

FOR DECISION

Agenda item 3
**Report of the Secretary-General on the
current trends of international tourism**

CE/110/3
Madrid, 13 May 2019
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Executive summary

International tourist arrivals worldwide increased 6% in 2018 to 1.4 billion. Given the remarkable growth in recent years, the 1.4 billion mark has been reached two years ahead of UNWTO's long-term forecast of 2010.

2018 consolidated the very strong 2017 results (+7%) and is the second strongest year since 2010. Middle East (+10%) and Africa (+7%) led growth, while arrivals to Asia and the Pacific and Europe (both +6%) increased in line with the world average. The Americas increased 3%.

Results were driven by a favourable economic environment and strong outbound demand from major source markets. UNWTO forecasts a growth of 3% to 4% in international tourist arrivals worldwide in 2019, more in line with the historical growth trends.

Action by the Executive Council

DRAFT DECISION¹

The Executive Council,

Having examined the report of the Secretary-General on international tourism trends,

Takes note of the report.

¹ This is a draft decision. For the final decision adopted by the Council, please refer to the Decisions document issued at the end of the session.

I. International tourism 2018

1. Based on data reported in the January issue of *UNWTO World Tourism Barometer*, international tourist arrivals (overnight visitors) grew 6% in 2018 compared to the previous year to reach 1.4 billion. UNWTO's long-term forecast issued in 2010 indicated the 1.4 billion mark would be reached in 2020, yet stronger economic growth, more affordable air travel, technological changes, new businesses models and greater visa facilitation around the world have accelerated growth in recent years.
2. This result represents a consolidation of the strong results of 2017 (+7%) and exceeds the rate of 4% or higher growth recorded every year since 2010. Growth also exceeded UNWTO's forecast of 4% to 5% for the year 2018.
3. In relative terms, the Middle East (+10%), Africa (+7%), Asia and the Pacific and Europe (both at +6%) led growth in 2018. Arrivals to the Americas were below the world average (+3%).
4. International tourist arrivals in Europe reached 713 million in 2018, a notable 6% increase over an exceptionally strong 2017. Growth was driven by Southern and Mediterranean Europe (+7%), Central and Eastern Europe (+6%) and Western Europe (+6%). Results in Northern Europe were flat due to the weakness of arrivals to the United Kingdom.
5. Asia and the Pacific (+6%) recorded 343 million international tourist arrivals in 2018. Arrivals in South-East Asia grew 7%, followed by North-East Asia (+6%) and South Asia (+5%). Oceania showed more moderate growth at +3%.
6. The Americas (+3%) welcomed 217 million international arrivals in 2018, with mixed results across destinations. Growth was led by North America (+4%), and followed by South America (+3%), while Central America and the Caribbean (both -2%) reached very mixed results, the latter reflecting the impact of the September 2017 hurricanes Irma and Maria.
7. Data from Africa points to a 7% increase in 2018 (North Africa at +10% and Sub-Saharan +6%), reaching an estimated 67 million arrivals.
8. The Middle East (+10%) showed solid results last year consolidating its 2017 recovery, with international tourist arrivals reaching 64 million.
9. 2018 was characterized by sustained growth in many destinations and a firm recovery in those that suffered decreases in previous years. Results were partly shaped by the global economic upswing and the robust outbound demand from many traditional and emerging source markets, particularly a rebound in tourism spending from Brazil and the Russian Federation after a few years of declines.
10. With few exceptions, data reported to date on international tourism receipts confirm the positive trend recorded in tourist arrivals in 2018. Preliminary data on international tourism receipts for the first six to twelve months of 2018 have been reported by 131 countries and territories so far. Of the reporting destinations, 109 destinations posted growth in tourism export earnings compared to the same period last year (in local currencies at current prices), whereas 22 reported a decrease.
11. Preliminary data on international tourism expenditure reported by countries for 2018 reflect an increasing demand from major source markets, consistent with the robust 6% growth in international arrivals recorded in the same period.
12. China, the world's top source market, has shown a 5% increase. The United States of America, the world's second largest source market, recorded a 7% increase, much in line with the performance of recent years. Many destinations in virtually all world regions have profited from a robust outbound demand from the United States of America in 2018, with particularly strong growth in Europe, Asia and the Pacific and the Middle East.

13. The United Kingdom reported 3% growth in spending in 2018, despite a weak pound against the euro and US dollar. Outbound travel from the United Kingdom to destinations outside the eurozone, especially to Egypt and Turkey, increased strongly in 2018.
14. Tourism spending from France picked up 9% after some years of rather flat growth. Of the remaining top ten source markets, the Russian Federation (+11%) reported the largest increase in spending and continues to recover strongly after some years of decline. Robust demand from the Russian Federation has fuelled arrivals growth to Turkey, among other major destinations for Russian travellers.
15. Australia (+9%) also posted positive growth while the Republic of Korea recorded 6% increase in spending, Canada 4% and Italy 3%.
16. Note that data for international tourism receipts and international tourism expenditure data is likely to be revised.

II. Trends and outlook for 2019

17. Based on current trends, economic prospects and the UNWTO Confidence Index, UNWTO forecasts international arrivals to grow 3% to 4% in 2019, more in line with historic growth trends.
18. By regions, Europe is projected to see 3% to 4% more international arrivals in 2019, after 6% growth last year.
19. Arrivals in Asia and the Pacific are forecast to grow 5% to 6%, after a 6% increase in 2018, with still considerable growth potential in many emerging source markets and destinations.
20. Arrivals in the Americas are forecast to grow 2% to 3% in 2019, in line with the 3% increase in 2018.
21. The projection for Africa is 3% to 5% growth in 2019, after 7% last year, as some destinations consolidate their rebound. Prospects for the Middle East point to 4% to 6% growth, following a 10% increase last year. In both cases the projections contain a larger degree of uncertainty due to higher volatility and more limited data availability.
22. As a general backdrop, the stability of fuel prices tends to translate into affordable air travel while air connectivity continues to improve in many destinations, facilitating the diversification of source markets. Trends also show strong outbound travel among the growing middle class from emerging markets, especially India and Russia but also from smaller Asian and Arab source markets.
23. IATA expects passenger traffic (RPK) to grow 6.0% in 2019 (both domestic and international flights), slightly below the 6.5% increase of 2018.
24. At the same time, the global economic slowdown, the growing uncertainty related to Brexit and its expected negative impact in the important UK outbound market, as well as geopolitical and trade tensions may prompt a “wait and see” attitude among investors and travellers.
25. In its latest World Economic Outlook (WEO, April 2019), the International Monetary Fund (IMF) revised down its forecasts for 2019. Global growth is now forecast at 3.3% in 2019 (down from 3.7% in the October WEO) and below the 3.6% rate of 2018. However, IMF expects a gradual recovery in the second half of 2019, after a stabilization in the first part of the year. Growth is expected to return to 3.6% in 2020.
26. After an extremely strong 2018, confidence in global tourism show signs of slowing down according to the latest UNWTO Tourism Confidence Index survey. On a scale of 0 to 200, the Panel evaluated tourism performance in 2018 with a score of 141, higher than the expectations expressed at the beginning of the year (137). For 2019, experts have

become more cautious, rating the prospects with an overall score of 122, one of the lowest in the past decade.

27. Overall, 2019 is expected to see the consolidation among consumers of emerging trends such as the quest for “travel to change and to show”, “the pursuit of healthy options” such as walking, wellness and sports tourism, “multigenerational travel” as a result of demographic changes and more responsible travel.
28. Digitalization, new business models, more affordable travel and societal changes are expected to continue shaping the sector, so both destination and companies need to adapt if they want to remain competitive.
29. Updated information on international tourism trends will be provided verbally to the Executive Council.
