

European Tourism Forum

Brussels, 9th October 2009

Short- and long-term trends and tourism competitiveness in Europe

John Kester

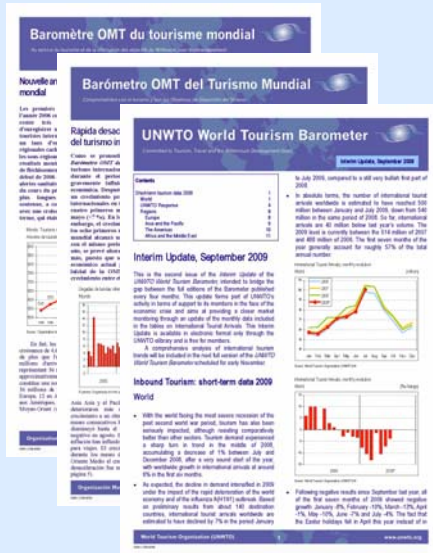
Chief of Market Trends, Competitiveness and Trade
in Tourism Services Section, UNWTO



Overview

- Short-term trends
- Prospects
- UNWTO Tourism Resilience Committee
- Travel and Tourism Competitiveness Index

UNWTO World Tourism Barometer



Objective: monitoring short-term evolution of worldwide tourism

Frequency: full issue 3 times a year (January, June, October)

Permanent elements:

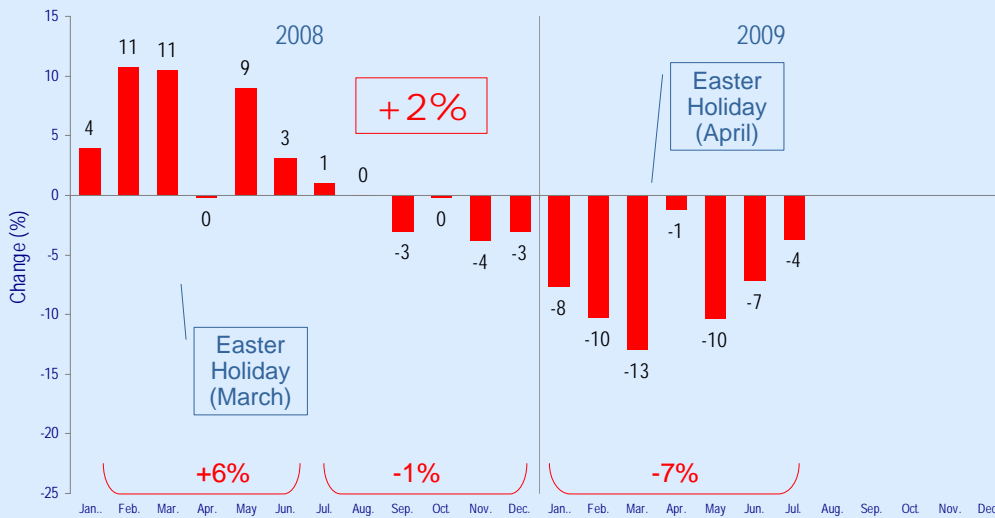
- Short term tourism data
- In focus
- UNWTO Panel of Tourism Experts
- Economic data relevant for tourism

www.unwto.org/facts/menu.html



Demand picking up?

International Tourist Arrivals, World

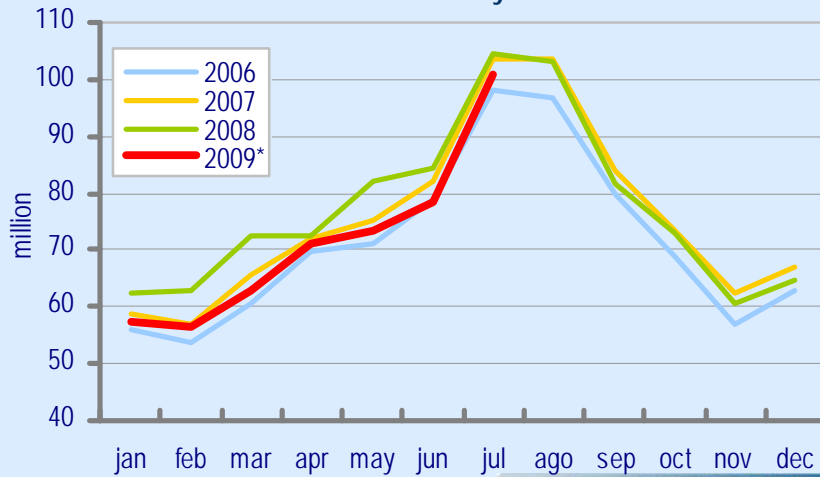


Source: World Tourism Organization (UNWTO)



International tourism: between 2006 and 2007 levels

World, International Tourist Arrivals
2006-2009* : monthly evolution



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International tourism EU-27

EU-27, 1995-2008

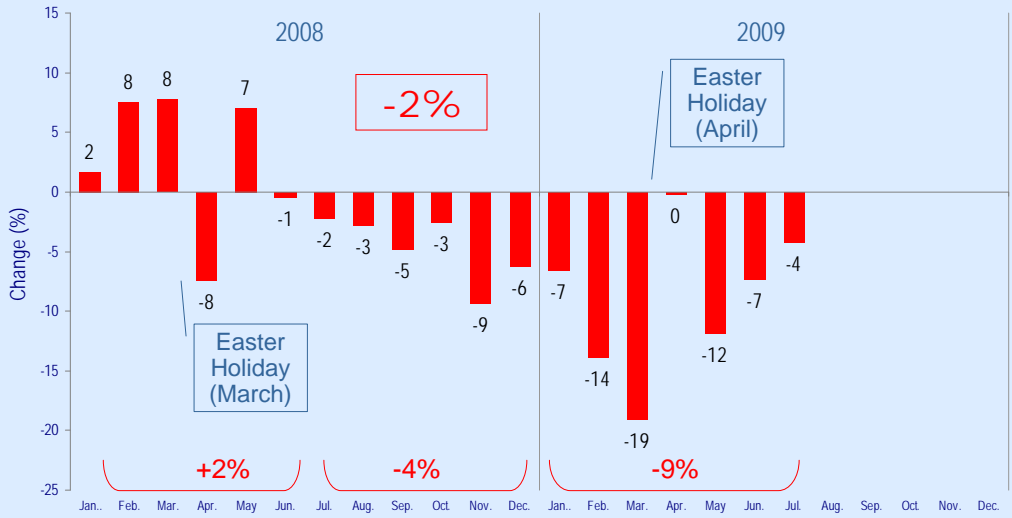


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Source: World Tourism Organization (UNWTO)

EU-27

International Tourist Arrivals, EU-27

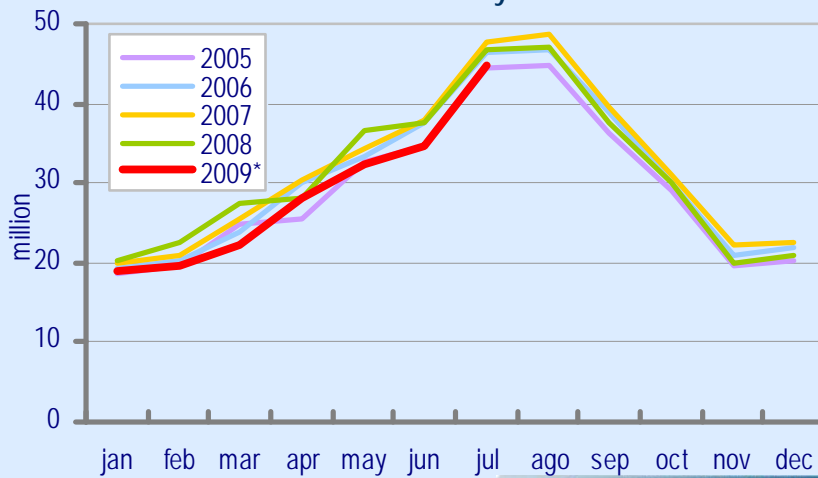


Source: World Tourism Organization (UNWTO)



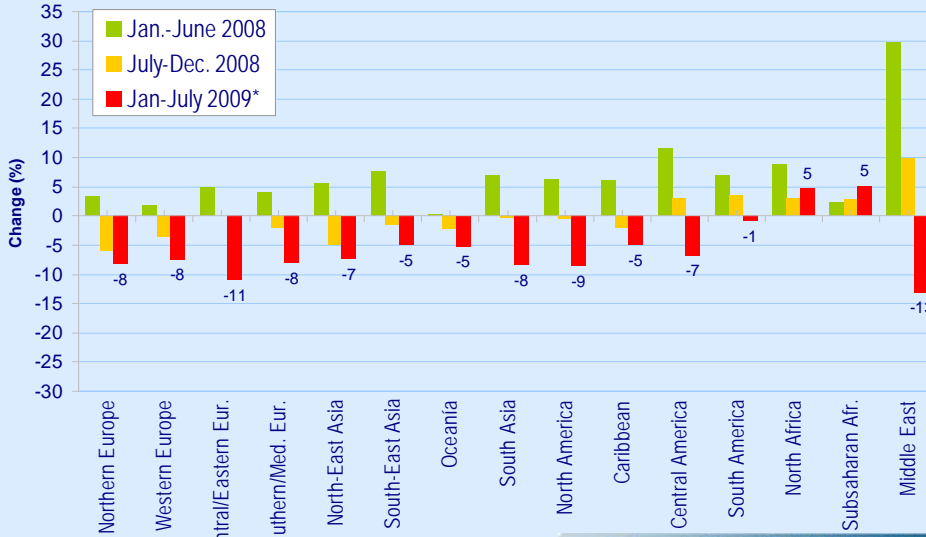
International tourism: at 2005 level

EU-27, International Tourist Arrivals 2006-2009* : monthly evolution



2009: negative in almost all subregions

International Tourist Arrivals

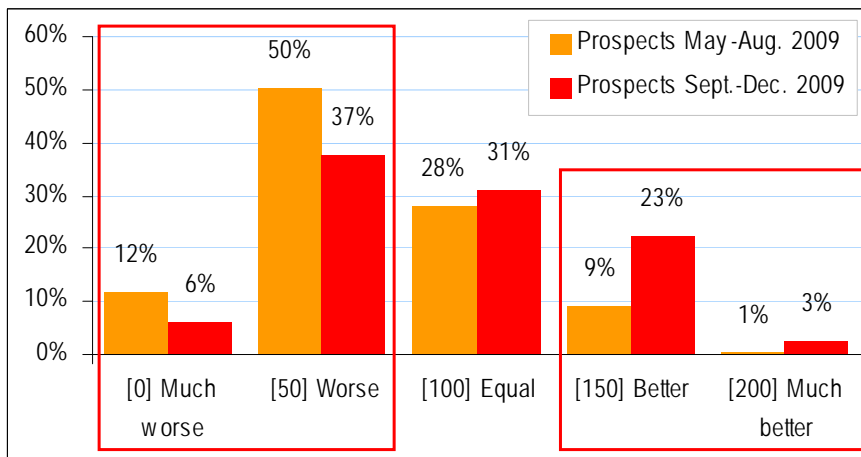


Source: World Tourism Organization (UNWTO)



UNWTO Panel of Tourism Experts: regaining confidence

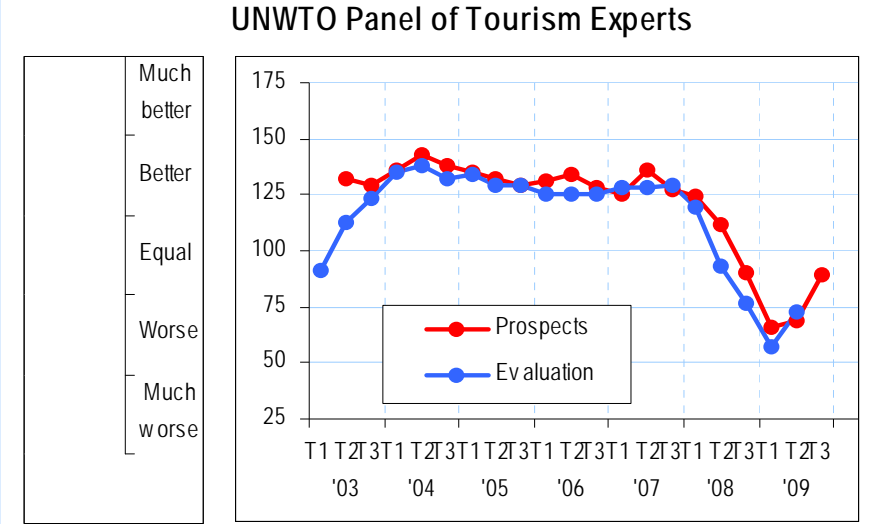
UNWTO Panel of Tourism Experts



Source: World Tourism Organization (UNWTO) ©



UNWTO Panel of Tourism Experts: regaining confidence



Source: World Tourism Organization (UNWTO) ©

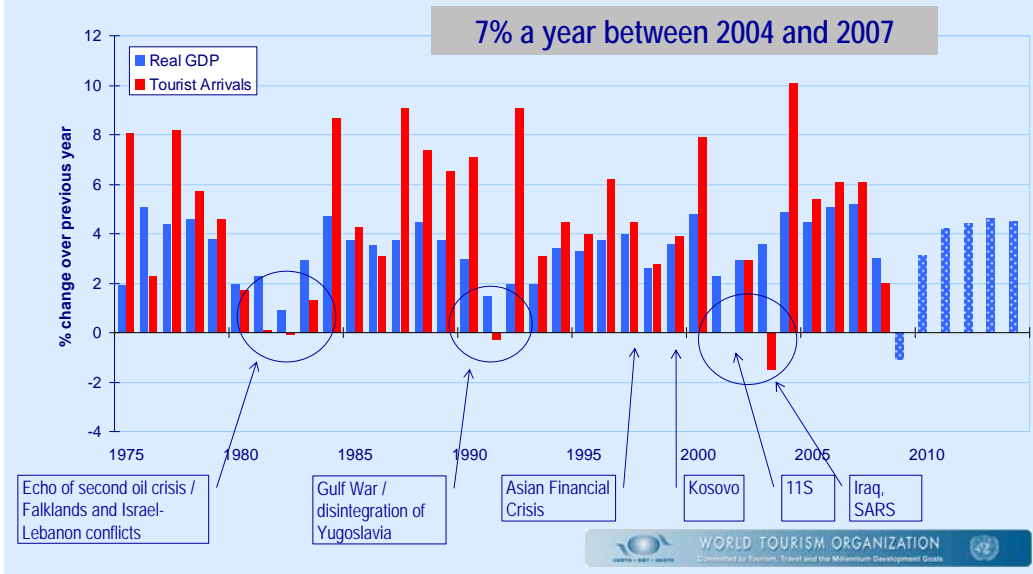


Tourism outlook tag cloud

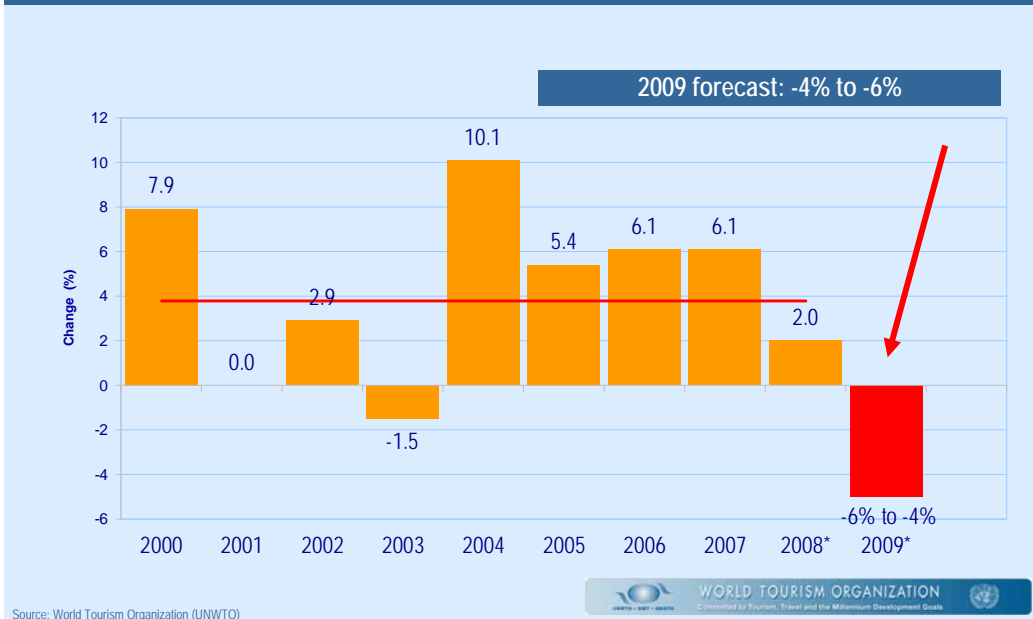


Tourism, economy and external shocks

World, Growth of Real GDP & International Tourist Arrivals



International Tourism 2009 – full year forecast



Source: World Tourism Organization (UNWTO)

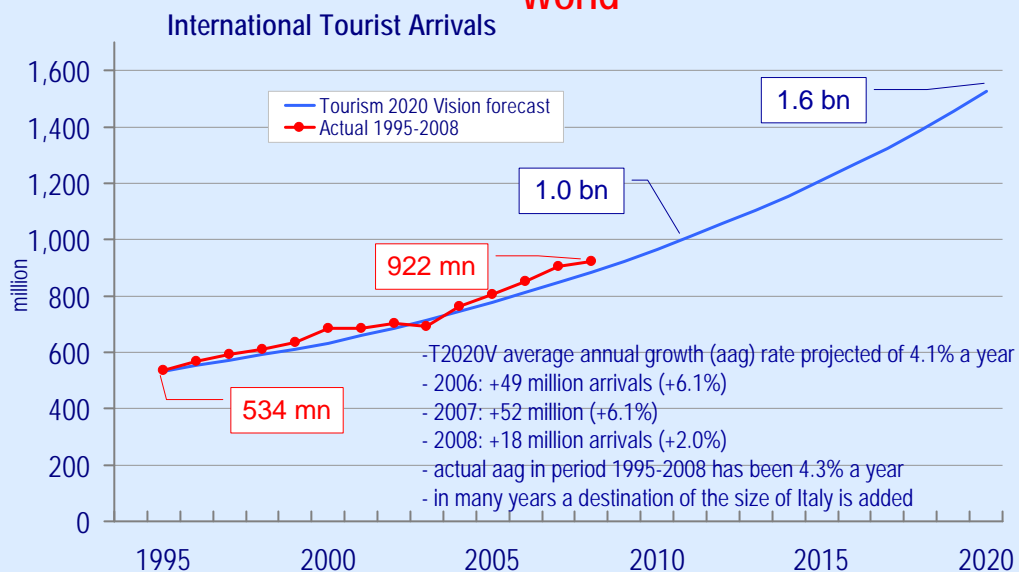
International Tourism 2009 – full year forecast

	2008	Forecast 2009
World	+2%	-6% to -4%
Europe	+0.3%	-8% to -5%
Asia and the Pacific	+1%	-4% to -1%
Americas	+3%	-6% to -3%
Africa	+4%	1% to 5%
Middle East	+18%	-10% to -5%

Source: World Tourism Organization (UNWTO)



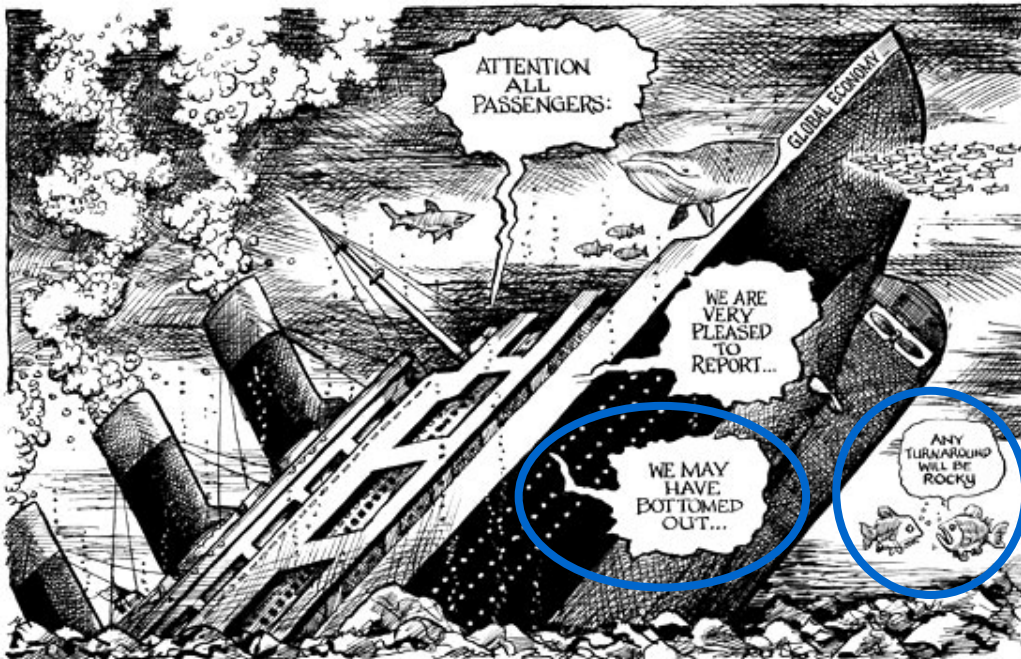
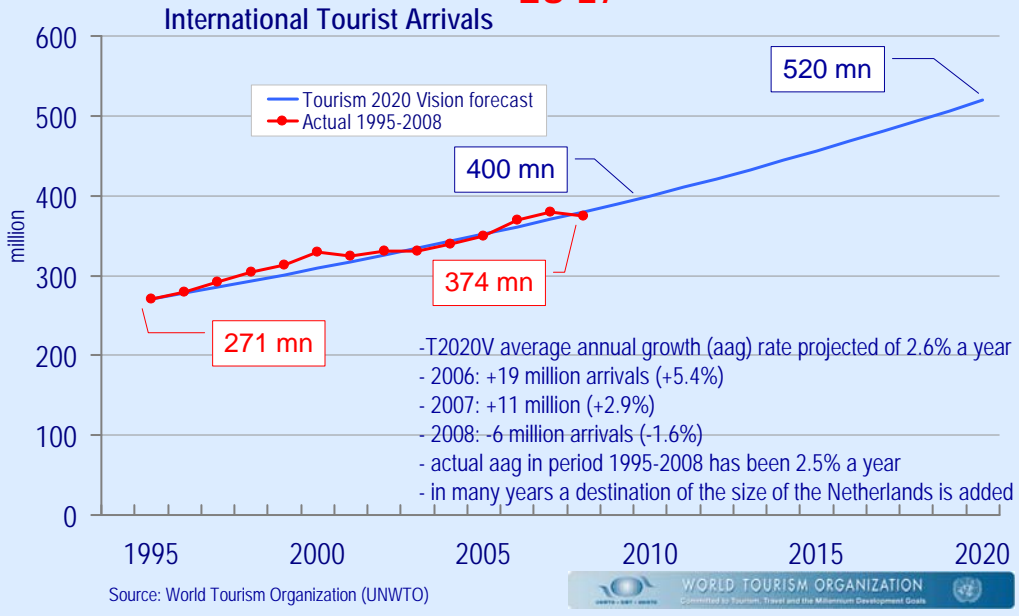
Actual trend vs. *Tourism 2020 Vision* forecast World



Source: World Tourism Organization (UNWTO)



Actual trend vs. *Tourism 2020 Vision* forecast EU-27



KAL's cartoon, *The Economist*, 20 Aug 2009

UNWTO Tourism Resilience Committee (TRC) Overview of activities 2009



UNWTO and Crisis Response

- **Resilience** – Tourism Resilience Committee (TRC) > share market intelligence and best practises (dedicated website: www.unwto.org/trc)
 - closer market monitoring:
 - *UNWTO World Tourism Barometer* Interim Updates
 - Online market intelligence system (*UNWTO World Tourism Barometer* online) – ongoing project
 - Collaboration with stakeholders such as Amadeus, STR Global, Visa International and Booz & Company
- **Stimulus** – promote tourism inclusion in national / regional and international stimulus packages and its potential contribution to job creation and economic recovery (www.unwto.org/G20)
 - database on national stimulus measures for the tourism sector (70 countries) and a report on Tourism and Economic Stimulus
- **Green Economy** – promote the role and potential of tourism in the transformation to new production and consumption patterns – the green economy
- *Roadmap for Recovery*

Roadmap for Recovery

RESILIENCE

1. Focus on Retaining Jobs and Sector Support
2. Understand the Market and Respond Rapidly
3. Boost Partnerships and 'Coopetition'
4. Advance Innovation and Technology
5. Strengthen Regional and Interregional Support

STIMULUS

6. Create New Jobs – particularly in SMEs
7. Mainstream Tourism in Stimulus & Infrastructure Programs
8. Review Tax and Visa Barriers to Growth
9. Improve Tourism Promotion & Capitalize on Major Events
10. Include Tourism & Travel in Aid for Trade & Development Support

GREEN ECONOMY

11. Develop Green Jobs and Skills Training
12. Respond Effectively to Climate Change
13. Profile Tourism & Travel in all Green Economy Strategies
14. Encourage Green Travel Infrastructure Investment
15. Promote a Green Travel Culture in Suppliers, Consumers & Communities



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English Français Español العربية Wednesday, October 7, 2009

ABOUT UNWTO MEMBER STATES AFFILIATE MEMBERS PROGRAMMES REGIONAL ACTIVITIES

Emergency Response System - SOS Travel
UNWTO - SOS Travel
WHO - Influenza A (H1N1)

Astana XVIII UNWTO General Assembly
Astana, Kazakhstan, 5 - 8 October 2009

TOURISM RESPONDS TO CLIMATE CHANGE
RESPONSE TO CLIMATE CHANGE
60-18-09-21

NEWS
The 18th Session of the UNWTO General Assembly (5-8 October 2009) - Facing Global Challenges and setting the Framework for increased Efficiency
Around 360 delegates representing 112 countries meet this week in Astana, Kazakhstan, on the occasion of the XVIII session of the UNWTO General Assembly. The gathering convened by the UN specialized agency for tourism will set the ground for how the travel and tourism sector can face the current economic downturn while staying on track with the twin challenges of climate change response and poverty alleviation. This Assembly will also initiate a far-reaching internal reform, starting with the election of a new Secretary-General.

PROGRAMMES
Attract Members and Partnerships
Conferences
Coordination in Destination Management
Development Assistance
Education and Training
Information and Communications
Market
Sustainable Development

GLOBAL CODE OF ETHICS
Protect Children

UN Millennium Development Goals

PROJECTS
Select a Project

ONLINE SERVICES
Select a Service

UNWTO News Publications

EVENTS
Review and Preparation Exercise on Travel and Tourism under Pandemic Conditions
5th International Conference on Destination Management "Weathering the Storm of Global Recession: the Challenge for Destination Management"
World Tourism Day 2009 - Theme: Tourism - Celebrating Diversity

TOURISM RESILIENCE COMMITTEE
Response Action
Tourism and Economic Stimulus - Value Assessment
DOWNLOAD Initial Assessment (update September 2009)
Tourism and the G20

unwto.org/trc

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ABOUT UNWTO | MEMBER STATES | AFFILIATE MEMBERS | PROGRAMMES | REGIONAL ACTIVITIES

Tourism Resilience Committee (TRC)

Resilience | **The Green Economy** | **Stimulation**

What is the TRC?
The UNWTO Tourism Resilience Committee (TRC) is a platform for Members to receive and share information on the current economic downturn and its impact on the tourism sector.

[Read More](#)

TRC Meetings | Related Events | Market Intelligence | Response Actions | G20 | Roadmap for Recovery (en) (es) (fr)

NEWS

ASTANA, KAZAKHSTAN, 5-8 OCTOBER 2009
UNWTO Presents Roadmap for Recovery at its General Assembly

MADRID, SPAIN, 23 SEPTEMBER 2009
Support Tourism, Support Your Economy

MADRID, SPAIN, 23 SEPTEMBER 2009
As part of UNWTO programme in the area of response to the economic crisis and support to its Members, the initial assessment (Update September) on the stimulus measures being implemented at national level by around 70 countries to incentivize tourism is now online

The document comprises information on fiscal and monetary measures, travel facilitation, marketing, human resources, public/private partnerships, transnational cooperation and measures towards the Green Economy.

All countries with information on tourism stimulus measures not featured in the assessment are invited to contact us at trc@unwto.org

EVENTS

ASTANA, KAZAKHSTAN, 8 OCTOBER 2009 (9:00 - 13:00)
3rd Meeting of the UNWTO Resilience Committee

unwto.org/trc

Crisis paradox: it makes structural underlying weaknesses and threats more visible

- sustainability issues
- aging stock and need to regeneration
- energy dependence
- climate change adaptation and mitigation
- competitiveness, human resources and cost structure
- low occupancy of accommodation and strong seasonality
- need for product development and diversification
- insufficient market differentiation
- need for more and more effective marketing and promotion
- cooperation and coordination

The Travel & Tourism Competitiveness Report 2007
Furthering the Process of Economic Development

The Travel & Tourism Competitiveness Report 2008
Balancing Economic Development and Environmental Sustainability

The Travel & Tourism Competitiveness Report 2009
Managing in a Time of Turbulence

The Travel & Tourism Competitiveness Report

Measuring Travel and Tourism Competitiveness

or

How to unleash the potential of tourism?

www.weforum.org/en/initiatives/gcp/travelandtourismreport

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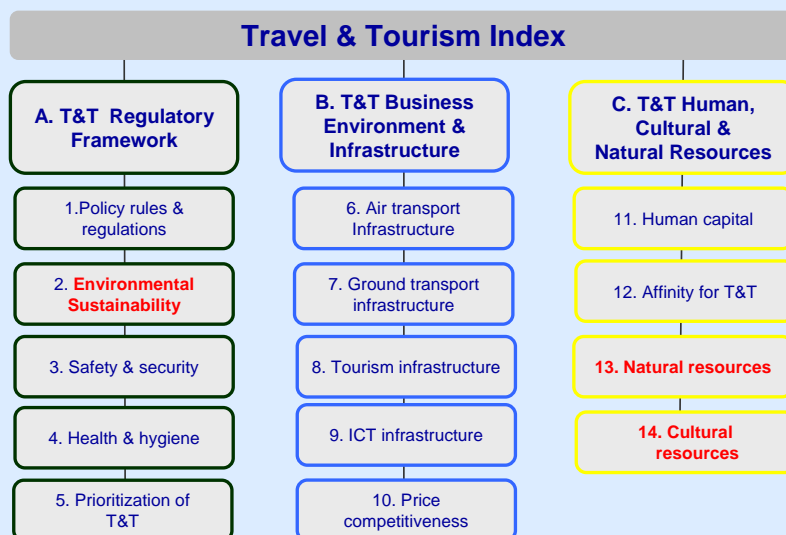
The Travel and Tourism Competitiveness Index

Definition: What are we trying to measure?

- Definition of T&T competitiveness for constructing the index:

The factors and policies that make it attractive to develop the T&T sector in different countries

The T&T Competitiveness Index 2009



The T&T Index Strengths and weaknesses of TTCI

- **Strengths**
 - straight forward methodology
 - fairly easy to understand
 - comprehensive
 - transparent
- **Weaknesses**
 - choice and availability of suitable indicators
 - indicators need to be credible, available, timely, possible to rank
 - often proxies have to be used
 - choice of denominator to make indicators comparable between large and small countries

Belgium

Key indicators

Population (million), 2006	10.4
Surface area (1,000 square kilometers)	30.5
Gross domestic product (GDP) (billion), 2006	284.5
Gross domestic product (GDP) (US\$ per capita), 2006	24,749
Real GDP growth (annual), 2006	-3.0

Source: World Bank, World Development Indicators Online Database (December 2007), ILO, World Economic Outlook Database (October 2007) and national sources.

Travel & Tourism Competitiveness

T&T Industry 2007 estimates	Rank	2006-07 score change	% (2006-07)
GDP (US\$ million)	14,429	3.9	2.5
Employment (10,000 units)	767	3.7	5.1

T&T economy 2007 estimates	Rank	2006-07 score change	% (2006-07)
GDP (US\$ million)	46,148	11.1	24.0
Employment (10,000 units)	524	12.9	2.5

Source: World Travel & Tourism Council, T&T Research 2007

International tourist arrivals (thousands), 2006	6,205
International tourism receipts (US\$ million), 2006	11,338

Source: United Nations World Tourism Organization

Travel & Tourism Competitiveness Index



Note: For descriptions of variables and detailed sources, please refer to "How to the Read Country/Economy Profiles."

The Travel & Tourism Competitiveness Report 2008 © 2008 World Economic Forum

Belgium

The Travel & Tourism Competitiveness Index in detail

INDICATOR	SCORE	COMPETITIVE ADVANTAGE	COMPETITIVE DISADVANTAGE
1st pillar: Policy rules and regulations			
1.01 Prevalence of foreign ownership	8	■	
1.02 Property rights	19	■	
1.03 Business impact of rules on FDI	21	■	
1.04 Ease of incorporation	32	■	
1.05 Openness of National Air Service Agreements	32	■	
1.06 Transparency of government policymaking	33	■	
1.07 Time required to start a business	33	■	
1.08 Cost to start a business	32	■	
2nd pillar: Environmental sustainability			
2.01 Stringency of environmental regulation	8	■	
2.02 Enforcement of environmental regulation	10	■	
2.03 Sustainability of T&T industry development	43	■	
2.04 Carbon dioxide emissions*	104	■	
2.05 Particulate matter concentrations*	102	■	
2.06 Treatment capacity*	29	■	
2.07 Environmental trade restrictions*	16	■	
3rd pillar: Safety and security			
3.01 Business costs of terrorism	32	■	
3.02 Reliability of justice services	30	■	
3.03 Business costs of crime and violence	30	■	
3.04 Road traffic accidents*	37	■	
4th pillar: Health and hygiene			
4.01 Prevalence of disease*	8	■	
4.02 Access to improved sanitation*	1	■	
4.03 Access to improved drinking water*	1	■	
4.04 Hospital beds*	32	■	
5th pillar: Prioritization of Travel & Tourism			
5.01 Government prioritization of the T&T industry	36	■	
5.02 T&T government expenditure*	43	■	
5.03 Effectiveness of marketing and branding	76	■	
5.04 T&T for attendance*	76	■	
6th pillar: Air transport infrastructure			
6.01 Quality of air transport infrastructure	30	■	
6.02 Available seat kilometers*	40	■	
6.03 Departures per 1,000 population*	24	■	
6.04 Airport density*	30	■	
6.05 Number of operating airlines*	19	■	
6.06 International air transport network	21	■	
7th pillar: Ground transport infrastructure			
7.01 Quality of roads	16	■	
7.02 Quality of rail infrastructure	8	■	
7.03 Quality of port infrastructure	8	■	
7.04 Quality of domestic transport network	16	■	
7.05 Road density*	1	■	
8th pillar: Tourism infrastructure			
8.01 Hotel rooms*	42	■	
8.02 Presence of major car rental companies*	31	■	
8.03 Affiliates accepting visa cards*	44	■	
9th pillar: ICT infrastructure			
9.01 Extent of business internet use	26	■	
9.02 Internet usage*	21	■	
9.03 Broadband market penetration*	19	■	
9.04 Mobile telephone subscriptions*	37	■	
10th pillar: Price competitiveness in the T&T industry			
10.01 Hotel index and airport charges*	40	■	
10.02 Purchasing power parity*	116	■	
10.03 Export and import of tourism	128	■	
10.04 Fuel price index*	116	■	
10.05 Hotel price index*	60	■	
11th pillar: Human resources			
11.01 Primary education enrollment*	12	■	
11.02 Tertiary education enrollment*	11	■	
11.03 Quality of the education system	5	■	
11.04 Local availability of research and training services	2	■	
11.05 Extent of staff training	12	■	
11.06 Hiring and firing practices	124	■	
11.07 Ease of hiring foreign labor	35	■	
11.08 HR prevalence*	29	■	
11.09 Business impact of HRSDS	25	■	
11.10 Life expectancy*	18	■	
12th pillar: Affinity for Travel & Tourism			
12.01 Tourism openness*	36	■	
12.02 Attitude of population toward foreign visitors	24	■	
12.03 Extension of business hours (accommodation)	25	■	
13th pillar: Natural resources			
13.01 Number of World Heritage natural sites*	70	■	
13.02 Nationally protected areas*	101	■	
13.03 Quality of the natural environment	20	■	
13.04 Total known species*	104	■	
14th pillar: Cultural resources			
14.01 Number of World Heritage cultural sites*	13	■	
14.02 Sports clubs*	20	■	
14.03 Number of international fans and ambassadors*	16	■	

* World Bank

Note: For further details and explanations, please refer to the section "How to Read the Competitiveness Index" at the beginning of the chapter.

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Travel & Tourism Competitiveness Index

2009 Index	Rank (out of 133)	Score (1-7 scale)
2009 Index	22	4.9
2008 Index	27	4.8
T&T regulatory framework	21	5.5
Policy rules and regulations	20	5.2
Environmental sustainability	8	5.6
Safety and security	21	6.0
Health and hygiene	16	6.6
Prioritization of Travel & Tourism	92	3.9
T&T business environment and infrastructure	32	4.6
Air transport infrastructure	31	4.3
Ground transport infrastructure	7	6.1
Tourism infrastructure	41	4.2
ICT infrastructure	22	4.8
Price competitiveness in the T&T industry	126	3.5
T&T human, cultural, and natural resources	20	4.7
Human resources	13	5.8
Education and training	4	6.1
Availability of qualified labor	55	5.5
Affinity for Travel & Tourism	42	5.0
Natural resources	120	2.2
Cultural resources	8	5.9

Note: For descriptions of variables and detailed sources, please refer to "How to the Read Country/Economy Profiles."

The T&T Index

Understanding and using TTCI

- it is not a beauty contest, but an instrument to assess strengths and weaknesses
- methodology itself has strengths and weaknesses
- it is not a performance indicator
- you have to compare yourself with peers
- no destination scores well on all indicators
- each country could easily translate results in a SWOT analysis
- it is work in progress



Thank you very much for your attention!

World Tourism Organization (UNWTO)

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