option preferred over the traditional, paper visa. It can be more easily obtained and requires neither the physical presence of the applicant nor the presence of the passport. These considerations are especially important for destinations without a widespread network of embassies and consulates.

Establish regional agreements

There are already a number of regional agreements in place that allow travelers from a third country to move freely between member countries once admitted by one of the participating countries. For citizens of one of the member states of some regions, such as the Schengen area in Europe, it is even possible to travel without a passport by simply using a valid national document of identification.

GLOBAL AND REGIONAL DIMENSIONS TO VISAS

As a result of this work by the UNWTO and WTTC, at its June 2012 Summit, the G-20 leaders recognized the role of tourism as "a vehicle for job creation, economic growth and development";⁵ furthermore, they committed to "work towards developing travel facilitation initiatives in support of job creation, quality work, poverty reduction and global growth."⁶

In spite of many recent strides taken, visa requirements still affect global tourism significantly. In 2012, destinations around the world requested, on average, that 63 percent of the world's population obtain a visa before initiating their international journey. Another 2 percent of the population were at least allowed to apply for an eVisa,⁷ while 16 percent would be able to apply for a visa on arrival. Only 18 percent of the world's

Table 1: Destination subregions by visa policies, percentage of world population affected (2012)

Region	Openness score ^a	World population affected by visa policies (%)			
		No visa	Visa on arrival	eVisa	Visa required ^d
World	31	18	16	2	63
Advanced economies ^c	26	24	0.4	2	73
Emerging economies ^c	32	17	21	2	61
UNWTO regions					
<i>Africa</i>	29	8	29	0	62
North Africa	16	15	1	0	84
West Africa	23	7	22	0	71
Central Africa	6	2	7	0	92
East Africa	49	6	62	0	33
Southern Africa	29	29	0	0	71
<i>Americas</i>	37	31	8	1	60
North America	14	11	0	5	84
Caribbean	45	39	8	0	53
Central America	37	30	10	0	60
South America	35	29	9	0	62
<i>Asia and the Pacific</i>	37	20	19	7	54
Northeast Asia	27	25	2	0	73
Southeast Asia	51	23	35	8	35
Oceania	41	27	16	6	51
South Asia	24	4	20	11	65
<i>Europe</i>	26	21	6	0	72
Northern Europe	26	26	0	0	74
Western Europe	23	23	0	0	77
Central/Eastern Europe	26	16	14	0	70
Southern/Mediterranean Europe	27	26	1	0	73
EU-27 ^d	24	24	0	0	76
<i>Middle East</i>	20	1	20	10	70

Source: Data compiled by the UNWTO, based on information of national official institutions.

^a Scores range from 100 to 0; the higher the score, the better. *Openness* indicates to what extent a destination is facilitating tourism. It is calculated by summing the percentage of the world population exempt from obtaining a visa with the percentages of visa on arrival weighted by 0.7 and eVisa by 0.5. For the (sub)regional totals, the percentages of the four different visa categories and the resulting openness score represent the averages of economies in that group (where destination economies are weighted by the natural logarithm of the population size— i.e., ln (1,000 population)—in order to take into account differences in destination size).

^b *Visa required* means that a visa has to be obtained prior to departure and is not an electronic visa (eVisa).

^c *Advanced economies* and *emerging economies* classifications are based on the International Monetary Fund (IMF); see the Statistical Annex of the IMF's World Economic Outlook of April 2012, p. 177, at www.imf.org/external/pubs/ft/weo/2012/01.

^d The EU-27 countries are Austria, Belgium, Bulgaria, Cyprus, Czech Rep., Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxemburg, Malta, the Netherlands, Poland, Portugal, Ireland, Romania, the Slovak Republic, Slovenia, Spain, Sweden; and the United Kingdom.

Due to rounding, the sum of the separate figures may not be 100 percent.

Values in blue indicate 5 percentage points above world average; values in gray indicate 5 percentage points below world average.

population would not require a visa at all when traveling for tourism purposes (Table 1).

Emerging economies are, overall, more open in terms of travel requirements than advanced ones (Table 2).⁸ When traveling to an emerging-economy destination, on average, 61 percent of the world's population need a traditional visa and 2 percent an eVisa; for advanced-economy destinations, 73 percent need a traditional visa and 2 percent an eVisa. However, full exemption from a visa is more common in advanced economies (24 percent versus 17 percent), whereas in

emerging economies obtaining a visa on arrival is much more common (21 percent versus 0.4 percent).

From a regional perspective, destinations in Asia and the Pacific have facilitated international travel the most. To visit these regions, 20 percent of the world's population do not require a visa, 19 percent could obtain a visa on arrival, and 7 percent could use an eVisa. Southeast Asia is the most open subregion because of the large number of visa-on-arrival requirements (this is sufficient for 35 percent of the world's population, on average) and the considerable number of visa

Table 2: Top 25 least-restrictive destinations, 2012

Rank	Destination	Openness score ^a
1	Cook Islands	100
	Dominica	100
	Micronesia	100
	Niue	100
	Tuvalu	100
6	Haiti	99
7	Macao SAR	84
8	Hong Kong SAR	80
9	Nicaragua	79
	Turks & Caicos Islands	79
	Fiji	79
12	Georgia	78
13	Guyana	76
	St Vincent & Grenadines	76
15	Vanuatu	75
16	Kyrgyzstan	74
	Gambia	74
	Vietnam	74
19	Rwanda	73
20	Mali	72
21	Cape Verde	71
	Nepal	71
	Togo	71
	Uganda	71
	Mozambique	71

Source: Data compiled by the UNWTO, based on information of national official institutions. Note: a Scores range from 0 to 100; the higher the score, the better. Destinations with the same score are tied, and so have the same rank; these appear in alphabetical order in the table. *Openness* indicates to what extent a destination is facilitating tourism. It is calculated by summing the percentage of the world population exempt from obtaining a visa, with the percentages of visa on arrival weighted by 0.7 and eVisa by 0.5.

exemptions (23 percent) and eVisa alternatives (8 percent).

When traveling to the Americas, 60 percent of the world's population are required to obtain a traditional visa prior to departure. However, this figure varies widely across the subregions of the Americas. While North America is one of the most restricted subregions, where only 11 percent of the world's population can enter without a visa,⁹ the Caribbean is the third most open subregion in the world: 39 percent of the world's population have visa exemptions and 8 percent have the ability to obtain a visa on arrival. Destinations in the two other subregions—Central and South America—also abolished visas for comparatively many source markets, making the Americas the leading region in visa exemptions (31 percent of the world's population do not need a visa to visit the Americas; see Table 2).

Africa requires a visa prior to departure from 62 percent of the world's population, but, at the same time, has the highest percentage of countries whose visitors are able to obtain a visa on arrival (29 percent). However, this figure varies significantly across the African subregions. In Central Africa, the use of

traditional visas—required for 92 percent of the world's population—is highest of all Africa's subregions. East Africa, in contrast, has the lowest in the world: only 33 percent of the world's population are required to have traditional visas. Visa on arrival is popular in East Africa (62 percent), making East Africa the second most open subregion in the world.

In the Middle East, 70 percent of the world's population are required to obtain a traditional visa prior to departure to any of its destinations, but 20 percent are allowed to obtain a visa on arrival and 10 percent to use an eVisa. Interestingly, the Middle East has the highest percentage of the world's population subject to eVisa among all five regions analyzed. At the same time, however, the abolishment of any visa is the lowest among all five regions, with only 1 percent of the population not required to obtain a visa of any kind.

European destinations are among the most restrictive, requiring, on average, 72 percent of the world's population to obtain a visa before departure, while 21 percent are not required to obtain a visa and 6 percent can obtain it on arrival. All four European subregions show more or less comparable patterns.

Analyzing the importance of the different measures, we find that:

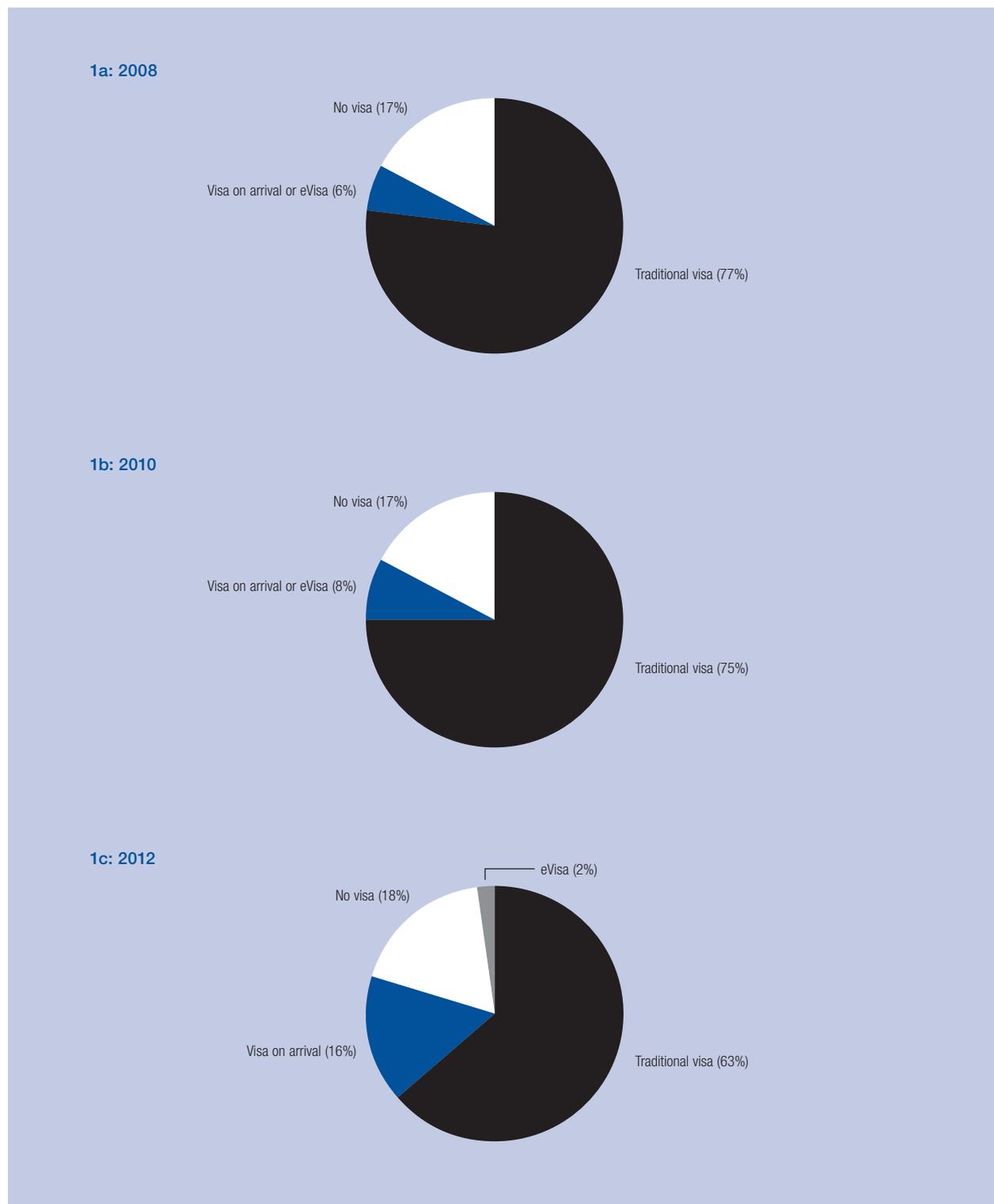
- visa exemption is most common in the Caribbean (39 percent) and Central America (30 percent);
- visa on arrival is comparatively common in East Africa (62 percent) and Southeast Asia (35 percent);
- eVisa is particularly popular in South Asia (11 percent) and the Middle East (10 percent); and
- traditional visas are most prevalent in Central Africa (92 percent) and North America and North Africa (both 84 percent), followed by Northeast Asia, the four European subregions, and the Middle East (all 70 percent or higher).

PROGRESS MADE IN RECENT YEARS

Looking into the evolution of visa formalities in recent years, data show a recent and strong tendency toward improvement. At the beginning of 2008, destinations around the world required, on average, 77 percent of the world's population to obtain a traditional visa before visiting, but this percentage went down to 74 percent in 2010 and dropped further, to 63 percent, in 2012 (Figure 1).

The reason for this remarkable and substantial improvement to facilitation between 2010 and 2012 is the determined action taken by governments. In total, visa requirements were facilitated for 5,080 destination-source market pairs between 2010 and 2012 (Table 3). Destinations facilitated visiting by citizens of another country by either simply abolishing the visa

Figure 1: Evolution of visa requirements for world population, 2008, 2010, and 2012



Source: Data compiled by the UNWTO, based on information of national official institutions.

requirement altogether, or allowing a visa to be obtained on arrival or in electronic form—an eVisa. A total of 43 destinations significantly facilitated travel for citizens of 20 or more countries by changing their visa policies from *visa required* to *eVisa*, *visa on arrival*, or *no visa required*. These 43 destinations introduced a total of

5,044 individual measures and contributed by far the majority of the 5,080 total improvements introduced by all destinations between 2010 and 2012. This significant improvement demonstrates that destinations, when reviewing their visa policies, tended to thoroughly review and introduce changes.

Table 3: Forty-three destinations that improved visa procedures for 20 or more countries of origin, 2010–12

Number	Destination	Number of improvements
1	Micronesia	194
2	Niue	194
3	Palau	194
4	São Tomé e Príncipe	194
5	Tuvalu	194
6	Djibouti	192
7	Haiti	190
8	Mozambique	189
9	Rwanda	181
10	Burundi	179
11	Togo	179
12	Cape Verde	178
13	Mali	172
14	Kyrgyzstan	166
15	Uganda	161
16	Guyana	157
17	United Arab Emirates	150
18	Laos	144
19	Kenya	138
20	Ecuador	126
21	Tanzania	126
22	Armenia	123
23	Bolivia	121
24	Macao SAR	120
25	Gambia	115
26	Sri Lanka	114
27	Georgia	112
28	Nicaragua	109
29	Tajikistan	77
30	Bangladesh	55
31	Bonaire	54
32	Cayman Islands	51
33	Zambia	50
34	French Polynesia	49
35	St Lucia	44
36	St Kitts & Nevis	39
37	Nauru	37
38	Burkina Faso	36
39	Ethiopia	35
40	New Caledonia	33
41	Trinidad & Tobago	26
42	Australia	24
43	Senegal	22
SUBTOTAL		5,044
	Other destinations	36
TOTAL		5,080

Source: Data compiled by the UNWTO, based on information from national official institutions.
 Note: An *improvement* is the facilitation of a visa formality by either simply abolishing the traditional paper visa or allowing an eVisa or visa on arrival. Each destination–country of origin pair is calculated.

Analyzing all facilitation techniques, the most common change was from *visa required* to *visa on arrival*, which represented nearly 70 percent of all changes. Although eVisa and similar measures were also introduced, their importance was still minor in comparison to the other facilitation measures.

OUTLOOK

In 1963, the United Nations Conference on International Travel & Tourism in Rome stressed the dependency of tourism development on the actions of governments, especially the facilitation of governmental formalities for international travel. Fifty years later, in November 2012, the UNWTO/World Travel Market Ministers' Summit in London concluded that visa processes and policies still present major barriers to Travel & Tourism. The summit noted that restrictive visa-issuance policies and complicated entry formalities are still stifling tourism growth, particularly from emerging economies—which are also some of the fastest-growing source markets for tourism.

However, it is also evident that the link between visa facilitation and economic growth through tourism is increasingly recognized by national authorities, which have accompanied such recognition with concrete facilitation measures. Furthermore, the clear tendency to ease visa procedures observed during the period 2010–12, as demonstrated in this chapter, is likely to continue.

The UNWTO will continue to promote and advocate for visa facilitation to support economic growth and development through tourism. The 94th session of the UNWTO Executive Council (held in October 2012) requested that the Organization make visa facilitation a priority area. The Executive Council further requested, in cooperation with the International Civil Aviation Organization and other partners, that it continue providing case studies as well as benchmarking information to support this process and better understand the progress already made.

NOTES

- 1 UNWTO 2011.
- 2 United Nations Conference on International Travel and Tourism 1964.
- 3 *The T20 Ministers* refers to the Tourism Ministers of the G-20 economies. The G-20 economies are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, the Republic of Korea, Russia, Saudi Arabia, South Africa, Spain, Turkey, the United Kingdom, and the United States. See UNWTO/WTTC 2012.
- 4 UNWTO/WTTC 2012.
- 5 UNWTO/WTTC 2012, pp. 17–18.
- 6 WTTC 2012.
- 7 In 2012, eVisas were accounted for separately for the first time. In 2008 and 2010, eVisas and visas on arrival belonged to the same category.

- 8 Weighting is as follows: Visa not required = 1, Visa on Arrival = 0.7, eVisa = 0.5. Data for regions and subregions are average data and might not fully reflect the situation for all countries, especially in less homogenous subregions such as Africa, South Asia, and Central and Eastern Europe.
- 9 Although not all eVisa programs are technically classified as visas (for example, the Electronic System for Travel Authorization, or ESTA, in the United States is not a visa according to law), they are similar in form and function and have been therefore categorized as eVisas.

REFERENCES

- United Nations Conference on International Travel and Tourism. 1964. *Recommendations on International Travel and Tourism*, Rome. August 21–September 5, 1963.
- UNWTO (World Tourism Organization). 2011. *Tourism Towards 2030: Global Overview*. Madrid: UNWTO.
- UNWTO/WTTC (World Tourism Organization and World Travel & Tourism Council). 2012. *The Impact of Visa Facilitation on Job Creation in the G20 Economies*. Report prepared for the 4th T20 Ministers' Meeting, Mexico, May 15–16, 2012. Madrid and London: UNWTO and WTTC.
- WTTC (World Travel & Tourism Council). 2012. "G20 Recognises Travel & Tourism as a Driver of Economic Growth for the First Time and Commit to Work on Travel Facilitation." June 20. Available at <http://www.wttc.org/news-media/news-archive/2012/g20-recognises-travel-tourism-driver-economic-growth-first-time-/>.