



PRIORITY 1: DIGITAL INNOVATIONS TO ENHANCE TRAVEL AND TOURISM START-UPS AND MSMES

Deliverable 1: Action Plan to Enhance Travel and Tourism Startups and MSMEs through Digital Innovations

Presidency Document

Acknowledgement

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Executive Summary

The **Action Plan to Enhance Travel and Tourism Startups and MSMEs through Digital Innovations** outlines a forward-looking framework to harness the power of technology for inclusive, sustainable, and resilient tourism.

Micro, Small and Medium Enterprises (MSMEs) are the backbone of the global tourism economy, providing employment opportunities, fostering innovation, and contributing to the attractiveness of local destinations. Yet, in the face of rapid technological advancements and post-pandemic recovery challenges, MSMEs should undergo a digital transition to remain competitive and future ready.

This voluntary Action Plan positions digital innovations including Artificial Intelligence (AI), big data, smart platforms, and digital marketplaces as strategic enablers for MSMEs. It emphasizes the **ethical and responsible use of AI**, building upon existing international research while proposing a set of recommendations and monitoring frameworks. By providing a framework to promote responsible technology use, reduce the digital divide, and strengthen capacity building, the Action Plan aims to empower MSMEs across all G20 Members and invited countries to thrive in the evolving tourism ecosystem. Ultimately, it aligns with the Sustainable Development Goals - SDGs (particularly SDGs 8.9 and 12.b) and supports the G20's commitment to sustainable, and inclusive growth.

The recommendations included in the Action Plan are voluntary and dependent on national priorities and circumstances.

1. Introduction

The tourism sector stands at a critical juncture. As one of the world's largest economic sectors and a key source of livelihoods and particularly important for MSMEs, tourism should adapt to a rapidly evolving technological landscape. The integration of digital innovation especially Artificial Intelligence (AI), smart platforms, and data-driven solutions is no longer a future ambition but a present necessity to ensure the sector's resilience, inclusiveness, and long-term sustainability.

In this context, the G20 plays a pivotal role in fostering collective leadership to accelerate digital transformation that leaves no one behind. This Action Plan offers a strategic, voluntary roadmap to empower tourism MSMEs through responsible digital innovation. It supports members and invited countries in translating global priorities into concrete actions, aligned with the SDGs and the G20's agenda for inclusive, sustainable, and digitally enabled growth. The Action Plan places a particular emphasis on the role of MSMEs in the tourism sector and their digital transformation needs, which are addressed throughout the recommendations.

2. Background

The integration of digital innovations including Artificial Intelligence (AI), data analytics, and smart technologies is redefining the future of tourism. These advancements are not only transforming how tourism services are delivered and experienced, but also opening new avenues for economic growth, sustainability, and social inclusion.

The G20, with its convening power and global influence, is uniquely positioned to steer this transformation through coordinated policy leadership, capacity-building, and multi-stakeholder engagement.

This Action Plan builds upon previous work of the G20 TWG and other international organizations, aligning also with the G20 digital agenda to support MSMEs' transformation in tourism.

3. Why Digital Innovations, including AI, are Critical for Tourism

Digital innovations such as Artificial Intelligence (AI), big data, and smart platforms are transforming the global tourism landscape, driving a shift toward more agile, intelligent, and connected systems. These technologies present a unique opportunity to strengthen resilience, promote sustainability, and enhance the competitiveness of tourism enterprises, particularly

MSMEs. When strategically implemented, digital tools can improve service delivery, support long-term resilience, and unlock new pathways for inclusive growth. These transformations are already taking shape across G20 Members, invited countries and beyond.

The following areas highlight where digital transformation is already having a measurable impact on the tourism sector:

- **Enhancing Operational Efficiency:** Digital technologies can optimise resource management, forecast demand, and reduce operational waste. Across various tourism administrations, AI is increasingly being applied to improve operational efficiency. Common applications include streamlining licensing and permitting processes, optimising supply chain logistics, and enhancing real-time coordination between regulatory and service delivery entities. These advancements support more agile, evidence-based governance and enable tourism institutions to respond more effectively to shifting demand and policy priorities¹.
- **Delivering Personalised Customer Experiences:** AI and data-driven solutions are being used to deliver tailor travel recommendations, enhancing visitor satisfaction.
- **Reshaping Education and Skills Development:** Digital platforms and AI-driven tools personalise learning, improve accessibility, and build a digitally skilled tourism workforce. Some countries are launching public-private programmes and university certifications aimed at AI upskilling, particularly in regions with limited access to digital infrastructure.
- **Smart Destinations:** Data-driven decision-making supports sustainable, inclusive, and resilient tourism management. AI tools help to monitor sustainability and enable smart governance at the destination level.
- **Commercialization and Product Diversification:** Digital innovations expand distribution channels through smart tourism platforms and marketplaces, improving product positioning and competitiveness. Several G20 Members and invited countries are leveraging AI marketplaces and analytics to improve MSME visibility and enable data-informed product development.
- **Empowering Start-ups for Inclusive Digital Transformation:** By fostering agile and user-centric innovation through dedicated policy frameworks, innovation hubs, and enabling environments, start-ups can be positioned as key partners in advancing inclusive, competitive, and digitally empowered tourism ecosystems. Fully integrating tourism-focused start-ups into national tourism strategies can further amplify the impact of digital transformation across the sector.

¹ OECD. (2020). Digital Government Index: 2019 results. OECD Public Governance Policy Papers No. 03. Paris: OECD Publishing. Retrieved from https://www.oecd.org/en/publications/digital-government-index_4de9f5bb-en.html

4. Context and Rationale

Analysis of the Global Tourism Landscape and the Critical Role of MSMEs

Tourism continues to be one of the fastest-growing economic sectors globally, representing over 3% in terms of direct tourism GDP. MSMEs represent the backbone of the industry, accounting for around 80% of tourism businesses.² These enterprises play a pivotal role in driving local economic development, fostering cultural preservation, and offering authentic experiences that enrich destinations.

However, MSMEs face structural constraints that limit their competitiveness and resilience. These include limited access to financing, technology, and skilled labour, as well as fragmented institutional support. When enabled by the right policy environment and innovation infrastructure, MSMEs can be at the forefront of transformative change³. The case studies presented show how digital tools and creative business models such as smart tourism platforms, sustainable product innovations, and agile governance mechanisms have significantly improved destination competitiveness and resilience.

Thus, empowering MSMEs is not only a matter of economic inclusion but also a strategic imperative for ensuring that tourism contributes to sustainable and equitable development.

Tourism MSMEs account for a significant share of tourism enterprises worldwide. These include micro-operators, family-run businesses, local artisans, startups, and community-based tourism ventures. Their diversity in structure, size, and operating environments highlights the need for context-sensitive digital policies and support mechanisms to ensure no one is left behind in the AI-driven transformation.

Opportunities and Challenges Presented by Digital Transformation, including AI

Digital transformation offers tourism MSMEs new pathways to innovate, scale operations, and access global markets. Emerging technologies such as Artificial Intelligence (AI), blockchain, and smart platforms are reshaping the sector enabling businesses to personalise services, optimise logistics, predict demand, and reduce operational costs. These tools support MSMEs in delivering value-added experiences, enhancing productivity, and competing more effectively in a rapidly evolving digital landscape. Recent trends show these technologies are increasingly interconnected; for example, AI is being combined with blockchain to improve data transparency

² <https://www.untourism.int/tourism-and-covid-19-unprecedented-economic-impacts>

³ **UNWTO. (2019).** Innovation in Tourism – Bridging Theory and Practice / La innovación en el turismo – Acercamiento entre teoría y práctica. Madrid: World Tourism Organization (UNWTO). Retrieved from <https://www.unwto.org/archive/global/publication/innovation-tourism-bridging-theory-and-practice-la-innovacion-en-el-turismo-acercamiento>

and trust in tourism transactions, while smart platforms are integrating both AI-driven analytics and blockchain-enabled payment systems to enhance security, efficiency, and customer confidence.

However, these opportunities come with challenges. The digital divide remains a persistent challenge, with rural and remote areas lacking access to high-speed internet and digital infrastructure. MSMEs often operate with limited digital literacy and face barriers in adopting new technologies without technical or financial assistance. Moreover, the growing use of AI introduces concerns around data privacy, intellectual property rights issues related to AI-generated content.

Experience from global tourism initiatives shows that while digital tools have the potential to democratise access to international markets, their full benefits can only be realised through enabling and inclusive policy frameworks. It is, therefore, important that the creation and implementation of such frameworks allow for national customization, enabling each country to adapt approaches according to its unique circumstances and development priorities. Addressing challenges these risks through responsible and effective regulation, skills development, and targeted support mechanisms is essential to ensure that digital transformation benefits all segments of the tourism sector.

Building on International Experiences: G20 Actions and Monitoring

This Action Plan draws upon international research⁴, which emphasises the need for ethical, human-centric AI deployment across four pillars: good governance, skills and capacity building, infrastructure and data ecosystems, and multi-stakeholder collaboration.

G20 Members and invited countries operate under diverse national development contexts and thus should be considered with flexibility, enabling each country to align the implementation with its own development priorities, capacities, and circumstances. The creation and implementation of such policies should therefore allow for national customization, and it should be clearly noted that these actions are voluntary in nature, as clarified in the introduction.

The Action Plan aims to translate these principles into action-oriented recommendations. This includes promoting national AI strategies that embed tourism priorities, establishing regional innovation hubs, and investing in digital capacity for tourism MSMEs. Moreover, the Action Plan proposes concrete mechanisms for monitoring progress such as developing tourism-specific AI readiness indexes (or leveraging existing national AI indexes where available), advancing data standardization, and encouraging data sharing frameworks for evidence-based policymaking. By linking international best practices with G20-specific policy levers, members can advance AI

⁴ OECD (2024), "Artificial Intelligence and tourism: G7/OECD policy paper", OECD Tourism Papers, No. 2024/02, OECD Publishing, Paris, <https://doi.org/10.1787/3f9a4d8d-en>.

adoption while upholding transparency, fairness, reliability and validity of the data, and sustainability in the tourism sector.

Tourism also presents a unique opportunity to shape inclusive, human-centric AI policies due to its strong links with culture, SMEs, and public services, necessitating “sector-specific governance mechanisms” that reflect tourism’s diversity, decentralised structure, and ethical risks tied to profiling, surveillance, and cultural representation⁵. This underlines the need to go beyond general AI standards to design frameworks that are locally adaptable, scalable for MSMEs, and fully aligned with the rights of consumers and workers in tourism.

The Importance of Ensuring MSMEs’ Digital Readiness for Resilient, Competitive, and Sustainable Tourism Development

As the global economy becomes increasingly digitised, start-ups and SMEs risk being left behind if they do not have the tools, infrastructure, and capacity to adapt. While their needs may overlap, start-ups often require support for innovation, financing, and scaling, whereas SMEs typically require assistance with digitalisation, skills development, and operational resilience. The COVID-19 pandemic underscored the importance of digital resilience, with digitally enabled MSMEs demonstrating greater adaptability and recovery potential.

However, many tourism MSMEs, particularly in developing economies, remain digitally excluded. Without targeted support, they risk struggling to meet new consumer expectations, complying with digital regulations, and seizing opportunities presented by technological innovation. For example, a recent [SIDBI-CRISIL report \(2024\)](#)⁶ revealed that while 90% of Indian MSMEs now accept online payments, only 18% actively use digital tools for marketing and customer engagement highlighting a significant digital maturity gap even among digitally connected enterprises.

Ensuring MSMEs’ digital readiness is critical for building inclusive, competitive, and future-ready tourism economies. The G20 can play a valuable role to advance this transformation highlighting good practices, promoting convergence around shared priorities, and fostering cross-border collaboration to empower MSMEs as agents of digital innovation and sustainable growth.

Long-standing policy consultations and G20 knowledge exchanges consistently emphasise that the digital transformation of tourism should be inclusive of MSMEs and grounded in enabling infrastructure and regulated ethical oversight. Supplementary findings from a recent survey⁷ reinforce these concerns: Countries from Africa, Latin America, and Asia cited gaps in rural

⁵ OECD (2024), “Artificial Intelligence and tourism: G7/OECD policy paper”, OECD Tourism Papers, No. 2024/02, OECD Publishing, Paris, <https://doi.org/10.1787/3f9a4d8d-en>.

⁶ Government of India. (2024, February 25). SIDBI report highlights MSME sector’s growth path, funding deficit, digital potential. ET Government – The Economic Times. Retrieved from <https://government.economictimes.indiatimes.com/news/economy/sidbi-report-highlights-msme-sectors-growth-path-funding-deficit-digital-potential/121140720>

⁷ UN Tourism Survey on the Implementation and Use of AI in Tourism to Member States (2025)

connectivity, limited data standardisation, and regional digital disparities as ongoing challenges. These complementary inputs echo the broader call for equitable digital readiness as a shared priority among G20 members and invited countries.

5. Vision and Strategic Objectives

This Action Plan envisions a tourism sector where MSMEs are fully empowered by digital innovation to drive inclusive growth, resilience, and sustainability. By fostering enabling environments and supporting responsible technology adoption, G20 members and invited countries can help tourism MSMEs become key actors in national digital economies and contributors to the broader goals of sustainable development and economic inclusion.

Strategic objectives:

- Enhance operational efficiency through digital tools.
- Foster customer-centric innovation.
- Support measuring the sustainability of tourism in its three dimensions
- Ensure equitable access to digital opportunities, especially for underserved regions.
- Support the development and structuring of the travel tech ecosystem.

6. Recommendations

To enable meaningful and sustainable digital transformation of tourism MSMEs, supportive policy environments should be in place. This section outlines three key policy domains - regulatory frameworks, economic incentives, and infrastructure development where G20 Members and invited countries can take voluntary actions to foster innovation, promote inclusive digital adoption, and safeguard responsible AI use within the tourism sector.

Regulatory Framework

- Responsible regulatory frameworks are essential to foster innovation while safeguarding ethical and accountable AI and data use in the tourism sector. This includes the need to develop national and regional guidelines encouraging digital innovation and AI adoption within tourism.
- Harmonise international tourism regulations to facilitate cross-border collaboration and interoperability of digital services.

- Promote ethical standards that prevent algorithmic biases, protect consumer rights, and ensure transparency in the use of AI-powered tools.

G20 Members and invited countries may consider adopting agile regulatory approaches such as *AI regulatory sandboxes* which allow tourism MSMEs to test innovative AI applications in controlled environments, balancing innovation with risk mitigation. These frameworks help businesses trial new technologies without immediately triggering full compliance costs. Such sandboxes⁸⁹, have proven effective in fostering experimentation while ensuring oversight and learning. In addition, the use of soft-law instruments such as voluntary guidelines and sector-specific codes of conduct as scalable tools to manage sector-specific risks is encouraged¹⁰. These instruments can offer regulatory flexibility, particularly important for tourism MSMEs navigating the evolving AI landscape.

Gender Gap, Regional Disparities, and Climate Vulnerabilities in Tourism MSMEs

Tourism MSMEs account for approximately 80% of businesses in the sector, yet persistent gender inequality remains unaddressed in digital transformation efforts. Women-led MSMEs often face greater challenges in accessing digital tools, training, and financing. It is critical to integrate approaches that consider the needs of women-led MSMEs in the design and delivery of digital innovation policies and support mechanisms.

Additionally, regional disparities, particularly affecting rural communities and people in vulnerable situations, namely in developing countries, continue to hinder MSMEs' access to digital solutions due to infrastructure limitations, digital skill gaps, and lack of localized policy incentives. These disparities should be taken into account to ensure inclusive digital advancement.

Moreover, tourism MSMEs are particularly vulnerable to impacts such as rising temperatures, extreme weather events, and biodiversity loss. At the same time, they can contribute to climate change mitigation and adaptation through sustainable digital innovation. Addressing climate resilience through digital transformation is essential for securing long-term sustainability and competitiveness.

⁸ OECD. (2023). *Regulatory Sandboxes in Artificial Intelligence*. OECD Digital Economy Papers, No. 344, OECD Publishing, Paris. Retrieved from https://www.oecd.org/en/publications/regulatory-sandboxes-in-artificial-intelligence_8f80a0e6-en.html

⁹ OECD. (2023). *Regulatory Sandboxes in Artificial Intelligence*. OECD Digital Economy Papers, No. 344, OECD Publishing, Paris. Retrieved from https://www.oecd.org/en/publications/regulatory-sandboxes-in-artificial-intelligence_8f80a0e6-en.html

¹⁰ OECD. (2020). *The Role of Sandboxes in Promoting Flexibility and Innovation in the Digital Age*. OECD Digital Economy Papers, No. 343, OECD Publishing, Paris. Retrieved from https://www.oecd.org/en/publications/the-role-of-sandboxes-in-promoting-flexibility-and-innovation-in-the-digital-age_cdf5ed45-en.html

Economic Incentives

Financial incentives are a powerful tool to support MSMEs in their digital transition and promote inclusive access to innovation, this includes:

- Supporting MSMEs through targeted financial instruments such as digital adoption grants, subsidized AI training programs, tax relief for tech investments, and concessional loans designed specifically for tourism startups and micro-enterprises. Incentivising investments in sustainable and inclusive technologies, including emerging AI solutions aligned national priorities and their community needs. Encouraging venture funding and blended finance mechanisms that target tourism MSMEs adopting ethical and innovative AI models.
- Given ongoing fiscal constraints, governments are encouraged to optimize the use of existing resources through coordinated programmes and partnerships with the private sector and civil society. Co-investment models and pooled funding mechanisms can help extend support to a wider group of MSMEs without requiring substantial new public spending.

Infrastructure and Access to Technology

Equitable access to digital infrastructure and tools is critical to ensuring MSMEs across all regions can participate in the digital economy. All actors, including MSMEs, should have fair access to new technologies developed through partnerships and facilities that promote collaboration, standardisation, and the sharing of newly developed solutions such as clusters and innovation hubs. This also includes access to digital public goods such as openly available training data and open-source AI models. In this sense, it is essential to:

- Improve digital and physical infrastructure, especially connectivity, security of and in the use of ICT, and access to cloud-based services.
- Facilitate access to AI-powered platforms, real-time data analytics tools, customer relationship technologies, and market intelligence systems.
- Address funding gaps across hardware, software, data infrastructure and systems interoperability to enable MSMEs to scale and compete effectively.

Across G20 Members and invited countries, practical incentive schemes are emerging with an highlight on financial tools such as subsidies, grants, and Research & Development (R&D) incentives as key enablers.

7. Implementation Strategies

Effective implementation of this Action Plan requires coordinated action across governments, industry, academia, and international institutions. This section outlines practical strategies for operationalising policy recommendations, enabling inclusive innovation ecosystems, and bridging gaps in infrastructure, skills, and stakeholder coordination.

Tourism Data Standardization

The standardization of tourism data both structured and non-structured is essential to enable consistent, comparable, and actionable insights across national and regional contexts. Members are encouraged to establish interoperable and coordinated data governance frameworks that support secure and privacy-compliant sharing of tourism information between public authorities and private stakeholders. This includes harmonising key tourism indicators and data collection methodologies, implementing real-time data systems, and integrating unstructured data sources such as mobility data, social media content, and behavioural analytics. Promoting interoperability through standardized APIs and scalable data-sharing protocols will ensure that diverse datasets can be effectively integrated and utilised. Standardization will not only improve evidence-based decision-making but also foster greater cross-border collaboration, innovation, and resilience within the tourism ecosystem.

Stakeholder Engagement and Public-Private Partnerships

Cross-sector collaboration is vital to accelerate innovation and ensure inclusive outcomes. Members are recommended to:

- Define clear roles and responsibilities for governments, tourism associations, technology providers, academia, and international organisations.
- Promote partnerships between AI firms and tourism MSMEs to enable customised solution development.
- Strengthen collaboration with research institutions for applied tourism innovation and digital policy experimentation.

Strengthen Private Sector Engagement

Technology firms of all sizes can play a crucial role, not only in providing tools but also in offering pro bono support, mentorship, and tailored education programmes for tourism MSMEs. Ensuring diversity of providers and fostering innovation will help avoid overreliance on a few large actors. Such partnerships can help demystify AI, develop affordable and context-specific

solutions, and improve MSMEs' ability to manage AI-related challenges and security of and in the use of ICTs.

Capacity Building and Skills Development

Equipping MSMEs with relevant digital and AI competencies is fundamental for sustainable transformation. In that sense, it is recommended to:

- Develop educational programmes and tailored workshops for tourism MSMEs, covering AI literacy, data privacy, and digital business operations.
- Launch multilingual digital literacy initiatives, particularly targeting women, youth, and people in vulnerable situations.
- Create certification programmes in partnership with universities and tech communities and companies to standardise skills in AI, data management, and smart tourism services.

Innovation Ecosystems and Global Collaboration

A thriving innovation ecosystem can enable MSMEs to scale and sustain their growth through access to support services and strategic alliances. To that end, G20 Members and invited countries can:

- Establish tourism-focused innovation hubs, accelerators, and incubators at national and regional levels.
- Facilitate cross-border collaborative projects, linking MSMEs with global AI experts and digital entrepreneurs.
- Organise international summits and virtual platforms to showcase innovations and foster peer-to-peer learning among MSMEs and startups.

Bridging the Digital Divide and Infrastructure Support

Reducing disparities in digital access is essential to achieving inclusive innovation and can be achieved with the following actions:

- Expand internet connectivity and digital infrastructure in remote and underserved areas.
- Offer targeted financial and technical support packages for MSMEs in least developed regions to upgrade their digital capacity.
- Promote development of user-friendly, accessible, and locally adapted digital tools.

International Cooperation

International partnerships can accelerate collective progress toward sustainable and inclusive digitalisation in tourism and to that end G20 Members and invited countries are recommended to:

- Encourage bilateral and multilateral cooperation in voluntary technology transfer on mutually agreed terms, AI and data standardization, innovation funding, and capacity building.
- Support cross-regional pilot projects that leverage AI to address common tourism challenges.
- Share best practices and success stories through intergovernmental platforms and G20 working groups.

Mainstream cross-cutting equity and sustainability considerations

Ensure that gender equality, regional inclusion, and climate change resilience are embedded within all digital transformation strategies targeting tourism MSMEs. This includes providing tailored financing and support for women-led and rural MSMEs, designing region-specific capacity-building programmes, and promoting climate change resilient digital tools and business models to help MSMEs address risks

8. Monitoring, Evaluation, and Ongoing Evolution

- To ensure the long-term effectiveness and adaptability of this Action Plan, robust monitoring and evaluation mechanisms could be set in place. These mechanisms can not only track implementation progress, but also enable continuous learning and refinement based on evolving technologies, policy environments, and stakeholder needs. Transparent, data-driven assessments will help guide evidence-based policy decisions. In the sense, it is recommended to: establish clear and measurable Key Performance Indicators (KPIs) aligned with tourism MSME development, sustainability outcomes, digital adoption rates, and inclusive innovation benchmarks.
- Integrate dynamic feedback loops through periodic stakeholder consultations, allowing the Action Plan to evolve in response to implementation realities and emerging trends.
- Conduct regular impact assessments, leveraging both qualitative and quantitative data, to evaluate progress, identify bottlenecks, and inform adaptive policy adjustments.
- Define clear baselines, SMART indicators, and time-bound targets to measure progress. Members may also consider interim stocktakes (e.g., by 2027) in addition to the 2030

horizon, to share lessons learned, adapt policies, and ensure the Action Plan remains practical and actionable.

9. Risk Management and Mitigation

As the tourism sector embraces Artificial Intelligence (AI) and digital technologies, it is imperative to recognise and address associated challenges. While AI offers transformative opportunities for enhancing service delivery, market access, and operational efficiency, it also introduces complex challenges that may undermine trust, inclusiveness, and sustainability if left unregulated.

AI-Specific Risks in the Tourism Sector

AI systems applied in tourism such as recommendation engines, customer service bots, and predictive analytics are often trained on large datasets which can pose challenges to the sector. Algorithmic discrimination can lead to unfair profiling, exclusion of people in vulnerable situations, or inaccurate service personalisation, particularly when datasets lack diversity or transparency.

Further, AI-generated content is increasingly used in tourism marketing and information services. However, there is a growing risk of 'hallucination' – this is the generation of misleading or fabricated content which can harm brand credibility and misinform travellers. To mitigate such challenges, it is essential to adopt appropriate safeguards, including robust data governance frameworks and transparency measures to ensure accuracy, fairness, and trust in AI-driven outputs across the tourism sector.

The tourism sector also faces acute data privacy risks due to the sensitive nature of customer preferences, travel patterns, and payment data being collected and processed at scale.

The security of and in the use of ICTs, data breaches, and unauthorised surveillance can erode consumer confidence, especially in jurisdictions where digital regulation and enforcement are still evolving. These risks are magnified for MSMEs, which often lack the infrastructure, expertise, and protocols to manage them adequately.

Building public trust in AI systems is fundamental to unlocking the full potential of digital tourism. Transparent practices, clear accountability, and proactive communication are essential pillars to maintain consumer confidence and mitigate emerging challenges.

Promoting Ethical Use and Governance of AI in Tourism

To ensure that AI technologies uphold ethical standards across all destinations and benefit individuals universally, there is a pressing need for sector-specific ethical frameworks aligned

with international human rights principles. These should go beyond general AI principles and address tourism-specific issues such as cultural representation, customer profiling, and responsible content generation.

In line with the [UNESCO Recommendation on the Ethics of Artificial Intelligence \(2021\)](#) which calls for inclusive, human-centred, and transparent AI governance some G20 Members and invited countries are formalising national principles for ethical AI use in tourism. Rather than prescribing global standardization, these national efforts reflect a shared commitment to advancing values-based and responsible AI deployment through approaches that are voluntary, context-sensitive, and nationally driven while fostering opportunities for mutual recognition, interoperability, and shared learning among G20 Members. G20 Members and invited countries are encouraged to align national AI strategies with internationally recognised standards, such as the UNESCO Recommendation on the Ethics of Artificial Intelligence. These frameworks advocate for transparency, explainability, non-discrimination, human oversight, and accountability in the design and deployment of AI systems.

Within tourism, such principles should be contextualised to safeguard local cultural heritage, prevent digital manipulation of consumer behaviour, and promote fair access to AI tools across large and small enterprises alike.

Further AI systems in tourism should ensure safeguards for groups at risk of exclusion including small businesses, rural destinations, and digitally unskilled operators. Ethical frameworks should explicitly address the use of AI in automated customer profiling, pricing personalisation, and content generation, which if left unchecked may reinforce inequality, data manipulation, or reputational harm. The Action Plan draws on these principles to promote values-based adoption of AI that reflects the complexity and diversity of the tourism sector.

Developing Tailored Mitigation Strategies for Tourism MSMEs

Risk mitigation in tourism should be tailored to the diverse capacities of MSMEs and grounded in practical implementation measures. The Action Plan proposes the following high-level strategies:

- **Capacity-building:** Provide MSMEs with targeted training on data protection, which take into account the interests and needs of security of and in the use of ICTs, and ethical AI use to enhance digital risk literacy and compliance.
- **Standardisation:** Encourage industry-wide adoption of data standardization, AI audit mechanisms, ethical guidelines, and certification schemes that are accessible to businesses of all sizes.

- **Collaboration:** Facilitate public-private partnerships and knowledge-sharing platforms where MSMEs can learn from technology providers and global best practices.
- **Regulatory sandboxes:** Establish safe testing environments for AI applications in tourism, allowing MSMEs to innovate responsibly while regulators monitor challenges in real time.
- **Resilience frameworks:** Promote contingency planning and crisis response mechanisms that help tourism actors respond to technological disruptions, reputational damage, or data incidents.

In alignment with global good practices, Members may also draw from existing crisis preparedness work such as the Sendai Framework for Disaster Risk Reduction, ISO 22301 on Business Continuity Management, and WTTC Crisis Preparedness Guidelines and UN Tourism work on Crisis Management and Preparedness to ensure MSMEs are equipped to withstand shocks and disruptions. Through these actions, the G20 can support a responsible and human-centric digital transformation of the tourism sector ensuring that innovation does not come at the cost of equity, safety, or ethical integrity.

10. Priority Actions to Empower Tourism Start-ups and MSMEs through Digital Innovation

The Plan proposes the following actions, on a voluntary basis and in accordance with national policies, regulations and priorities, to empower tourism Start-ups and MSMEs through digital innovation:

- **Integrate AI Innovation into National Tourism Strategies:** Develop national AI strategies which take into account the interests and needs of tourism, incorporating MSME innovation priorities, ethical governance standards, and sustainability objectives.
- **Standardization:** Establishing reliable data governance frameworks that support the secure and privacy-compliant sharing of tourism information between public authorities and private stakeholders. These frameworks should promote interoperability and scalable data-sharing protocols to improve evidence-based decision-making and foster greater cross-border collaboration, innovation, and resilience within the tourism ecosystem.
- **Build Institutional Capacity and Develop Training Programmes:** Establish national training initiatives and certification schemes to strengthen the AI and digital competencies of public officials, MSME entrepreneurs, and workers.

- **Establish Financial Incentives for MSME Digital Transformation:** Create dedicated grants, low-interest loans, and innovation funds to support MSMEs' adoption of AI-driven solutions, promoting competitiveness and sustainable practices.
- **Foster Inclusive Innovation Ecosystems and Incubators:** Support the establishment of tourism-focused innovation hubs, accelerators, and collaborative platforms that facilitate MSMEs' access to AI expertise, research, and technology partnerships, with a special focus on supporting women- and youth-led enterprises.
- **Expand Digital Access and Smart Infrastructure:** Invest in digital and broadband infrastructure to ensure that MSMEs, including those in rural and underserved regions, have reliable and secure access to sovereign AI technologies, robust local and regional datasets (e.g., transportation, environmental monitoring, and cultural heritage), and digital platforms tailored to tourism needs.
- **Promote Ethical and Responsible AI Adoption:** Encourage the creation and adoption of voluntary ethical guidelines ensuring that AI technologies are transparent, inclusive, respect privacy, and enhance cultural and community values.
- **Strengthen security of and in the use of ICTs and Digital Trust:** Implementation of security of and in the use of ICTs as measures tailored to the needs of tourism MSMEs, protecting customer and entrepreneurial data and building trust in digital services and AI platforms.
- **Monitor Progress and Foster Adaptive Policy Frameworks:** Establish mechanisms to systematically track AI adoption, measure impacts, share lessons learned, and adapt regulatory frameworks to evolving technological trends.

11. Conclusion

Digital innovation holds transformative potential for empowering tourism MSMEs, enhancing their competitiveness, resilience, and contribution to inclusive growth. As this Action Plan outlines, the strategic integration of AI and digital technologies can unlock new pathways for operational efficiency, customer engagement, and sustainable development if adoption is guided by strong ethical frameworks and inclusive governance.

The G20, in partnership with international organizations and relevant stakeholders, can play a critical role in shaping a future-ready tourism sector that is digitally inclusive, and aligned with the SDGs, particularly SDG 8.9 and 12.b. By closing the digital divide and fostering equitable

access to innovation, this initiative aims to ensure that no MSME is left behind in the digital transformation of tourism,

The collective commitment to shared knowledge, responsible innovation, and collaborative action will serve as the foundation for building a more sustainable, ethical, and forward-looking global tourism economy.

As tourism enters a new digital era, the G20 has a vital role to play in setting a global standard for responsible innovation, ensuring that the benefits of AI and digital transformation are equitably shared across all regions and communities.

To translate this Action Plan into practical progress, Members and invited countries are encouraged to adopt national-level toolkits, promote industry collaboration, and implement targeted capacity-building initiatives. While formal timelines may differ across contexts, voluntary peer learning and regular progress reviews can help sustain momentum and foster shared accountability.

On Priority 1: Digital Innovations to Enhance Travel and Tourism Start-Ups and MSMEs, the G20 Ministers of Tourism have agreed in the Mpumalanga Declaration¹¹ to the following:

“We recognise that integrating digital innovation, especially Artificial Intelligence (AI), smart platforms, and data-driven solutions, is no longer a future ambition but a present necessity to help address the challenges faced by the tourism sector, and in particular MSMEs and rural communities.

Recognising that inclusive growth must be matched by preparedness for future challenges, we underscore the importance of improving crisis readiness and response in tourism through the use of AI and other digital tools for early warnings, effective communication, and rapid recovery from disruptions. This includes building the capacity of MSMEs through targeted training, facilitating affordable access to technology, and monitoring progress with clear and measurable indicators.

We recognise that the Presidency Action Plan to enhance Travel and Tourism Start-ups and MSMEs can support G20 Members and invited countries in translating their priorities into concrete actions, aligned with their national priorities, circumstances and sustainable development and the G20’s broader agenda for inclusive, sustainable and digitally driven growth.

¹¹ <https://g20.org/track/tourism/>

We encourage G20 Members and invited countries to undertake the following actions on a voluntary basis, in accordance with their policies, regulations and priorities, to empower tourism start-ups and MSMEs through digital innovation:

- a) Integrate AI innovation into national tourism strategies;
- b) Promote standardisation;
- c) Build institutional capacity and develop training programmes;
- d) Establish financial incentives for MSME digital transformation;
- e) Foster Inclusive entrepreneurship & innovation ecosystems and Incubators;
- f) Expand digital access and smart infrastructure;
- g) Promote ethical and responsible AI adoption, in line with national priorities;
- h) Strengthen security of and in the use of ICTs and digital trust;
- i) Apply digital tools to monitor and reduce environmental impacts; and
- j) Monitor progress and foster adaptive policy frameworks”.

Annex 1 – Case Studies Submitted by G20 Members and invited countries – South African Presidency 2025 Country Survey

The following examples are presented for illustrative purposes only and do not imply endorsement by any part.

The case studies in this annex were collected through the official G20 TWG Country Survey, conducted under the South African Presidency in 2025. These examples were submitted by G20 Member States to illustrate national practices and initiatives that empower tourism MSMEs through digital innovation and Artificial Intelligence (AI).

They reflect diverse policy approaches and practical interventions that align with the strategic priorities of this Action Plan. The content has been lightly edited for clarity and consistency but remains faithful to the original inputs provided by Member States.

Pan-Canadian Artificial Intelligence Strategy – Canada

Canada's Pan-Canadian AI Strategy is a federal initiative led by Innovation, Science and Economic Development Canada to position the country as a global leader in AI research, innovation, and responsible deployment. The strategy is structured around three core pillars: commercialization, standards, and talent & research. Key institutions such as CIFAR, the Standards Council of Canada, and national AI institutes (Mila, Amii, and the Vector Institute) play a central role in advancing these objectives.

The strategy supports MSMEs and start-ups by improving access to AI tools, enhancing research capacity, and promoting industry adoption of ethical AI standards. It also strengthens Canada's AI workforce through training initiatives, research funding, and international collaboration. By fostering an ecosystem of responsible AI innovation, the initiative contributes to national economic growth, public service transformation, and competitiveness across sectors.

Source: G20 Member State Survey Submission – Canada

Baize AI Assistant – China

The Open University of China (OUC) has developed "Baize," an artificial intelligence-powered digital assistant designed to support learners through personalised tutoring, adaptive content delivery, and real-time feedback. While not specific to tourism, the tool presents a scalable model for enabling remote and continuous upskilling, particularly in areas where traditional training resources may be limited.

Baize provides an inclusive solution to closing digital education gaps, especially for workers in remote regions or informal sectors. Its adaptive learning framework could be tailored to offer AI and digital literacy programmes relevant to MSME entrepreneurs and employees in the tourism industry.

The initiative highlights how AI-enabled learning tools can serve as powerful enablers of equitable access to education and workforce development, with clear relevance for digital transformation in tourism.

Source: [Open University of China – Baize AI](#)

“AI Travel Guizhou” Intelligent Itinerary Planning System – China

The Guizhou Provincial Department of Culture and Tourism, in collaboration with Mafengwo and DeepSeek, launched “AI Travel Guizhou,” an intelligent itinerary planning system designed to enhance the travel experience through personalized, real-time solutions. The initiative addresses longstanding challenges such as information asymmetry, low planning efficiency, and limited personalization in traditional tourism services.

Through real-time data integration from 30+ key attractions and the application of the DeepSeek Large Model, the system generates custom itineraries tailored to user preferences. Launched as a multilingual WeChat mini-program, it offers attraction guides, itinerary suggestions, and transportation tips in Chinese, English, and Japanese.

This AI-driven solution benefits tourists by offering smart, dynamic planning and helps MSMEs gain visibility and bookings. It has also enabled better visitor flow management for attractions.

Recognized under Guizhou’s “Technology Empowers Culture and Tourism” strategy and selected as a national Smart Tourism Innovation Case, the system exemplifies government-private sector synergy, localized AI model training, and agile service iteration based on user feedback.

Source: [Guizhou Provincial Department of Culture and Tourism – AI Travel Guizhou](#)

DEPLOYTOUR: Developing a trusted and secure Common European Data Space for Tourism– European Union

*In the framework of the [European Digital Europe Programme](#), supported by the European Commission, DEPLOYTOUR is a 3 year project launched in October 2024 which aims to develop a **trusted Common European Tourism Data Space (ETDS)**.*

It is built on the blueprint developed by two preparatory actions for the European Tourism Data Space [DATES](#) and DSFT.

DEPLOYTOUR is a strategic initiative to boost the competitiveness, sustainability, and resilience of the tourism sector. It addresses the challenges of fragmented and inaccessible tourism data by enhancing access to information, empowering SMEs and DMOs in their digital and sustainable transition, and fostering innovative practices, upskilling, and productivity for a stronger and more sustainable industry.

DEPLOYTOUR supports the ETDS initiative through:

Technical infrastructure: Developing and deploying the infrastructure of the Common Tourism European Data Space

Governance framework: Establishing the rules and roles of the different stakeholders involved in the governance of the future ETDS.

Real-life implementation projects: Deploying 5 use case pilots to show the tangible advantages of the ETDS and its impact on the European tourism sector.

Synergies and connections: Ensuring interoperability, transversality, complementarity and synergies with other data and tourism initiatives.

The consortium of the DEPLOYTOUR project brings together a diverse range of public and private partners, mainly European SMEs.

Source: [DEPLOYTOUR](#)

D3HUB (Digital Destination Development Hub) – European Union

Coordinated by Turismo de Portugal and co-funded by the EU, *D3HUB* aims to enhance digital capabilities, promote sustainability, and foster cross-border collaboration among tourism SMEs and destinations. The initiative addresses regional disparities in digital readiness, resistance to digital transition, and limited access to innovation funding, particularly for smaller stakeholders.

Implemented across multiple European regions, D3HUB has established local hubs, delivered tailored training programmes, and developed open-source tools to support smart, inclusive, and resilient tourism development. By facilitating co-creation and knowledge exchange, it encourages public-private partnerships and regional alignment on digital destination management.

With over 150 SMEs and DMOs engaged, the initiative has significantly improved digital services and policy decision-making, while creating a replicable framework for digital tourism transformation across Europe.

Source: Turismo de Portugal – [D3HUB](#)

Maharat for Tourism E-Learning Hub – Egypt

Led by the Ministry of Tourism in collaboration with the Egyptian Federation of Tourism, the *Maharat for Tourism E-Learning Hub* is a national initiative designed to build digital and AI-related capacities among tourism professionals, especially in underserved regions. The initiative addresses critical gaps in access to digital skills, gender and youth inclusion, and technological adoption among MSMEs in the tourism sector.

The programme has trained over 5,000 tourism professionals in AI, data analytics, and digital tools, with a strong emphasis on women and youth benefiting 1,500 women and 2,000 youth participants. By equipping individuals and MSMEs with future-ready skills, the initiative contributes to inclusive growth, boosts entrepreneurship, and enhances employment prospects in rural and marginalized communities.

Still ongoing, Maharat for Tourism illustrates the power of public-private collaboration in fostering digital inclusion and tourism innovation. It emphasizes tailored support and scalable learning solutions to empower MSMEs and individuals alike.

Source: Ministry of Tourism, Egypt

Open Innovation Challenge – France

Launched by UN Tourism in partnership with the French Ministry for the Economy and Finance, the *Open Innovation Challenge – France* seeks to enhance France's tourism innovation ecosystem by promoting collaboration between start-ups and large corporations or public actors. Running from October 2024 to June 2025, the initiative supports scalable technological solutions that address sustainability, accessibility, and inclusion in tourism.

The challenge rewards project duos that demonstrate scalable, impact-driven solutions. It addresses limited cross-sector engagement through targeted outreach and custom mentoring programmes led by international experts. Despite early hurdles in mobilizing diverse stakeholders, the initiative has already attracted strong interest and positioned France as a potential leader in sustainable tourism innovation.

While final outcomes are pending, early signals point to increased sectoral collaboration, global visibility for travel tech start-ups, and a shift toward structured innovation ecosystems.

Source: UN Tourism – [Open Innovation Challenge France](#)

Mittelstand-Digital Zentrum Tourismus – Germany

Germany's SME Digital Innovation Hub for Tourism, led by the Technical University of Berlin in collaboration with RWTH Aachen University, the Fraunhofer Institute for Building Physics, and Der Mittelstand. BVMW e.V., is part of the national Mittelstand-Digital network. This initiative empowers tourism MSMEs to embrace digital transformation by offering provider-neutral access to tools, knowledge, and personalized mentoring.

The hub supports MSMEs across all stages of digitalisation offering orientation (e.g. digital escape rooms), networking (e.g. business breakfasts), strategic planning (e.g. consultation hours), and implementation support. Developed closely with tourism enterprises, the hub's services are continuously adapted to regional needs, helping to build resilient, sustainable, and digitally enabled business models.

This initiative plays a critical role in increasing the AI and digital readiness of German tourism MSMEs, advancing technical capabilities, and driving innovation throughout the sector.

ITINERARIA – Italy

Led by the Ministry TDH project team in collaboration with University La Sapienza, *ITINERARIA* is an AI-powered recommendation platform designed to enhance tourist experiences by improving data availability, personalization, and multilingual support. The system addresses key gaps such as lack of structured data for lesser-known destinations, personalization challenges, and multilingual responsiveness.

Initially trained at the hub level, the engine is now being expanded to the spoke level through local associations. Implementation complexities particularly related to data quality and multilingual capability; have been tackled through expert collaboration and iterative system development.

The platform aims to promote responsible tourism by diverting flows from saturated destinations to lesser-known Points of Interest (POIs), thereby reducing overtourism and supporting underrepresented tourism operators.

Source: Ministry TDH project team, University La Sapienza

Innovation Network – Italy

The *Innovation Network*, launched by Italy's Ministry of Tourism, fosters collaboration between public institutions and innovation ecosystem players such as startup accelerators and university incubators. The initiative aims to bridge territorial disparities and strengthen the role of tourism startups, particularly in Southern Italy, by integrating cutting-edge solutions including AI into the national *Tourism Digital Hub (TDH)*.

Through targeted grants, the program supports startups in both validation and development phases.

These startups contribute services ranging from AI tools and CRM systems to mobile apps and digital commerce platforms. Key hurdles such as fragmented innovation ecosystems were addressed through structured partnerships with venture capital funds and incubators. The initiative empowers MSMEs and young entrepreneurs, accelerates digital transformation, and aligns with SDGs 8 and 9 by promoting inclusive economic growth and innovation in the tourism sector.

By September 2025, new digital services will be available within the TDH to further support MSME competitiveness. These include a dedicated section for monitoring funding opportunities at regional, national, and EU levels, a Social Kit offering simple tools to create content for major social media channels, specialized courses to obtain the Smart Operator qualification, and initiatives to integrate innovative services proposed by startups.

In this regard, a program has been launched, through a public call for proposals, to integrate solutions offered by highly innovative startups. To date, seven startups have already been included, selected for their concrete ability to meet the sector's innovation needs. Examples include Takyon, which offers the Resellable Rate based on blockchain technology; Brandplane, with its AI-powered platform for managing social media strategies; and Weforguest, which provides an innovative CRM system designed specifically for the hospitality sector.

Source: Ministry of Tourism – [Innovation Network](#)

ICT-Driven Tourism Services Initiative – Japan

Led by the Japan Tourism Agency, this initiative promotes the adoption of advanced ICT services to improve the reception environment for international visitors and stimulate regional tourism. Collaborating with regional entities (including local governments, DMOs, and tourism associations) and inbound-focused ventures, the project supports the use of generative AI and data analytics to enhance visitor experiences, especially in outlying areas.

Implementation involved seminars, pitch events, and demonstration support projects. One example includes AI-powered systems at accommodation facilities that scan passports, extract nationality data, and aggregate it for regional analysis. These insights help inform strategies for promoting round-trip tours and increasing local visitor spending.

The initiative supports collaboration between public and private actors and showcases how ICT can enhance data-driven planning for inclusive, sustainable tourism growth.

Source: Japan Tourism Agency – [Knowledge Collection Report \(Japanese\)](#)

Tourism Start-up Competition – Republic of Korea

The Ministry of Culture, Sports and Tourism (MCST) and the Korea Tourism Organization (KTO) hold Tourism Start-up Competition annually to identify and nurture tourism start-ups with innovative business ideas, thereby enhancing the competitiveness of Korea's tourism industry and contributing to job creation in the tourism sector. The initiative supports tourism start-ups at three sfour business categories including tourism deep tech, tourism infrastructure, tourism content, and experimental services. In case of the tourism deep tech category, the initiative focuses on supporting start-ups that operate based on the cutting-edge technologies such AI, big data analytics, GPS and SaaS.

Start-ups selected from the competition receive up to USD 72,000 in business development funding, along with tailored support such as management consulting, training programs, IR, and participation in open innovation programs run by major OTAs such as Expedia, Trip.com, etc.

Since its launch in 2011, the initiative has discovered 1,698 innovative tourism start-ups and created 4,780 jobs, contributing not only to the expansion of the tourism start-up ecosystem but also to the qualitative growth and revitalization of the tourism industry aligned with SDGs 8 and 9.

Source: Korea Tourism Organization – [Tourism Start-up Competition](#)

Dutch Cycling Lifestyle – Netherlands

The Dutch Cycling Lifestyle initiative integrates sustainable mobility with smart tourism planning to promote low-impact travel experiences across the Netherlands. By combining digital storytelling, route planning, and interactive mapping tools, the initiative helps connect visitors to local communities and encourages the use of eco-friendly transport.

The project supports local MSMEs including bicycle rental providers, local guides, and hospitality businesses by increasing visibility, generating demand, and promoting alternative travel itineraries that distribute tourism more evenly across regions. It serves as a replicable model for linking environmental responsibility with economic inclusion.

This initiative aligns strongly with the objectives of sustainable tourism, circular economy practices, and digital innovation. It demonstrates how smart mobility solutions, powered by data and design, can empower local actors and contribute to broader climate and inclusion goals.

Source: [Dutch Cycling Lifestyle](#)

AI Tourism: Smart Solutions for Sustainable Tourism in Russian Regions – Russian Federation

The initiative has been implemented since 2023 in cooperation with the Ministry of Economic Development and private IT companies (Yandex, VK, SberTechnology). Pilot accelerated programs for tourism start-ups have been created in 5 regions of Russia. They focus on learning AI tools, automating business processes, and implementing recommendation systems.

One of the challenges was the insufficient digital infrastructure in some regions. It was solved by introduction of cloud solutions and digital classrooms. The AI-Tourism-Business platform was also developed, allowing entrepreneurs to access educational resources, consultations and grants.

As result, more than 300 companies were trained to work with AI, 50 start-ups received grants and accelerated support. Moreover, the quality and accessibility of tourist services in small towns were improved

Source: Ministry of Economic Development of the Russian Federation

Tourism Investment Enablers Program (TIEP) – Saudi Arabia

Launched by the Ministry of Tourism, the Tourism Investment Enablers Program (TIEP) is a strategic initiative aimed at transforming Saudi Arabia's tourism landscape by reducing regulatory barriers, increasing private sector participation, and expanding tourism infrastructure. As the Kingdom opened up to international tourism in 2019, TIEP was designed to address gaps in hotel capacity, visitor experience diversity, and investor confidence—while creating inclusive opportunities for Saudi entrepreneurs and MSMEs.

TIEP is led by the Ministry of Tourism with support from key government and private sector partners. The program includes financing mechanisms via the Tourism Development Fund and Public Investment Fund, and leverages policy reforms to attract foreign direct investment. Early implementation has focused on streamlining business entry, supporting MSMEs, and aligning with Vision 2030.

The initiative aims to mobilize SAR 42 billion (~\$11.2B) in private investment, add 42,000 hotel rooms, and create 120,000 jobs by 2030. It is projected to contribute ~\$4B to GDP while helping the Kingdom reach 150 million annual visitors.

Source: Ministry of Tourism, Saudi Arabia

TDF Grow – Saudi Arabia

Launched by the Tourism Development Fund (TDF), TDF Grow is a strategic initiative aimed at nurturing Saudi Arabia's tourism startup ecosystem by empowering MSMEs with non-financial support. The program addresses critical gaps in business awareness, especially in Tier 2 cities and rural areas, and provides hands-on guidance in funding preparation, licensing, digital marketing, and sustainable tourism practices.

The initiative offers tailored accelerator programs, bootcamps, and a digital training platform to build viable, investment-ready ventures. By collaborating with partners such as the Entrepreneurship Forum Spain, TDF ensures high-quality capacity-building and mentorship. A key challenge was the limited business development knowledge among entrepreneurs, which was addressed through targeted training and practical consultation services.

Since 2022, TDF Grow has supported over 8,000 beneficiaries across various sectors, including hospitality, retail, and entertainment, contributing to job creation and inclusive economic growth aligned with SDGs 8 and 17.

Source: Tourism Development Fund – TDF Grow (G20 SDG Survey 2023)

ESGnie STA C7 Pilot with Far East Hospitality – Singapore

In partnership with the Singapore Tourism Board (STB), Far East Hospitality (FEH), and startup ESGnie, this pilot project deployed an advanced AI-powered SaaS platform to enhance manpower productivity in hospitality sales operations. The solution uses a Large Language Model (LLM) to automate data extraction, analyze unstructured sources, and generate contextual sales leads.

The pilot focused on optimizing MICE and event lead generation by replacing manual prospecting with AI-driven intelligence gathering. Key challenges included managing the volume of external data and ensuring data privacy compliance. These were addressed by limiting initial data sources and contacting only publicly listed corporate email addresses.

The initiative resulted in a significant time savings of 80–85%, reducing prospect research from 5–7 days to just half a day per event, while improving lead quality and sales team efficiency.

Source: Singapore Tourism Board, ESGnie, Far East Hospitality

ChatGPT AI-Powered Chatbot for Jewel Changi – Singapore

Led by the Singapore Tourism Board (STB), in collaboration with Jewel Changi and startup Kotozna, this pilot project introduced a generative AI-powered chatbot to enhance visitor experience and streamline frontline operations at Jewel Changi. The chatbot assists with real-time guest queries, reducing reliance on physical concierge staff and improving service efficiency.

The deployment process included pilot scoping, prototyping, testing, and phased implementation. Key challenges such as ensuring accurate multilingual responses, minimizing latency, and tailoring recommendations were overcome through iterative testing, guest feedback, and AI model training.

The chatbot led to a 50% drop in email inquiries, a 20% reduction in call volume, and over 70% cost savings per query compared to human concierge services while improving visitor satisfaction and operational insights for future service enhancements.

Source: Jewel Changi, Singapore Tourism Board

Plataforma Inteligente de Destinos (PID) – Spain

Led by the State Secretariat for Tourism through SEGITTUR, Spain's Plataforma Inteligente de Destinos (PID) is a national initiative under the Recovery, Transformation and Resilience Plan with an investment of €130 million. The platform aims to transform Spain's tourism model through digitalization by integrating public and private data to generate competitive intelligence and enable smart, sustainable destination management.

The platform addresses the challenge of fragmented data and limited innovation capacity across the tourism value chain. Implementation steps included stakeholder engagement, system architecture design, and establishing governance frameworks. Key hurdles such as coordinating multiple actors and diverse data sources were overcome through strong institutional leadership and cross-sector collaboration.

The initiative benefits destinations, businesses, and tourists by enabling personalized services, better resource use, and enhanced visitor experiences. Early results show progress in data interoperability and innovation scaling.

Source: SEGITTUR – [Smart Destination Platform](#)

Abu Dhabi's Digital Strategy integrating AI – United Arab Emirates

The Department of Government Enablement – Abu Dhabi (DGE) is leading a transformative initiative to integrate Artificial Intelligence (AI) across digital government platforms. The strategy seeks to enhance service efficiency, improve user accessibility, and foster a knowledge-based economy by embedding AI across public systems.

In collaboration with technology companies like Microsoft and G42, as well as academic institutions such as Mohamed bin Zayed University of Artificial Intelligence, the initiative invests in secure data infrastructure, scalable AI deployment, and digital literacy training. It focuses strongly on citizen-centric design, ensuring accessibility for residents, businesses, and tourists interacting with Abu Dhabi's services.

For tourism MSMEs, this digital infrastructure creates an enabling environment by simplifying regulatory interaction, enhancing digital service access, and encouraging innovation. The initiative positions Abu Dhabi as a regional leader in digital governance and lays the groundwork for inclusive AI adoption in key sectors.

Source: Abu Dhabi Department of Government Enablement – CX Strategy

Ras Al Khaimah Digital Assets Oasis (RAK DAO) – United Arab Emirates

Launched by the Government of Ras Al Khaimah, RAK DAO is a purpose-built free zone dedicated to digital and virtual asset companies. While not exclusively focused on tourism, the initiative plays a key role in supporting tourism MSMEs by enabling innovation through blockchain, AI, NFTs, and metaverse technologies.

RAK DAO contributes to tourism competitiveness by offering a regulatory and infrastructure framework that allows tourism start-ups to develop secure payment systems, personalized AI services, immersive experiences, and digital reward systems. Implementation involved creating legal licensing frameworks, establishing digital infrastructure, and offering business support to attract global innovators.

Key actors include the Government of Ras Al Khaimah, digital asset firms, banks, regulators, and infrastructure providers. Although impact data is still emerging, RAK DAO represents a strategic move toward economic diversification and technological leadership in the region.

Source: Government of Ras Al Khaimah – RAK DAO

Annex 2 – Additional Case Examples Shared by G20 Members and invited countries during the Draft 1 Review Process

The following examples are presented for illustrative purposes only and do not imply endorsement any part.

This annex includes case examples shared by G20 Members and invited countries during the **review of Draft 1** of the Action Plan. These examples are provided to complement the survey findings and showcase further innovation within the G20 membership.

AI Workforce Upskilling Initiative – Canada

Tourism HR Canada has launched a forward-looking initiative to foster artificial intelligence (AI) readiness within the tourism workforce. Through a formal Memorandum of Understanding signed in 2024, the organisation is promoting industry-led collaboration to develop training resources that reflect the evolving digital needs of tourism enterprises.

This initiative focuses on capacity-building for AI adoption, equipping tourism professionals with foundational skills in data analytics, digital platforms, and responsible AI use. By strengthening workforce readiness, the programme indirectly benefits tourism MSMEs by expanding their access to digitally fluent staff and facilitating smoother transitions into smart business models.

The initiative is an example of national-level leadership in tourism workforce innovation, reinforcing the broader objective of enabling inclusive digital transitions and future-ready MSMEs across the sector.

Source: [Tourism HR Canada – AI MOU](#)

Escape Challenge Tourism – Germany

Developed by the Technical University of Berlin and implemented through the Mittelstand-Digital Zentrum Tourismus, the *Escape Challenge Tourism* is an interactive demonstrator aimed at familiarizing tourism SMEs with the practical applications of AI, augmented reality, 3D printing, and other digital tools. Designed as a team-based puzzle game, the initiative uses a playful and engaging format to lower the threshold for digital adoption among tourism professionals.

The challenge integrates modular hardware and user-friendly software, making it mobile, stable, and accessible even to those without prior technical knowledge. Delivered through converted venues and showcased at external trade fairs, the initiative encourages creativity, cooperation, and innovation in a hands-on learning environment.

Early results show growing interest in digital tools and increased willingness to engage with innovation. The project supports digital capacity-building and enhances AI readiness within the tourism SME ecosystem.

Source: Mittelstand-Digital Zentrum Tourismus – [Escape Challenge Tourism](#)

Open Data / Knowledge Graph Project – Germany

Led by the German National Tourist Board (GNTB), the Open Data/Knowledge Graph project is a flagship example of digital innovation and sovereignty in tourism. The initiative focuses on standardizing and publishing machine-readable, open tourism data covering attractions, POIs, accommodations, and more to fuel AI-powered applications such as semantic search, voice assistants, and personalized digital travel services.

By involving over 1,000 tourism stakeholders, the project creates a unified semantic data space that removes data silos and enhances innovation capacity particularly for MSMEs. The open data infrastructure significantly improves the visibility of regional tourism players, facilitates interoperability, and strengthens Germany's position as a forward-looking tourism destination.

The initiative demonstrates how strategic data sharing can enable smarter, greener, and more inclusive tourism systems across Europe.

Source: [Open Data Destination Germany](#)

Regional Tourism Innovation Using Generative AI – Japan

The Japan Tourism Agency is spearheading a forward-looking initiative to promote regional tourism by introducing advanced ICT and AI-enabled solutions. The effort aims to increase the consumption of international visitors and encourage round-trip travel to outlying areas across Japan.

In collaboration with regional tourism entities (including local governments, DMOs, and tourism associations) and inbound-focused startups, the initiative supports innovation through seminars, pitch events, and demonstration projects. A notable success includes the deployment of a generative AI-enabled system in accommodation facilities, which scans passport data to extract visitor nationality. This data is then aggregated at the facility and regional levels, enabling better analysis of inbound trends and regional tourism performance.

The initiative creates a data-driven ecosystem that empowers local tourism actors to tailor strategies, optimize offerings, and attract repeat visits. It addresses challenges such as limited access to advanced technology and fragmented visitor data by providing tools and training that enhance regional capabilities. By leveraging AI and digital tools, the initiative helps regions overcome infrastructural and visibility gaps, boosting both mobility and spending by international visitors.

This approach reflects Japan's broader commitment to innovation-led, inclusive tourism development, while contributing to stronger regional economies and evidence-based policymaking.

Source: [Japan Tourism Agency – Tourism Innovation Initiative](#)

Tourism Trailblazers Program – Saudi Arabia

Led by the Ministry of Tourism, the Tourism Trailblazers Program is a national flagship initiative aimed at transforming the tourism workforce and building a future-ready, innovation-driven talent pipeline. The program forms part of Saudi Arabia's broader strategy to digitally upskill the tourism sector and create fertile ground for AI-driven entrepreneurship.

To date, over 137,000 individuals have been trained across the Kingdom through this and related initiatives. These efforts target both public and private sector tourism professionals and aim to foster a digitally empowered ecosystem aligned with the Kingdom's Vision 2030 objectives.

By equipping the workforce with skills in emerging technologies, including AI and digital tools, Saudi Arabia is supporting the development of resilient tourism enterprises and future-proofing the sector against rapid technological shifts.

The initiative underscores the role of human capital in enabling smart tourism transformation and sets a strong precedent for scaling digital capacity building among G20 Member States.

Source: Saudi Arabia Ministry of Tourism submission (2025)

SEGITTUR Smart Destination Platform – Spain

Spain's Smart Destination Platform, developed by SEGITTUR, provides a national-level digital infrastructure that enables destinations and tourism enterprises to leverage data, technology, and innovation for sustainable growth. The platform facilitates integrated governance, interoperability, and service personalisation, offering tools and guidance for destinations seeking to become more competitive and intelligent.

The initiative benefits tourism MSMEs by increasing access to shared data, improving market visibility, and supporting digital transformation efforts within local ecosystems. It also promotes collaboration across public and private sectors, with tourism enterprises able to plug into centralised digital resources and gain from national tourism intelligence systems.

This platform serves as a model for how government-led innovation frameworks can empower tourism MSMEs at scale, supporting sustainability, digital inclusion, and long-term competitiveness.

Source: [SEGITTUR Smart Destination Platform](#)

Annex 3: Relevant EU Digital and Innovation Initiatives for Tourism

1. Common European Data Space for Tourism

The EU is advancing the development of a Common European Data Space for Tourism, which enables the secure and interoperable exchange of tourism-related data across sectors and borders. This initiative links tourism to other key data ecosystems, including mobility, energy, climate action, cultural heritage, and smart communities. It is grounded in EU values of data protection, transparency, and security and aligns with the governance principles of the EU AI Act.

This model may serve as inspiration for G20 Members and invited countries developing tourism-specific data governance frameworks.

2. Capacity Building and Skills Development

EU initiatives that may inspire or support G20 Member States include:

- EU Pact for Skills
- Digital Education Action Plan
- Erasmus+ and Horizon Europe

These support cross-sector and cross-border partnerships, modular learning (e.g. micro-credentials), and promote the inclusion of digital and AI literacy in tourism training curricula.

3. Innovation Ecosystems and Global Collaboration

The European Digital Innovation Hubs (EDIHs) offer replicable models for regional innovation networks. These hubs provide SMEs with access to technology testing, training, and advisory services. They can serve as useful examples for national and regional efforts to establish tourism-focused innovation hubs, accelerators, and incubators.

Annex 4 – Examples of AI Governance Frameworks

The EU AI Act

The European Union's Artificial Intelligence Act (EU AI Act) represents a regional legislative initiative aimed at regulating the development and use of AI technologies within the EU. It introduces a risk-based approach to AI governance, emphasizing transparency, accountability, and human oversight. While not applicable to all G20 Member , the EU AI Act offers a reference point for understanding how jurisdictions are approaching AI regulation and may inform national or regional policy discussions elsewhere.

Source: <https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai>,
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0206>

Generative AI Guidelines for Ethical Use in Tourism – Japan

The Japan Tourism Agency has developed national guidelines to promote the responsible and ethical use of Generative AI in the tourism industry. These guidelines outline potential risks and corresponding countermeasures, aiming to ensure safe, fair, and inclusive Generative AI adoption.

The initiative is aligned with international frameworks such as UNESCO and OECD, and reinforces transparency, data governance, and ethical principles. It provides a clear path for startups and MSMEs to adopt Generative AI in ways that are accessible, proportionate, and not burdensome.

Japan's approach highlights the importance of proactive national governance in mitigating risks while fostering innovation, serving as a model for G20 Members and invited countries pursuing ethical AI adoption in tourism.

Source: https://www.mlit.go.jp/kankocho/topics12_00010.html