A decade of World Tourism

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Key results 2015

International tourist arrivals
1186 million
+4.6%

International tourism receipts
(BOP Travel)
US$ 1260 billion (euro 1136 bn)
+4.4% (real terms)

International passenger transport
(BOP Transport, passenger)
US$ 211 billion (euro 191 bn)
7% of world’s exports

www.unwto.org/facts

http://mkt.unwto.org/highlights
Looking back – Looking ahead
Inbound tourism in the world

International tourist arrivals and receipts, 1995-2015*

- International tourist arrivals (million)
- International tourism receipts (US$ billion)

377 million more arrivals in a decade
US$ 554 billion more in a decade
US$ 1260 bn
1186 mn
US$ 706 bn
809 mn

(in 2015 receipts decreased in current US dollar terms, because of appreciation of the US dollar)

Source: World Tourism Organization (UNWTO)
Growth in receipts follows growth in arrivals closely

- Asian financial and economic crisis: receipts grew slower
- 11S, SARS, economic downturn: receipts more affected
- ‘Great recession’: receipts more affected and slower to recover

International tourism receipts 2015:
- US$ 1,260 billion
- euro 1,136 billion
Inbound tourism: Asia and the Pacific

International tourism, 1995-2015* (index, 2005=100)

- International tourist arrivals
- International tourism receipts

Source: World Tourism Organization (UNWTO)
International tourist arrivals

Trend 1995-2005

Source: World Tourism Organization (UNWTO)
Inbound tourism in Asia and the Pacific
Trend 1995-2005

International tourism receipts

% change over previous year

World
Asia and the Pacific

Source: World Tourism Organization (UNWTO)
Inbound tourism in Asia and the Pacific

International tourist arrivals and receipts, 1995-2015*

- International tourist arrivals (million)
- International tourism receipts (US$ billion)

125 million more arrivals in a decade
US$ 277 billion more in a decade

(in 2015 receipts decreased in current US dollar terms, because of appreciation of the US dollar)

Source: World Tourism Organization (UNWTO)
International Tourism Arrivals and Receipts
Asia and the Pacific

growth in receipts follows growth in arrivals closely

Source: World Tourism Organization (UNWTO)
Inbound tourism by region
increase between 2005 and 2015

% increase between 2005 and 2015

International tourist arrivals
International tourism receipts

Source: World Tourism Organization (UNWTO)
Inbound tourism in Asia and the Pacific by subregion - increase between 2005 and 2015

Source: World Tourism Organization (UNWTO)
Inbound tourism in Asia and the Pacific by country - increase between 2005 and 2015

Countries ordered by increase in receipts

Source: World Tourism Organization (UNWTO)
Drivers: the rise of the consumer class
Growing prosperity

Gross domestic product per capita GDP (based on purchasing-power-parity (PPP))

Source: International Monetary Fund (IMF)
Growing prosperity

Asia and the Pacific share in the world

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2015*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>57</td>
<td>56</td>
</tr>
<tr>
<td>GDP</td>
<td>24</td>
<td>33</td>
</tr>
<tr>
<td>International arrivals</td>
<td>19</td>
<td>24</td>
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<tr>
<td>International receipts</td>
<td>20</td>
<td>33</td>
</tr>
</tbody>
</table>

Source: Compiled by World Tourism Organization (UNWTO) from International Monetary Fund, World Economic Outlook and UNWTO, 2016
Bulk of arrivals in Asia and the Pacific intraregional, shares not to vary much

Source: World Tourism Organization (UNWTO) ©
Rise of the consumer class

• Disposable income
• Urban
• Connected
• Generally young
China became number 1 outbound market in 2012 and strong growth continues.
High potential outbound markets


International Tourism Expenditure: between 2005 and 2015 total up by US$ 554 bn (euro 568 billion), from US$ 706 bn (euro 568 bn) in 2005 to 1,260 billion (euro 1,136 bn) in 2015 (current terms) in spite of crisis
Average annual growth rate in real terms +2.7% a year

Source: World Tourism Organization (UNWTO) ©
India next?

Gross domestic product per capita GDP (based on purchasing-power-parity (PPP))

Source: International Monetary Fund (IMF)
Resilience
Adjusting to Lower Commodity Prices

Complex forces weigh on global growth

Growth of gross domestic product

Source: UN/DESA, World Economic Situation and Prospects; data for 2015 are estimated; data for 2016 and 2017 are forecast
Lower price of oil and other commodities

Source: US Department of Energy, Energy Information Administration
Unusual strong exchange rate fluctuations

Source: De Nederlandse Bank

Source: World Tourism Organization (UNWTO)
Unusual strong exchange rate fluctuations

Exchange rate, average 2015 compared to average 2014

-50 -40 -30 -20 -10 0 10 20 30

variation of currency to US$
variation of currency to euro

currencies that weakened to US$ but strengthened to euro

currencies that weakened to both US$ and euro

Source: World Tourism Organization (UNWTO)
International tourism vs. other export categories

**International Tourism (BOP Travel & Passenger transport) and export**

World

<table>
<thead>
<tr>
<th>Year</th>
<th>International Tourism</th>
<th>Fuels</th>
<th>Chemicals</th>
<th>Food</th>
<th>Automotive products</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
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<td>2005</td>
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<td>2010</td>
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<td>2015</td>
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</tbody>
</table>

International tourism: 7% of exports of goods and services 30% of export of services

Source: World Tourism Organization (UNWTO) and World Trade Organization (WTO)
Resilience

- over time, tourism has suffered various setbacks: natural disaster, health threats, economic crises, unrest, conflict and terrorism, etc.
- in these situations 1\textsuperscript{st} address immediate threats and needs
- 2\textsuperscript{nd} speak with one voice, proactively coordinate the communication of transparent and timely information
- 3\textsuperscript{rd} a rapid response to changing market conditions is needed
- 4\textsuperscript{th} support recovery
- 5\textsuperscript{th} crises often makes structural underlying weaknesses visible
- tourism can be severely impacted, but in virtually all cases this is temporarily and a rebound and recovery follow
- crisis: time for change, time of chances
Tourism in times of uncertainty

- Be prepared!
- Be able to act and react quick and flexible
- Design contingency plans and practice them
- Communication is key
  - in time, pro-active, transparent and professional
- Make yourself less vulnerable: diversify markets, segments and products
  => do not put all your eggs in one basket
- Review current measures in place and improve them if necessary
- It is necessary to defend actively the interest of the tourism sector
Drivers: change, innovation, disruption
Some recent game changers

- paperless travel (tickets, boarding cards)
- consolidation OTA’s
- further expansion of low-cost airlines
- growth of Chinese airlines
- new mega hubs in the Middle East and Turkey
- investment in infrastructure, i.e. airports, roads, high-speed trains
- visa facilitation – safe, secure and seamless travel
- smart phone
- social media
- user created content, reviews
- e-marketing (use of internet and social media in marketing and promotion)
- private tourism services through digital platforms (‘sharing’)
- GPS navigation and geo relevant content
- experience economy, storytelling
‘The only thing that is constant is change’
Heraclitus, c. 535 - 475 BC

Thank you very much for your attention!

John G.C. Kester

Tourism Market Trends Programme

World Tourism Organization (UNWTO)

www.unwto.org