



**INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND - FOMIN**



Partners for Sustainable Tourism: Sharing a market, sharing a commitment

February 3, 2010

Washington, DC at National Geographic Society Headquarters

Background

In 2010 the Inter-American Development Bank (IDB) and FOMIN will spend around US\$350 million on tourism related development work in Central and South America and the Caribbean. Tourism is one of the fastest growing areas of the regional economy and is expected to grow strongly in the next several years, with significant growth in countries such as Brasil which will host the World Cup in 2014 and the Olympic Games in 2016.

Normally development financing is focused on the supply side, in tourism infrastructure, in policy development work with national governments, and in investment in tourism product development. This is a normal role for development institutions to play, however it doesn't always link too closely to the needs of the private sector on the demand side. Hence development outcomes for many tourism providers (small local accommodation providers, tour operators, transport companies, etc.) end up being less than ideal.

The FOMIN has been working on a more market centered approach in the past couple of years, endeavoring to ensure supply side work in tourism development links more directly with demand side financing, market access and distribution. This effort involves reaching out to many players such as internet search and marketing companies, online travel agents (OTAs), online travel communities, companies providing global distribution services (GDS), media, mapping companies, tour operators, travel wholesalers, technology providers, financiers, travel media and consumer products, and others who traditionally have had little or no contact with development organizations and yet are critical to getting product developed, and for distributing it to the global market.

At this one day meeting, the intention is to share the FOMIN tourism development plans and work done thus far, and in turn explore specific areas where the private sector could work with FOMIN. There is a huge amount of exciting travel product in the region which today sits below the radar of the travelling public. It is the long tail of tourism, and represents a significant opportunity for private sector companies ready to seize the opportunity.