Long-term trends and forecasts

UNWTO Tourism 2020 Vision revisited
WTO Tourism 2020 Vision

What is it?
A program of research and forecasting as a continuation of WTO’s work in the area of tourism forecasts initiated in 1990 (The Global Tourism Forecasts to the Year 2000 and Beyond set of reports).

Objectives?
• to identify the key trends in tourism supply and demand worldwide and by region; and
• their impact on the various sectors of the tourism trades; together with
• implications for policy making and relevant strategies.

Where are the quantitative estimates based on?
• past performance in tourism development
• assessment by experts of future growth trends
UNWTO Tourism 2020 Vision

Series of 7 Reports:
- Global Forecast and Profiles of Market Segments
- 6 regional volumes

See: www.unwto.org/infoshop
Tourism Prospects

Short-term forecast

- Focus on current situation and cyclical trends
  - political and economic climate (‘coyuntura’)
- Use: operational / tactical, i.e.:
  - marketing and promotion activities
  - capacity management, pricing, etc.

Long-term forecast

- Focus on structural, underlying trends
  - demographic, social, political, economic and technological developments
- Use: strategic, i.e.:
  - planning of infrastructure, product development, legislation, competitive framework
  - master plans, strategic marketing planning, HR
Forecasts by Receiving Region
International Tourist Arrivals, 1995-2020

<table>
<thead>
<tr>
<th>Region</th>
<th>1995 (Million)</th>
<th>Base Year</th>
<th>Forecasts</th>
<th>Market share (%)</th>
<th>Average annual growth rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>565</td>
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<td>1006</td>
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<td>11</td>
<td>19</td>
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</tr>
</tbody>
</table>
Actual trend vs. Tourism 2020 Vision forecast

World

International Tourist Arrivals

- Tourism 2020 Vision forecast
- Actual 1995-2007

1995: 536 mn
2000: 903 mn
2005: 1.0 bn
2010: 1.6 bn
2015: 1.6 bn
2020: 1.6 bn

UNWTO Market Trends, Competitiveness and Trade in Tourism Services Section
Actual trend vs. Tourism 2020 Vision forecast

International Tourist Arrivals

- **Tourism 2020 Vision forecast**
- **Actual 1995-2007**

<table>
<thead>
<tr>
<th></th>
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</tr>
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<tbody>
<tr>
<td>World</td>
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<tr>
<td>Middle East</td>
<td>31</td>
<td>48</td>
<td>17</td>
</tr>
</tbody>
</table>

Average annual growth rate (%)

- **World**
  - 4.1 (Tourism 2020 Vision forecast)
  - 4.4 (Actual 1995-2007)
- **Europe**
  - 3.0 (Tourism 2020 Vision forecast)
  - 3.8 (Actual 1995-2007)
- **Asia & Pacific**
  - 6.5 (Tourism 2020 Vision forecast)
  - 7.0 (Actual 1995-2007)
- **Americas**
  - 3.9 (Tourism 2020 Vision forecast)
  - 2.3 (Actual 1995-2007)
- **Africa**
  - 5.5 (Tourism 2020 Vision forecast)
  - 6.8 (Actual 1995-2007)
- **Middle East**
  - 7.1 (Tourism 2020 Vision forecast)
  - 10.9 (Actual 1995-2007)

UNWTO Market Trends, Competitiveness and Trade in Tourism Services Section
Actual trend vs. Tourism 2020 Vision forecast

Europe

International Tourist Arrivals

- Tourism 2020 Vision forecast
- Actual 1995-2007

1995: 311 mn
2000: 484 mn
2005: 527 mn
2010: 717 mn

UNWTO Market Trends, Competitiveness and Trade in Tourism Services Section
Actual trend vs. Tourism 2020 Vision forecast

Europe

International Tourist Arrivals

Average annual growth rate (%)

Tourism 2020 Vision forecast
Actual 1995-2007

Europe | Northern | Western | Central / Eastern | Southern / Mediterranean
--- | --- | --- | --- | ---
3.0 | 3.8 | 1.9 | 4.2 | 2.8
3.8 | 4.0 | 2.7 | 3.9 | 4.6

(2007, mn)

proj. | 440 | 56 | 140 | 100 | 144
actual | 484 | 58 | 155 | 96 | 176
diff. | 44 | 2 | 15 | -4 | 32
Actual trend vs. Tourism 2020 Vision forecast
World’s Top destinations 2020

International Tourist Arrivals

Average annual growth rate (%)

China
France
United States
Spain
Italy
United Kingdom
Mexico
Russian Federation
Hong Kong (China)
Canada

Tourism 2020 Vision forecast
Actual 1995-2006
Actual trend vs. *Tourism 2020 Vision* forecast

**Rising stars (destinations > 5 mn)**

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1.2</td>
<td>8.4</td>
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<tr>
<td>Croatia</td>
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<td>Malaysia</td>
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<td>Egypt</td>
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<td>10.5</td>
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<tr>
<td>Un. Arab Emirates</td>
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<tr>
<td>Bahrain</td>
<td>6.9</td>
<td>11.3</td>
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</tbody>
</table>
International tourism volume and receipts: growth in receipts close to growth in arrivals

Inbound Tourism, 1995-2007

- International Tourist Arrivals (million)
  - from 536 million in 1995 to 903 million in 2006
  - average growth of 4.4% a year

- International Tourism Receipts (US$ billion)
  - from US$ 405 billion in 1995 to 856 billion in 2007

- International Tourism Receipts (euro/ecu billion)
  - from euro 310 billion in 1995 to 625 billion in 2007
International tourism volume and receipts: 
growth in receipts close to growth in arrivals

- International tourist arrivals
- International tourism receipts (local currencies, constant prices)

Asian financial and economic crisis: expenditure grew slower

11S, SARS, economic downturn: receipts more affected
Growth of International Tourism 1995-2007

growth in receipts close to growth in arrivals

Average annual growth rate (%)

- international tourist arrivals
- international tourism receipts (local currencies, constant prices)

<table>
<thead>
<tr>
<th>Region</th>
<th>World</th>
<th>Europe</th>
<th>Asia and the Pacific</th>
<th>Americas</th>
<th>Africa</th>
<th>Middle East</th>
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<td>7.0</td>
<td>2.3</td>
<td>10.0</td>
<td>10.9</td>
</tr>
<tr>
<td>1995-2007</td>
<td></td>
<td>3.6</td>
<td>5.8</td>
<td>1.8</td>
<td></td>
<td>7.8</td>
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### Actual trend vs. Tourism 2020 Vision forecast

#### Outbound tourism

<table>
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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>World</td>
<td>proj.</td>
<td>821</td>
<td>846</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>actual</td>
<td></td>
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<tr>
<td>Europe</td>
<td>proj.</td>
<td>451</td>
<td>474</td>
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<td></td>
<td>actual</td>
<td></td>
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<tr>
<td>Asia &amp; Pacific</td>
<td>proj.</td>
<td>172</td>
<td>167</td>
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<tr>
<td></td>
<td>actual</td>
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<td>Americas</td>
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<td>142</td>
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<td></td>
<td>actual</td>
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<tr>
<td>Africa</td>
<td>proj.</td>
<td>25</td>
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<tr>
<td>Middle East</td>
<td>proj.</td>
<td>18</td>
<td>25</td>
<td>7</td>
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#### International Tourist Arrivals

<table>
<thead>
<tr>
<th>Region</th>
<th>Average annual growth rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>4.1</td>
</tr>
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<td>Africa</td>
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<td>Middle East</td>
<td>5.8</td>
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</table>

**Actual trend vs. Tourism 2020 Vision forecast**

**Tourism 2020 Vision forecast**

**Actual 1995-2006**
Actual trend vs. Tourism 2020 Vision forecast

Outbound tourism

International Tourist Arrivals

<table>
<thead>
<tr>
<th>Average annual growth rate (%)</th>
<th>1995</th>
<th>2006*</th>
</tr>
</thead>
<tbody>
<tr>
<td>from same region</td>
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<tr>
<td>Tourism 2020 Vision forecast</td>
<td>3.8</td>
<td>97 mn</td>
</tr>
<tr>
<td>Actual 1995-2006</td>
<td>4.1</td>
<td>163 mn</td>
</tr>
</tbody>
</table>

| from other regions            |      |       |
| Tourism 2020 Vision forecast  | 4.8  | 431 mn|
| Actual 1995-2006              | 4.8  | 669 mn|

(2006, mn)

- proj. 651 174
- actual 669 163
- diff. 18 -11

UNWTO Market Trends, Competitiveness and Trade in Tourism Services Section
Where were we right?

- overall world forecast, both direction and volume (aag +4.1%)
- strong growth for emerging destinations and source markets
- strong growth for Asia and the Pacific and for Africa
- more moderate growth for Europe
- increase of share of Asia and the Pacific, the Middle East and Africa, and decrease of Europe and the Americas
- emergence of China as a major inbound and outbound market
- demography: aging population, increased VFR, changing households
- change from ‘service’ to ‘experience’
Where have we missed . . .?

- underestimation of the potential of the Middle East
- overestimation of the growth of North America
- various country estimates
- overestimation of interregional growth
- underestimation of the impact of new technologies, in particular of the internet, in terms of:
  - information, promotion and marketing
  - distribution, sales, pricing, management and service
  - more transparency and power to consumer
- explosion of low cost airlines in Europe, Asia and the Middle East
- unexpected events not catered for
- border facilitation (+/-)
- socio-environmental awareness (+/-)
Swiss Tourism 2020 Vision: Conclusions

- strong resilience and capacity of recovery against adverse conditions (economic downturns, terrorism, health threats, natural disasters, etc.)

- strong underlying demand, with still huge potential for growth:
  - both from increase of participation and increased frequency: more often but shorter stays
  - from current travellers but above all from new emerging middle classes
  - sizable populations in developing countries currently still only take part in international tourism very limitedly
  - many emerging economies show rapid economic growth resulting in increasing disposable incomes, a relative big share of this increase will be spent on tourism (domestic as well as international)
Worldwide Participation in Tourism

International Arrivals generated per 100 population per year

Real values 1950-2000
- in 1950 less than one international trip per 100 population, versus 11.5 in 2000
- tourism participation expected still almost to have doubled in 2020

UNWTO Forecast
Tourism 2020 Vision
- 21
- 15
- 11.5
- 8.7
- 6.4
- 4.5
- 2.3
- 1.0

UNWTO Market Trends, Competitiveness and Trade in Tourism Services Section
Participation in Outbound Tourism

Arrivals generated per 100 population per year

- Real values 1980-2000, Forecast 2020
- There is a considerable variation between regions:
  - Europe has currently 46 trips per 100 population and South Asia only one
  - The fastest growth will be recorded in EAP (in 2020 will have reached a level comparable with Europe in 1980s) and in the Middle East, Africa and South Asia (from a lower base)
Long-term trends and forecasts

*UNWTO Tourism 2030: a road map for an updated long-term forecast*
UNWTO Tourism 2030: a road map

Elements:

- Quantitative forecast for the world and by (sub)region
- Qualitative assessment for the world, by region and country
- Sectors, products and market segments
- Themes

Principles:

- Extend scope:
  - explore relationship tourism development and economic growth
  - analyse trend by means of transport
  - analyse trend by purpose of visit (leisure, business, VFR, etc.)
  - analyse trend in the use of accommodation
  - international vs. domestic tourism
- Introduce scenario approach
UNWTO Tourism 2030: a road map

World, (sub)regions and countries

• Quantitative forecast
  – inbound tourism worldwide and by (sub)regions
  – inbound tourism by region of origin
  – outbound tourism by (sub)region of destination
  – inbound tourism by means of transport
  – inbound tourism by purpose of visit
  – use of accommodation

• How
  – extrapolation of actual time series with use of econometric model
  – contrast results with expert knowledge (Delphi)
  – introduce margin, with forecast within an interval with lower and upper variant
  – introduce variants based on differing conditions (scenarios)
UNWTO Tourism 2030: a road map

Regions and countries

- Qualitative information
  - stocktaking through country survey about:
    - past evolution
    - future prospects
    - available master plans, development plans, investment plans, etc.
    - forecasts developed by the country
    - targets set
  - active participation requested of NTA’s and NTO’s
  - opening of web resource
UNWTO Tourism 2030: a road map

Sectors, products and segments:

Exploration of future trends with regard to:

- destinations
- transport
- accommodation & catering
- travel distribution, tour operators, travel agencies
- products: sun and beach, city trips, wellness, adventure, meetings industry, special interest, etc.
- segments: family, youth, single, senior, VFR, FIT, etc.
UNWTO Tourism 2030: a road map

Themes:
Authoritative contributions on various subjects relevant for future development, such as:

- **sustainability**
  - Climate change
  - Congestion management
- new technologies
- changing demographics (aging, family composition, immigration)
- developing countries and poverty alleviation
- human resources - decent work
- safety, security and emergency response
- competitiveness
- legal framework and facilitation
- marketing and promotion
Thank you very much for your attention!

World Tourism Organization

www.unwto.org

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