

Distinction between illicit competition and unfair competition practices in the tourism sector

Illicit competition refers to activities that are clearly illegal and violate national or international laws. These practices break criminal, administrative, or regulatory rules. In tourism, examples include operating hotels or tour companies without licenses, tax evasion, bribery of officials, money laundering, human trafficking linked to tourism, or selling illegal tour packages. Illicit competition often involves the underground economy and causes serious harm to governments, consumers, and legitimate businesses. Because these practices are illegal, they can lead to heavy penalties such as fines, business closure, or criminal prosecution.

Unfair competition, involves business practices that may be legal in form but unethical, misleading, or dishonest. These actions distort fair market conditions and harm competitors or consumers, even if they do not always break criminal law. In the tourism sector, unfair competition includes false advertising, misleading online reviews, hidden charges, price dumping, copying brands or logos, abusing dominant market positions, or offering services at unrealistically low prices to push competitors out of the market. Unfair competition mainly affects trust, transparency, and market fairness.

The key difference between the two lies in legality. Illicit competition is against the law, while unfair competition may fall into legal grey areas but still violates principles of honesty and fair dealing. Another difference is enforcement. Illicit competition is handled by courts, police, and regulatory authorities, while unfair competition is often addressed through consumer protection agencies, competition authorities, civil lawsuits, or self-regulation within the tourism industry.

Both practices negatively affect the tourism sector. Illicit competition reduces government revenue, increases safety risks, and damages destination reputation. Unfair competition undermines consumer confidence and puts ethical businesses at a disadvantage.

In conclusion, illicit competition involves illegal activities, while unfair competition involves deceptive or unethical practices. Understanding the difference helps policymakers, businesses, and consumers protect fair and sustainable tourism markets.

References

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