



## FACTSHEET

### 1. FTTSA BASICS

- **FTTSA's Vision** is for a just, participatory and sustainable tourism industry in South Africa.
- **FTTSA's Mission** is to effectively aid transformation through the promotion and implementation of Fair Trade in Tourism principles by awarding a trademark that certifies compliance with these principles and related criteria.
- **FTTSA's values** are encapsulated in the 6 Fair Trade in Tourism South Africa principles: Fair Share, Democracy, Respect, Reliability, Transparency and Sustainability.
- **FTTSA's objectives:**
  - To establish and build the FTTSA brand name as a powerful, cost-effective marketing and "fair" quality assurance tool
  - To help create market access for those products/services subscribing to the FTTSA principles
  - To assist in the transformation and redistribution process within the industry
- **FTTSA** is a non-profit marketing initiative, under the auspices of IUCN South Africa, that works towards equitable and sustainable tourism growth and development in South Africa.
- **FTTSA** promotes the concept of Fair Trade in Tourism, and creatively and energetically markets fair and responsible tourism businesses through the "Fair Trade in Tourism" Trademark.
- **FTTSA** aims to encourage mainstream tourism businesses to adopt fair and responsible business practices and to provide incentives for them to do so.
- **FTTSA** performs collective marketing for its "Trademark Users" and also provides marketing support and capacity-building.
- **FTTSA** works with many "friends" and "partner organisations" from all sectors in society (government, NGO's, private sector, individuals, etc.). Current partners

include The Tourism Enterprise Programme, Ashoka, Grant Thornton Kessel Feinstein, DHL and Adams & Adams.

## **2. BACKGROUND/TIMELINE**

- 1999, IUCN (World Conservation Union) South Africa launches a pilot project (the "Fair Trade in Tourism Initiative" or FTTI) to test the relevance of the Fair Trade in Tourism concept in South Africa, and to investigate the feasibility of establishing a trademark for Fair Trade in South African tourism. The pilot project was funded by Interfund, the Swiss Agency for Development Cooperation (SDC) and the Community Public Private Partnership Programme (CPPP).
- Local pilot projects are embarked upon to determine the needs of community tourism enterprises, and the objectives and requirements for the implementation of the proposed trademark.
- January 2001, the project's name changes to Fair Trade in Tourism South Africa (FTTSA).
- 13 June 2002, FTTSA officially launches its trademark in Pretoria, the first time that any country or organisation has created a Fair Trade label or hallmark for the tourism sector. The trademark is based on FTTSA's values that are translated into criteria that make it possible to objectively and practically measure Fair Trade in Tourism.
- Feb 2003, the first 14 FTTSA assessors are trained to evaluate tourism businesses on the extent to which they comply with FTTSA Trademark criteria.
- Oct 2003, the first round of FTTSA products are announced. The four businesses, Sabi Sabi Private Game Reserve, Shiluvuri Lakeside Lodge, Stormsriver Adventures and Spier Leisure are the first in the world to be certified for their work in promoting Fair Trade in tourism.
- Feb 2004, Calabash Lodge and Tours joins the FTTSA family as the fifth Trademark User.

## **3. FTTSA QUICK PROFILE**

- FTTSA is managed by a National Coordinator (Jennifer Seif) who reports to the IUCN-SA Country Coordinator (Saliem Fakir). FTTSA staff includes a Marketing Manager (Bronwyn Howard), a Development Officer (Tatia Currie), a Development Officer Trainee (Charles Mametja), a Marketing Officer (Ada Chan), a Project Administrator (Christa van Zyl), a Junior Professional Officer, (Jenny Tholin) and a Research Assistant (Mesfin Debretson).
- Financial management is provided by IUCN-SA.
- A medium-term goal of FTTSA is to establish a Section 21 Company or similarly independent entity. During the interim, the rights to the trademark are held in trust. The Trustees are Saliem Fakir and Miguel Misteli.

## **4. FAIR TRADE IN GENERAL**

- Fair Trade is a movement for social change that started in the 1960s in Northern Europe.
- Fair Trade promotes sustainable development for developing countries that export products to developed countries by improving market access for disadvantaged producers.
- Fair Trade commodities (e.g. coffee and bananas) are imported from developing countries and carry a Fair Trade (certifying) label, which is monitored by the Fair Trade Labelling Organisation (FLO) based in Bonn, Germany.
- This label guarantees that the product has been traded fairly and that producers have received fair wages.

- Fair Trade is demand driven: many consumers are willing to pay a higher price for Fair Trade commodities to guarantee fair wages for small-scale producers in developing countries.
- The FLO has members in 17 European countries, each of which has its own national Fair Trade organisation and label.
- Fair Trade sales (labelled and unlabelled products) now exceed US\$500 million internationally.<sup>1</sup>
- In 2001 the retail value of Fair Trade Marked products in the UK was nearly £45 million up from £2,75 million in 1994.<sup>2</sup>
- In the UK, awareness of the Fairtrade Mark increased to 20% (1 in 5 consumers) in 2001, up from 11% in 1999.<sup>3</sup>
- Besides Europe, the Fair Trade movement is also growing rapidly in North America. Total Fair Trade sales in the US, Canada, and Pacific Rim increased 37% during 2002, from US\$183 million to US\$251 million.<sup>4</sup>
- Certified Fair Trade coffee demonstrated the greatest growth of any single Fair Trade product in North America, with sales increasing by 54%, from 6,8m lbs in 2001, to 10,6m lbs in 2002.<sup>5</sup>

## 5. THE TOURISM INDUSTRY

- Tourism is one of the fastest growing industries in the world. In 1950 around 25 million people travelled abroad, in 2001 that figure was nearly 700 million. The World Tourism Organization also predicts that the figures will increase to more than **1 billion** in 2010<sup>6</sup>
- Arrivals to South Africa increased from 4,7 million (1995) to 6,4 million (2002). This represents 36% growth.<sup>7</sup>
- Globally the tourism industry received about US\$ 463 billion in 2001.<sup>8</sup>
- Tourism is one of the largest employers in the world. It currently accounts for 10,7% of the world's GDP, and employs 260 million people worldwide.<sup>9</sup>
- Inward and outward leakages are prevalent in the industry, which tends to disadvantage developing countries.
- Tourism has been one of the slowest industries to adopt corporate social responsibility practices.<sup>10</sup>
- The tourism industry has made good progress on environmental issues but lags behind other industries in terms of fulfilling its social and economic obligations.<sup>11</sup>
- Travel to developing countries is booming. More than 30% of all international tourists visit the developing world, and this proportion is growing.<sup>12</sup>

## 6. FAIR TRADE IN TOURISM

- The objective of Fair Trade in tourism is to improve market access to tourism markets for disadvantaged suppliers and to support local economic development.
- 2/3 of "world" citizens want companies to go beyond their historical role of making profit, paying taxes, employing people etc. They want companies to contribute to broader societal goals as well.<sup>13</sup>

<sup>1</sup> Graham Young. Fair trade's influential past and the challenges of its future. King Baudouin Foundation. May 2003.

<sup>2</sup> The Fair Trade Foundation, 2003, [www.fairtrade.org.uk](http://www.fairtrade.org.uk)

<sup>3</sup> The Fair Trade Foundation, 2003, [www.fairtrade.org.uk](http://www.fairtrade.org.uk)

<sup>4</sup> The Fair Trade Federation, 2003. [www.fairtradefederation.org](http://www.fairtradefederation.org).

<sup>5</sup> The Fair Trade Federation, 2003. [www.fairtradefederation.org](http://www.fairtradefederation.org).

<sup>6</sup> World Tourism Organisation, "Tourism Market Trends", 2002.

<sup>7</sup> World Tourism Organisation, Tourism Market Trends, 2001.

<sup>8</sup> World Tourism Organisation, "Tourism Market Trends", 2002.

<sup>9</sup> United Nations Environment Programme, 2001, [www.unep.org](http://www.unep.org).

<sup>10</sup> Tearfund, "A call to responsible tourism", January 2002.

<sup>11</sup> Tearfund, "A call to responsible tourism", January 2002.

<sup>12</sup> World Tourism Organisation, "Tourism Market Trends", 2001.

<sup>13</sup> Environics International in co-operation with the Prince of Wales Business Leader Forum, "Millennium Poll on Corporate Responsibility", 1999.

- Fair Trade in tourism is the basis for sustainable tourism.
- Fair Trade in tourism shows respect for human rights, culture and environment.
- Many travellers and tourists like to know that their visits, particularly to developing countries, make a contribution to economic development.<sup>14</sup>
- 4 out of 5 holidaymakers in the UK say they would be prepared to pay a premium to ensure fair wages and working conditions in local destinations.<sup>15</sup>
- Consumer Research by ABTA (Association of British Travel Agents) and Tearfund shows that:
  - 52% of British holiday-makers indicated that they would prefer to book with an operator with a written code of responsible conduct. Up from 45% in 2000.
  - 64% are prepared to pay between £ 10 and £ 25 extra for environmental, social and charitable guarantees. This represents a 2-5% increase on a £ 500 holiday
  - 71% think it is important that their travel benefits the people living in the destination through jobs and business opportunities
  - 77% want to experience local culture and food
  - 85% believe it is important not to damage the environment
- American tourists are also becoming more sensitive to the impacts of their travels. 75% of American travellers think it is important that their visits do not damage the environment. 38% say they are willing to pay a premium to travel companies that protect the environment.<sup>16</sup>

## 7. WHY FAIR TRADE IN TOURISM SOUTH AFRICA?

- The South African government has identified tourism as a priority sector for national economic growth and development.
- The tourism industry has great potential to create jobs, as well as to promote black economic empowerment (BEE) and small, medium and micro enterprise (SMME) development.
- The vast majority of the South African tourism market is still “white owned”. The industry is still held back by unequal access not only to markets and market knowledge, but also to business finance and other resources.
- Tourist arrivals in South Africa in the first two months of 2003 totalled nearly 1,1 million, 8,1% more than in the same period in 2002, with arrivals from South Africa's biggest overseas tourism market, the United Kingdom, growing by 18,6%.<sup>17</sup>
- Majority of our overseas arrivals originate in countries with a long history and increasing popularity of Fair Trade (e.g. UK, Germany, Holland, Switzerland, Scandinavia).
- Approximately 6,4 million tourists visited the country in 2002, an 11% increase over 2001, with 24,2% growth registered out of Europe.<sup>18</sup> Compared with global tourism growth last year, these figures are extraordinary. According to the World Tourism Organisation, global tourism grew by 3,1% in 2002 following the 0,5% decline in 2001.

<sup>14</sup> Simon Webley, Research Director of the Institute of Business Ethics. (quoted by Tearfund)

<sup>15</sup> Keith Richards, Independent Research by ABTA, November 2000, UK.

<sup>16</sup> Travel Industry Association of America, October 2003.

<sup>17</sup> South Africa IMC. [www.safrica.info](http://www.safrica.info)

<sup>18</sup> South Africa IMC. [www.safrica.info](http://www.safrica.info)