Tourism Trends and Outlook

9th UNWTO/PATA Forum
Tourism and the experience economy

Guilin, China
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Director Tourism Market Trends Programme
The World Tourism Organization (UNWTO)

- a specialized agency of the United Nations (UN) and the leading international organization in the field of tourism. It serves as a global forum for tourism policy issues and a practical source of tourism know-how

- plays a central and decisive role in promoting the development of responsible, sustainable and universally accessible tourism, paying particular attention to the interests of developing countries

- intergovernmental organization with membership includes 163 countries and territories and over 450 Affiliate Members representing the private sector, educational institutions, tourism associations and local tourism authorities

- encourages the implementation of the Global Code of Ethics for Tourism, with a view to ensuring that member countries, tourist destinations and businesses maximize the positive economic, social and cultural effects of tourism and fully reap its benefits, while minimizing its negative social and environmental impacts

- committed to the United Nations Millennium Development Goals, geared toward reducing poverty and fostering sustainable development
Overview

• Tourism development worldwide
• Short-term trends in international tourism: UNWTO World Tourism Barometer
• Tourism and the experience economy
• What’s more...
Tourism development worldwide
Inbound tourism in the world

Source: World Tourism Organization (UNWTO)
International tourist arrivals and tourism receipts

International tourist arrivals (ITA): 1,135 million
International tourism receipts (ITR): US$ 1,245 billion

Source: World Tourism Organization (UNWTO)
International Tourism Arrivals and Receipts, World

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 2014: US$ 1,248 billion euro 940 billion (miles de millones)

Source: World Tourism Organization (UNWTO)
Inbound tourism: World

International tourism, 1995-2014* (index, 2007=100)

Source: World Tourism Organization (UNWTO)
Main achievements

Results 2014

International tourist arrivals
1133 million
+4.3%

International tourism receipts
(BOP Travel)
US$ 1245 billion (euro 937 bn)
+3.7% (real terms)

International passenger transport
(BOP Transport, passenger)
US$ 221 billion (euro 161 bn)

www.unwto.org/facts
Inbound tourism in Asia and the Pacific

International tourist arrivals and receipts, 1995-2014*

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

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

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’:

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

Purpose of visit

International tourist arrivals by purpose of visit, 2014

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

Mode of transport

International tourist arrivals by mode of transport, 2014

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

International tourist arrivals by region of origin, 1995-2014*

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

International tourist arrivals by region of origin, 1995-2014*

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

International tourist receipts and arrivals 2014

Source: World Tourism Organization (UNWTO)
Outbound markets
China became number 1 outbound market in 2012 and strong growth continues.
Outbound tourism in Asia and the Pacific Top outbound markets

International tourist expenditure and departures 2014

Source: World Tourism Organization (UNWTO)
High potential outbound markets

International Tourism Expenditure: between 2007 and 2014 total up by US$ 362 bn (euro 293 billion), from US$ 883 bn (euro 644 bn) in 2007 to 1,245 billion (euro 937 bn) in 2014 (current terms) in spite of crisis
Average annual growth rate in real terms +2.7% a year

Source: World Tourism Organization (UNWTO) ©
21 million more international tourists in the first half of 2015

The number of international arrivals of overnight visitors (tourists) grew by 4% in the first half of 2015 according to the data analysed in this issue of the UNWTO World Tourism Barometer. Destinations worldwide received some 538 million international tourists between January and June 2015, an increase of 21 million compared to the same period of the previous year. Europe, Asia and the Pacific and the Middle East were up 5%; the Americas, 4% and Africa down 6% compared to 2014. Limited data available for Africa points to an estimated 6% decrease in the number of international tourists in the region. At the sub-regional level, the Caribbean and Oceania (both +7%) were the best performers, together with Central and Eastern Europe and Central America (both +6%).

2015

These results show that, despite increased volatility, tourism continues to consolidate its positive performance in the last five years and to provide development and ‘opportunity worldwide’, said UNWTO Secretary-General, Taleb Rifai. "As UNWTO prepares to meet in Armenia, Colombia, for its 21st General Assembly, this is the appropriate moment to call for a stronger support to tourism as the sector has the potential to deliver on some of the most pressing challenges of our time, namely job creation, economic growth and social inclusion", he added.
538 million intnl tourist arrivals through June, 21 million more than in the same period of 2014
International tourism maintains strength

International Tourist Arrivals, monthly evolution

World (% change)

Source: World Tourism Organization (UNWTO) ©

-15 -10 -5 0 5 10 15

2009 2010 2011 2012 2013 2014 2015*

-3.9% +6.5% +5.1% +4.2% +4.6% +4.2% +4.1%
2014 and 2015 by region

Source: World Tourism Organization (UNWTO) ©
2015: Cheaper oil

Source: US Department of Energy, Energy Information Administration
2015: Exchange rate fluctuations

Exchange rate, September 2015 compared to average 2014

- variation of currency to US$
- variation of currency to euro

Currencies that weakened to US$ but strengthened to euro:
- US dollar
- HK dollar / MOP
- UAE dirham
- Chinese yuan
- Swiss franc
- Philippine peso
- Pound sterling
- Vietnamese dong
- Taiwan dollar
- Indian rupee
- Thai baht
- Japanese yen
- Singapore dollar
- Moroccan dirham
- Korean won
- Euro
- Canadian dollar
- Indonesian rupiah
- South African rand
- Mexican peso
- Australian dollar
- New-Zealand dollar
- Malaysian ringgit
- Turkish lira
- Brazilian real
- Russian rouble

Currencies that weakened to both US$ and euro:
- US dollar
- HK dollar / MOP
- UAE dirham
- Chinese yuan
- Swiss franc
- Philippine peso
- Pound sterling
- Vietnamese dong
- Taiwan dollar
- Indian rupee
- Thai baht
- Japanese yen
- Singapore dollar
- Moroccan dirham
- Korean won
- Euro
- Canadian dollar
- Indonesian rupiah
- South African rand
- Mexican peso
- Australian dollar
- New-Zealand dollar
- Malaysian ringgit
- Turkish lira
- Brazilian real
- Russian rouble

Source: World Tourism Organization (UNWTO)
IMF: Adjusting to Lower Commodity Prices

Complex forces weigh on global growth

Economic growth projections by the International Monetary Fund (IMF)

Source: International Monetary Fund (IMF)
134 million intnl tourist arrivals through June, 6 million more than in the same period of 2014
Asia and the Pacific
Gradual slowdown

International Tourist Arrivals, monthly evolution
Asia and the Pacific (% change)

Source: World Tourism Organization (UNWTO) ©
International Tourist Arrivals, Asia and the Pacific (% change)

Source: World Tourism Organization (UNWTO) ©

2014 and 2015 by subregion

International Tourist Arrivals, Asia and the Pacific (%) change

- Asia and the Pacific: 5.7/5%
- North-East Asia: 7.2/5%
- South-East Asia: 2.9/5%
- Oceania: 6.0/7%
- South Asia: 10.4/4%

Source: World Tourism Organization (UNWTO) ©
Outlook

There's no extra charge to turn the page.
Outlook: World

International Tourist Arrivals, World (% change)

Source: World Tourism Organization (UNWTO) ©

Forecast 2015: 3% to 4% (issued January)
## International tourism: projection full year 2015

<table>
<thead>
<tr>
<th>Region</th>
<th>Actual data 2013</th>
<th>Actual data 2014</th>
<th>Projection 2015 (issued January)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>4.6%</td>
<td>4.3%</td>
<td>+3% and +4%</td>
</tr>
<tr>
<td>Europe</td>
<td>4.9%</td>
<td>2.7%</td>
<td>+3% and +4%</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>6.8%</td>
<td>5.4%</td>
<td>+4% and +5%</td>
</tr>
<tr>
<td>Americas</td>
<td>3.1%</td>
<td>8.0%</td>
<td>+4% and +5%</td>
</tr>
<tr>
<td>Africa</td>
<td>4.7%</td>
<td>2.4%</td>
<td>+3% and +5%</td>
</tr>
<tr>
<td>Middle East</td>
<td>-3.1%</td>
<td>5.4%</td>
<td>+2% and +5%</td>
</tr>
</tbody>
</table>

Source: World Tourism Organization (UNWTO)
Actual Trend vs. Tourism Towards 2030 projection
World

Source: World Tourism Organization (UNWTO)
Actual Trend vs. Tourism Towards 2030 projection
Asia and the Pacific

Source: World Tourism Organization (UNWTO)
Tourism Towards 2030 in one page

• *Tourism Towards 2030* shows that there is still a great potential for further expansion in coming decades.

• Emerging as well as established destinations can benefit from this trend and opportunity, **provided they shape the adequate conditions and policies** with regard to business environment, infrastructure, facilitation, marketing and human resources.

• Along with opportunities, challenges also arise in **maximising social and economic benefits and minimising negative impacts**.

• Long-term tourism growth pattern: more moderate, sustainable and inclusive.
Tourism and the experience economy
Asian tourism is maturing and moving towards sophistication

- **consumers are continuously evolving:**
  - more experienced and demanding customers
  - changing values and lifestyles
  - demographic change (ageing, migration and diversification of family structure)

- **intensified competition**
  - shaping an adequate business environment
  - innovation, diversification of products, markets and segments, product development, ICT and technology in general, marketing and promotion, research, evaluation, human resources development, quality, etc.

- **sustainability** (social, economic and environment) is ever more critical
  - addressing issues such as use of resources and waste, energy dependency, climate change adaptation and mitigation, green economy, congestion management and risk management
Tourism and the experience economy

The Experience Economy, Updated Edition

B. Joseph Pine II, James H Gilmore

From delivery of products and services to offering experiences
How to make a difference

• Focus on guests / customer
• Engage your visitors
• From to see to to do
• Value authenticity
• Treasure heritage, culture, gastronomy, etc.
• Storytelling
• Think global, act local
• Develop routes and themes, festivals and events
• The new luxury (simple things, time, access to something unique, treat yourself, wellness)
Not all guests are the same
How to make a difference

- Differentiate and diversify, complement existing offer
- Research: R+D (+C+I) research and development, know your customers, know trends, know your competition
- Innovation: stimulate new ideas and entrepreneurship
- Strategy: Reflect, discuss, set objectives, plan, execute, evaluate
- RRR: rethink, redefine and reinvent your destination
- Quality / Education / Human resources
- Excel in sustainability
- Vitamin 3C (collaboration, cooperation, coordination)
Tourism Market Trends programme

Trends in markets, products and segments

Outbound market ‘netnographic’ studies based on the analysis of the blogosphere
Blue skies – an underestimated advantage

Take a picture in any direction and it will show a beautiful landscape. Look anywhere and you will see a sky bluer than what you’ve ever seen in Beijing.
What’s more…
Tourism Market Trends programme

Outbound market studies

Forthcoming:
United States / Canada
Latin America / Brazil
Russia and CIS
Tourism Market Trends programme

Handbook on Tourism Product Development

Handbook on Tourism Destination Branding

Handbook on E-marketing for Tourism Destinations

Handbook on Tourism Market Segmentation

Handbook on Tourism Forecasting Methodologies

Evaluating NTO Marketing Activities

Marketing Handbooks

Forthcoming:
Key performance indicators
Health and medical tourism
Tourism Market Trends programme

Guide members on marketing

The Decision-making Process of Meetings, Congresses, Conventions and Incentives Organizers

Methodology / Best Practice Decision-Making process of Meetings, Congresses, Conventions and Incentives Organizers

Exploring Health tourism (wellness and medical) to be discussed in UNWTO Competitiveness Committee and forthcoming round table

Exploring Health Tourism WORKING DOCUMENT
Preparing for the 10th anniversary of the Forum

Book prepared with overview of all 9 editions of the UNWTO/PATA Forum on Tourism Trends and Outlook organised in Guilin, China

9th Forum PDFs of presentations to be made available at http://asiapacific.unwto.org/event/9th-unwtopata-forum-tourism-trends-and-outlook
Where to find information prepared by UNWTO?

UNWTO

Affiliate Membership: http://affiliatemembers.unwto.org

Facts & Figures

www.unwto.org/facts

Publications

http://publications.unwto.org

• electronic: => UNWTO eLibrary www.e-unwto.org

• hardcopy: => UNWTO Infoshop http://pub.unwto.org (and depositary libraries)

• statistics online www.e-unwto.org/toc/unwtotfb/current
Thank you very much for your attention!

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