

“Current Trends and Challenges in Tourism”



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Conference on “Challenges of Tourism in the European Part of the Mediterranean with Emphasis on the Adriatic Destinations”

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The World Tourism Organization (UNWTO)

The World Tourism Organization (UNWTO)



- **Specialized UN agency**

- leading intergovernmental organization
- global forum for tourism policy
- centre of knowledge

- **Responsible, sustainable and universally accessible tourism**, with particular attention to developing countries

- **United Nations Millennium Development Goals (MDGs)**

- reducing poverty
- fostering sustainable development



- **Global Code of Ethics for Tourism**

- maximize positive economic, social and cultural effects of tourism
- minimize negative social and environmental impacts

UN World Tourism Organisation



Governments from
154 countries

**BUT NOT ONLY
GOVERNMENTS...**

UN World Tourism Organisation

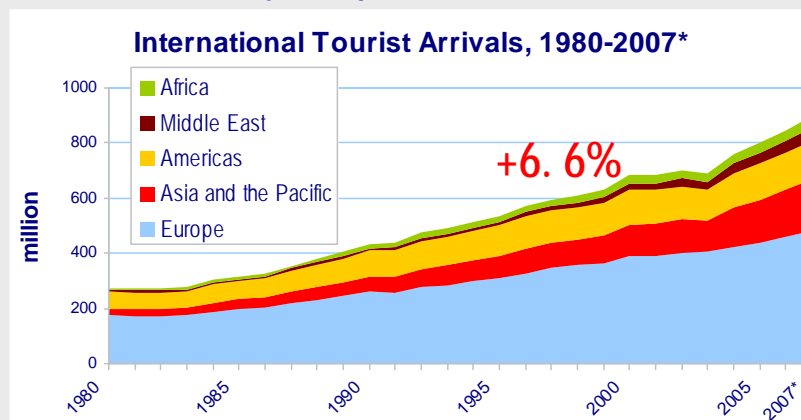
UNWTO is unique in the UN system:

It welcomes Members from the private sector, educational institutions, tourism associations and local tourism authorities, encouraging them to participate in public-private partnerships that support the Organization's aims.

International Tourism Results 2007 and 2008

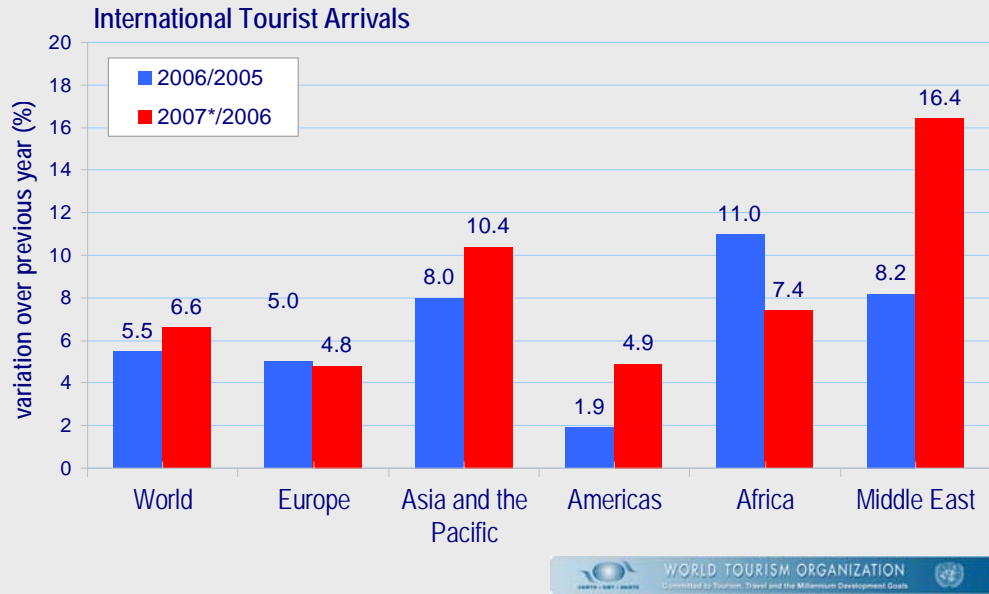
2007 : A new record figure

- 903 million international tourist arrivals : +6.6% = +52 million tourists
- Arrivals grew from 800 to 903 million in two years
- Fourth consecutive year of growth



Source: World Tourism Organization (UNWTO)

2007 – an exceptional year

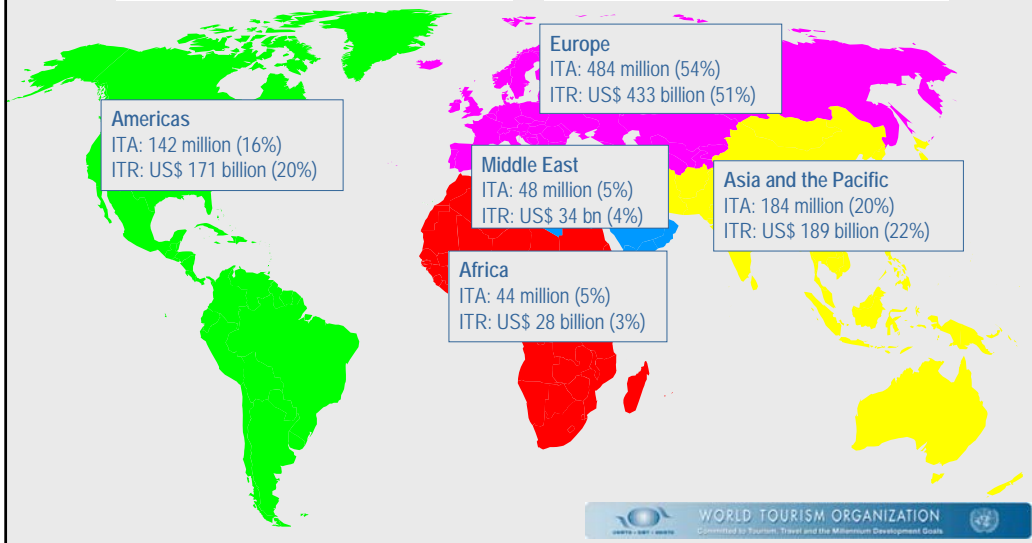


International Tourism

International tourist arrivals and receipts and market share (%)

International Tourist Arrivals (ITA), 2007*
903 million

International Tourism Receipts (ITR), 2007*
US\$ 856 billion



World's Top Tourism Destinations



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World's Top Tourism Earners



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World's Top Destinations 2020

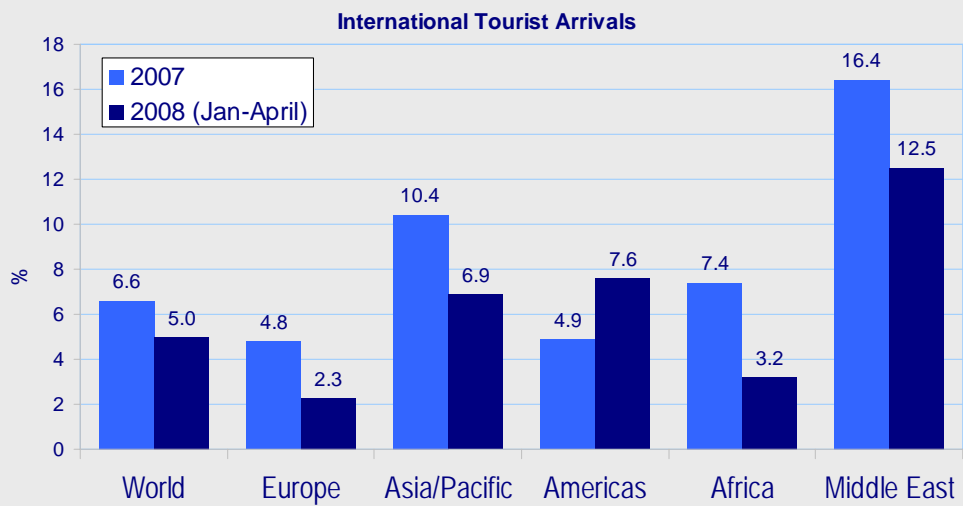
| Country | Tourist arrivals (Million) | Market share (%) | Average annual growth rate (%) 1995-2020 |
|---------------------|-------------------------------|---------------------|--|
| 1 China | 130 | 8.3 | 7.8 |
| 2 France | 106 | 6.8 | 2.3 |
| 3 United States | 102 | 6.6 | 3.5 |
| 4 Spain | 74 | 4.7 | 2.6 |
| 5 Hong Kong (China) | 57 | 3.6 | 7.1 |
| 6 United Kingdom | 54 | 3.4 | 3.4 |
| 7 Italy | 53 | 3.4 | 2.1 |
| 8 Mexico | 49 | 3.1 | 3.6 |
| 9 Russian Fed. | 48 | 3.1 | 8.5 |
| 10 Czech Rep. | 44 | 2.7 | 4.0 |

Increased competition and diversification: World's Top Tourism Destinations

World's Top Tourism Destinations by International Tourist Arrivals

| Rank | 1950 | World Share | 1970 | 1990 | World Share | 2006 | World Share |
|------|----------------|-------------|----------------|----------------|-------------|--------------------|-------------|
| 1 | United States | | Italy | France | | France | |
| 2 | Canada | | Canada | United States | | Spain | |
| 3 | Italy | 71% | France | Spain | 38% | United States | 33% |
| 4 | France | | Spain | Italy | | China | |
| 5 | Switzerland | | United States | Hungary | | Italy | |
| 6 | Ireland | | Austria | Austria | | United Kingdom | |
| 7 | Austria | | Germany | United Kingdom | | Germany | |
| 8 | Spain | 17% | Switzerland | Mexico | 19% | Mexico | 14% |
| 9 | Germany | | Yugoslavia | Germany | | Austria | |
| 10 | United Kingdom | | United Kingdom | Canada | | Russian Federation | |
| 11 | Norway | | Hungary | Switzerland | | Ukraine | |
| 12 | Argentina | | Czechoslovakia | Greece | | Turkey | |
| 13 | Mexico | 9% | Belgium | Portugal | 10% | Canada | 11% |
| 14 | Netherlands | | Bulgaria | Malaysia | | Malaysia | |
| 15 | Denmark | | Romania | Croatia | | Poland | |
| | Others | 3% | Others | Others | 33% | Others | 42% |

First quarter of 2008 still positive in spite of uncertainty

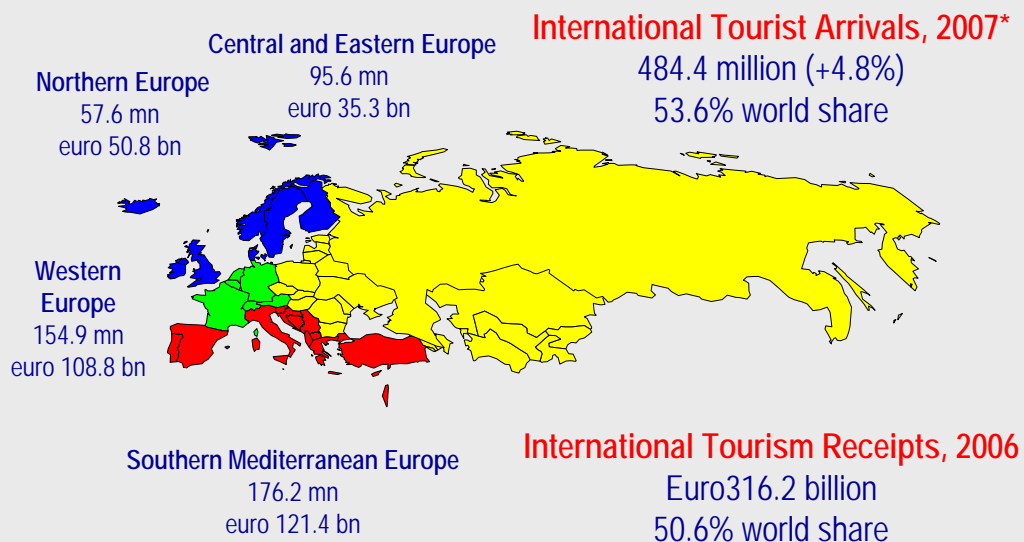


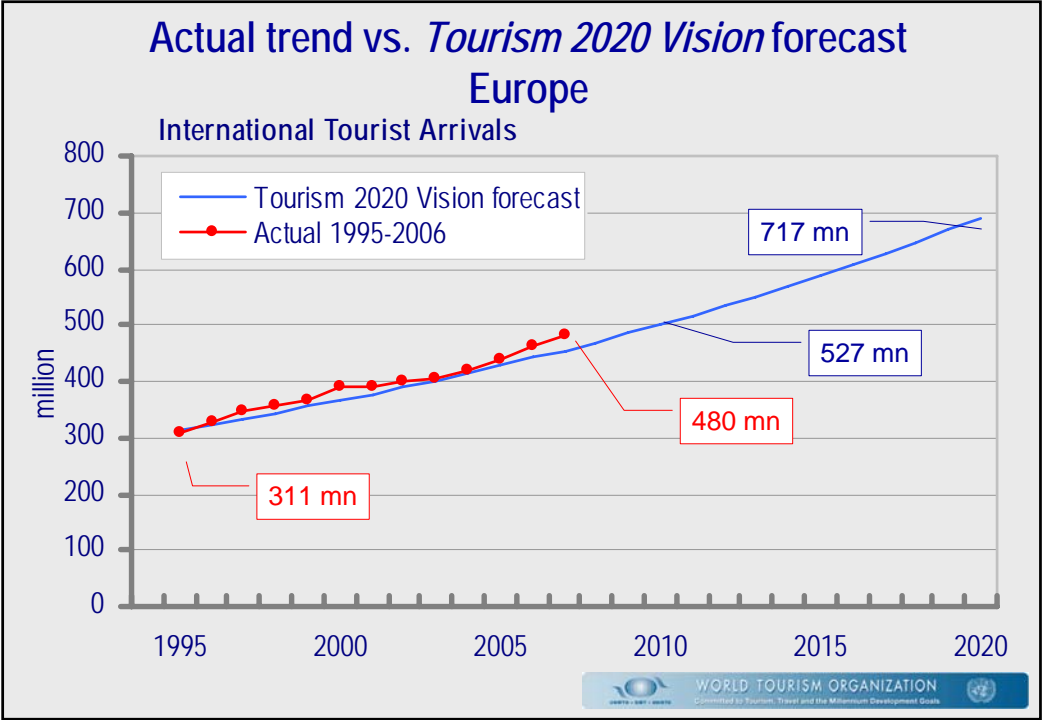
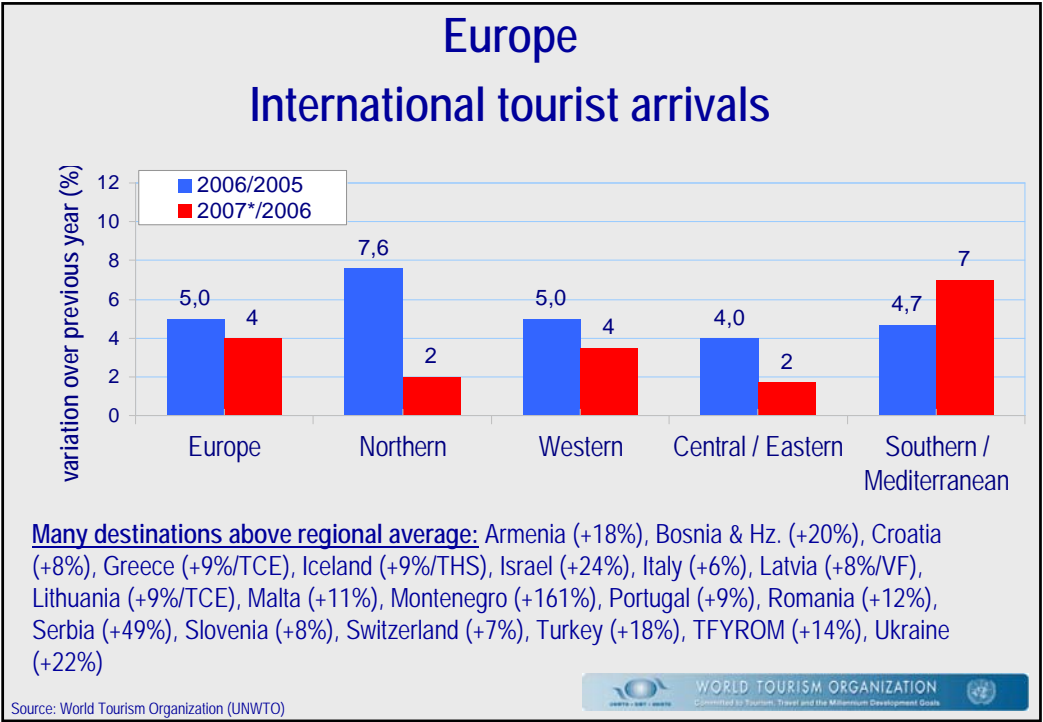
Europe Results 2007 and 2008

International Tourism in Europe in 2007 ... beyond expectations

- One of the most stable regions over time
- Only **a few mega-events in 2007**: Rugby World Cup in France / America's Cup in Spain but **very good outcome**
- **LCC** keep expanding and boosted intra-European short-break travel
- **Southern/Med.** was the **star performer**, well above the regional average

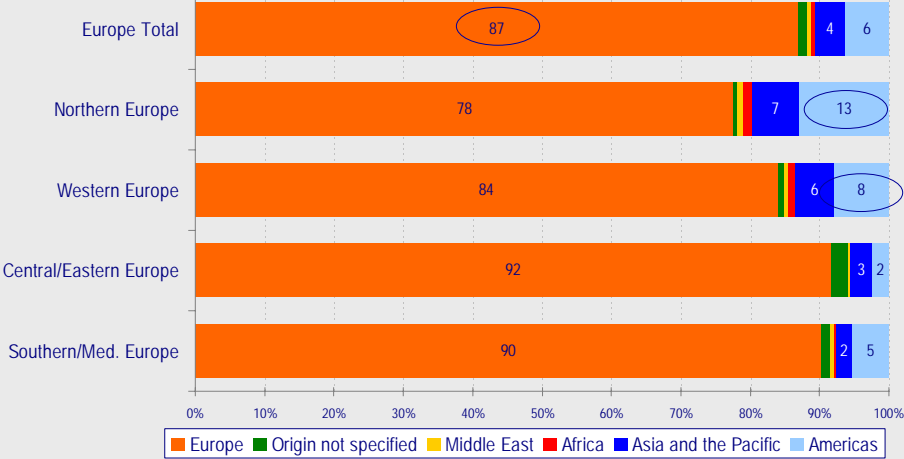
International Tourism in Europe





Europe – much dependent on intraregional traffic

International Tourist Arrivals by region of origin, 2006*



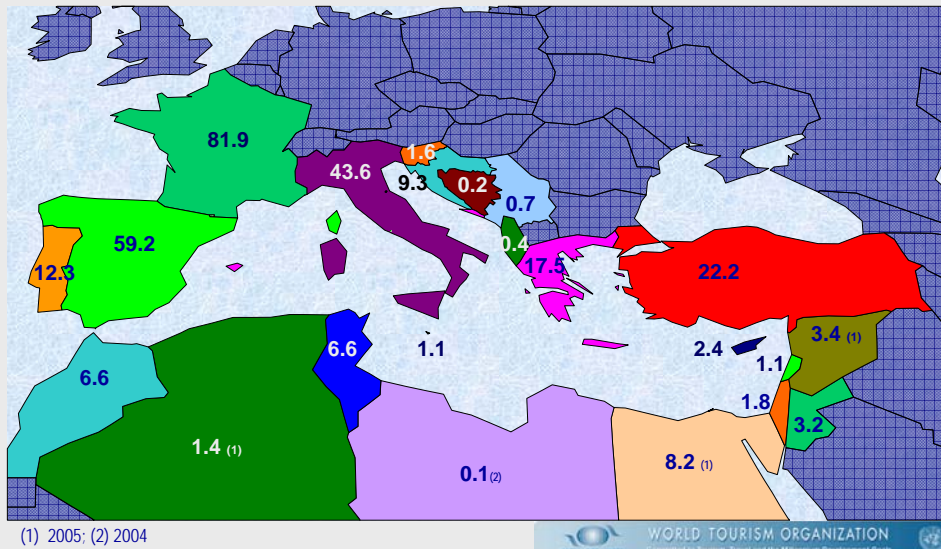
Source: World Tourism Organization (UNWTO)



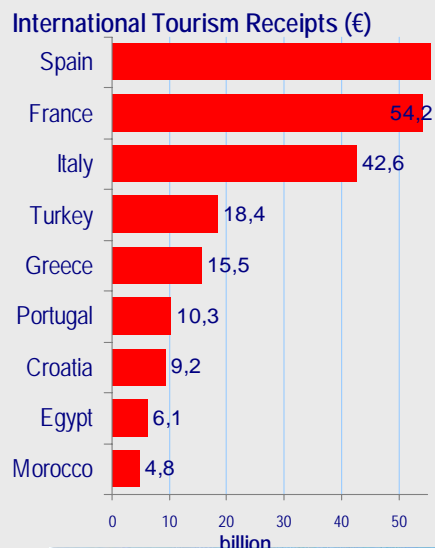
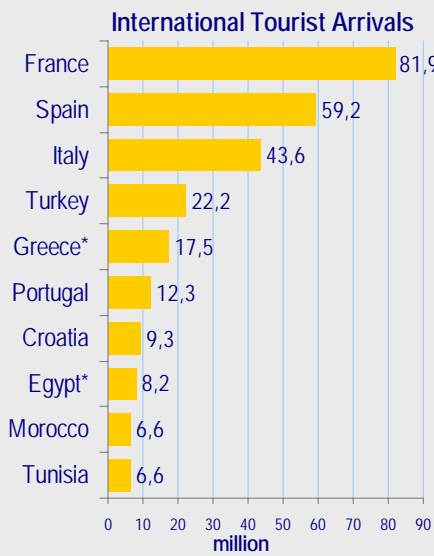
Tourism in the Mediterranean



International Tourist Arrivals in the Mediterranean (2007, million)



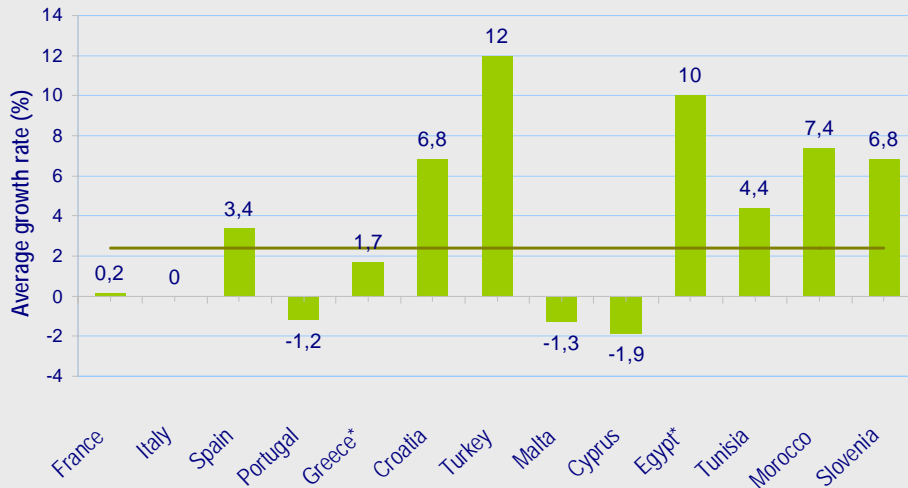
Top Tourism Destinations in the Mediterranean 2007



* 2005 data

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Source: World Tourism Organization

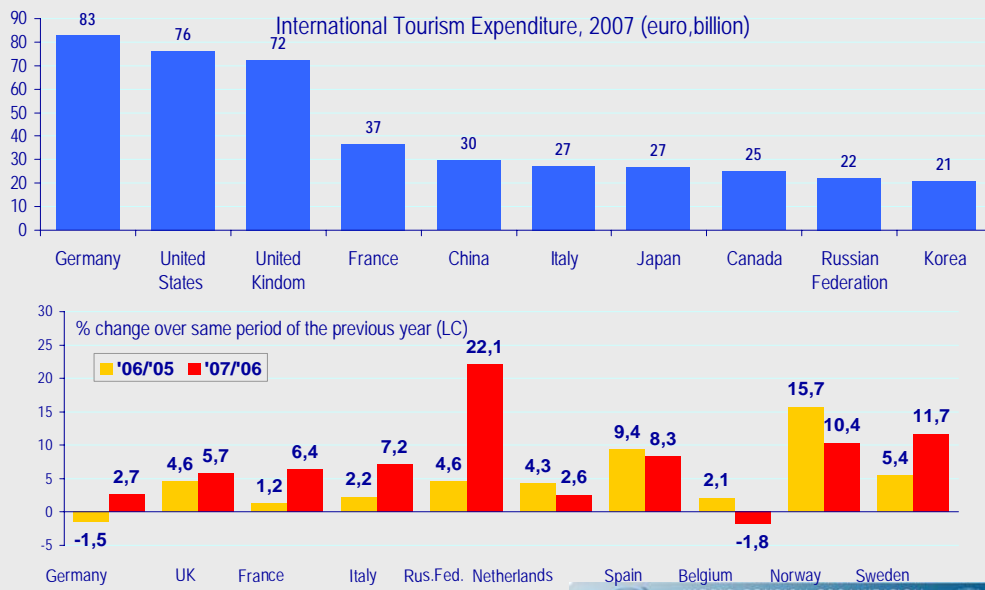
International Tourism in the Mediterranean Average growth rate 2000-2006



* 2000-2005

WORLD TOURISM ORGANIZATION
Committed to Tourism
Source: World Tourism Organization

Outbound Tourism – Main European Source Markets



Source: World Tourism Organization (UNWTO)

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The Global Economic Slowdown and its impact on Tourism growth

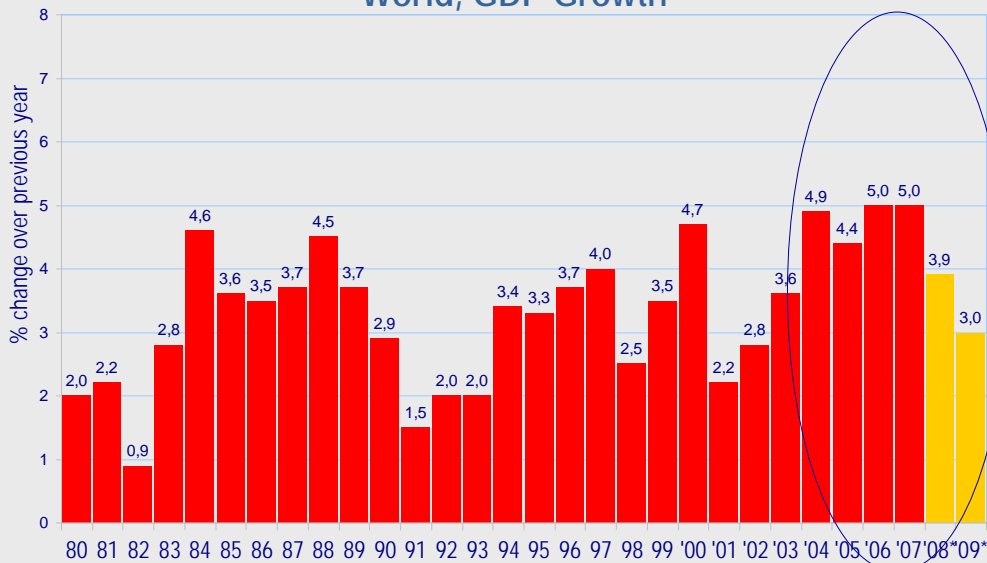
Brakes affecting global economic growth

- **Financial turmoil:** global problem of an increasing interlinked international banking system
- **Oil price:** consolidation at a somewhat lower level after peaking in July
- **Food prices:** strong increase due to growing demand in an expanding world economy
- **Inflationary pressure**
- **Slowdown of world economic growth**

Global Economic situation

- Difficult to assess economic situation at this moment
- Economic growth prospects still decent (2008 worldwide +3.9%)
- Emerging market and developing countries continue to lead growth
- On the downside: volatile financial markets, aftermath of the credit crunch, high oil prices, inflationary pressures, high food prices, slowing growth particularly in the USA
- Confidence weaker
- Climate change in focus (carbon offsetting, technological innovation, taxes, 'eco' marketing, etc.)
- Caution, but no panic

The end of the longest period of sustained growth for 25 years World, GDP Growth



Source: International Monetary Fund (IMF)
 Note: 2007-2009 rates updated by IMF in July 2008

Global imbalances and impacts on tourism growth

- Increased globalization makes international tourism demand more volatile
- Decreased consumer confidence and reduced purchasing power of potential visitors
- Slowdown of international tourism demand as a whole
- Resilience and recovery capacity
- Long-term tourism growth trend still stable

Impact in the field of tourism to the current crisis

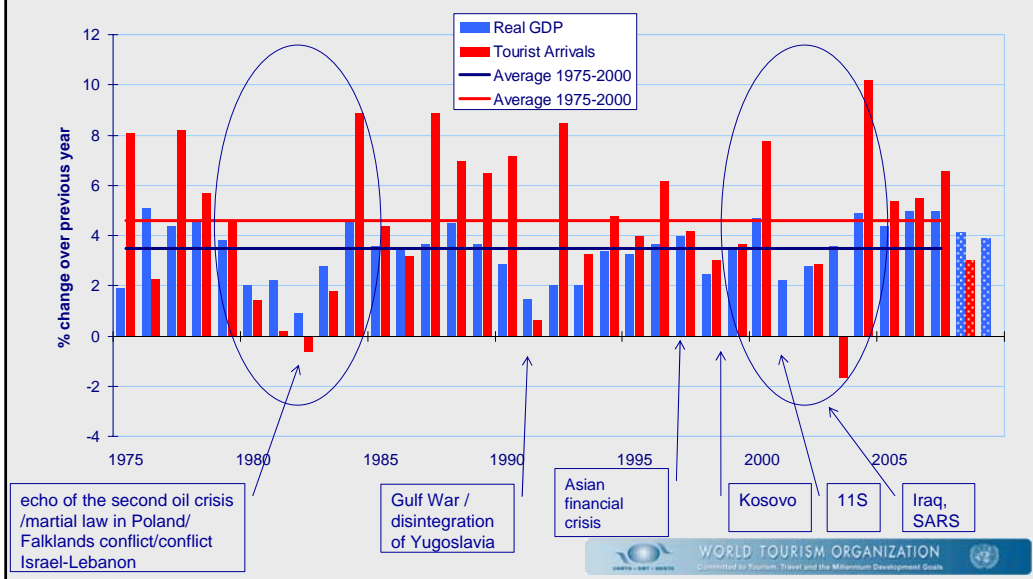
- Impacts vary for global tourism industry companies and for destinations
- Impacts vary by destination region
- Oil price increases may accelerate structural change in the airline industry and in travel patterns
 - end of cheap flying, particularly for short trips?
- Pressure on energy efficiency and lower consumption of non renewable energy sources
- Tighter credit conditions, real estate crisis and economic slowdown may limit investment in tourism infrastructures

The long-term view

UNWTO *Tourism* 2020 Vision

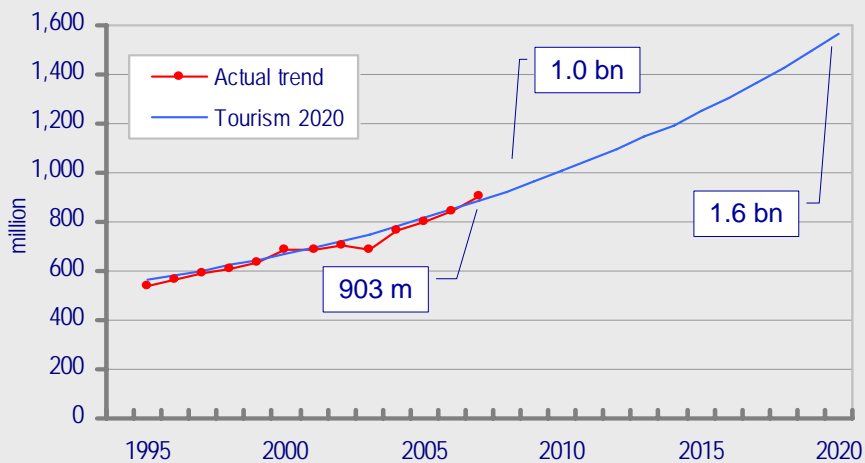
International tourism and world economy

World, Growth of Real GDP & International Tourist Arrivals



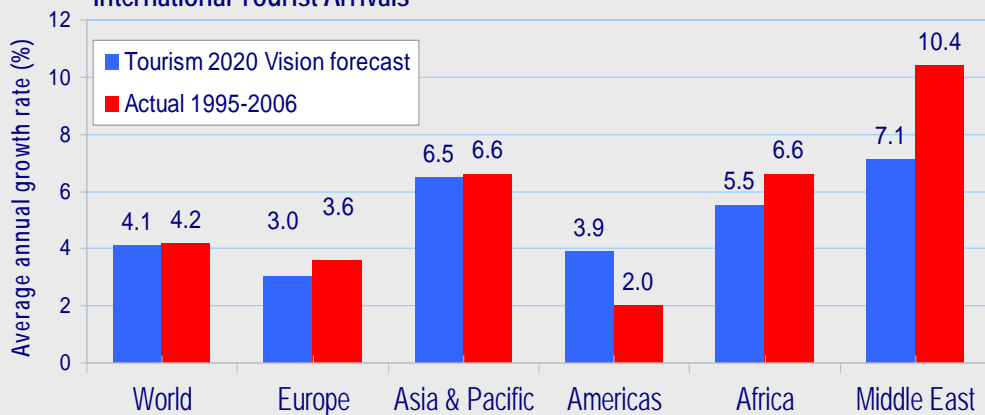
Actual trend vs. *Tourism 2020 Vision*

International Tourist Arrivals



Actual trend vs. *Tourism 2020 Vision* forecast World

International Tourist Arrivals



Global Tourism Challenges

- In the short-term...
 - Finance
 - Economy
 - Energy
 - Safety and security
 - Health threats and natural disasters
- In the long-term...
 - Environmental > Climate Change
 - Socioeconomic > Poverty Reduction
 - IT- Technologies

The Most Important Market Segments, 2000-2020

| | |
|------------------------------------|---|
| 1 Sun and beach | Long haul trips Specific segments Combined trips |
| 2 Sports | Winter sports Water sports |
| 3 Adventure | |
| 4 Nature tourism | |
| 5 Cultural tourism | |
| 6 Urban tourism | |
| 7 Rural tourism | |
| 8 Cruises | |
| 9 Theme parks | |
| 10 Meetings and conferences | |
| 11 "Well-being" tourism | |

Changes in markets (1)

- Continued growth of demand and supply
- Further diversification of destinations and products
- Demographic changes:
 - aging population
 - change in composition of families
 - immigration / emigration (increased travel for VFR facilitated by lower transport costs)
- Increase in independent travel and 'Do it yourself'

Changes in markets (2)

- Transport:
 - Cost of transport going down or growing slower than accommodation and other costs
 - Further growth of air transport
 - More frequent, but shorter trips
- New opportunities offered by:
 - Internet =facilitating flexibility and transparency
 - increased competition
 - low cost carriers = broadening of market

Long-term tourism growth pattern

- More modest
- More solid
- More responsible

Thank you very much for your attention!

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