

## EU residents spent €94.2bn outside the EU for travel purposes in 2007

The European Union continues to be a major player in international travel. In 2007, EU residents spent €94.2bn outside the EU (compared to €87.7bn in 2006 and €84.8bn in 2005), making it by far the biggest spender in the world. In terms of travel receipts the EU is second only to the USA, having earned €75.6bn in 2007 (€72.3bn in 2006 and €65.7bn in 2005). As a result, the EU recorded a deficit of €18.6bn in 2007 (- €15.4bn in 2006 and - €19.1bn in 2005). Spain, France and Italy are the most attractive destinations while Germany and the United Kingdom are the biggest spenders. About 72% of the EU's total earnings from travel comes from transactions between Member States. The major destinations outside the EU for EU residents were the USA, Turkey and Switzerland, while the bulk of EU receipts came from the USA, Switzerland and Norway.

Travel and Tourism is not a conventional industry in the System of National Accounts and the Balance of Payments framework. It is defined by the customer (visitor) rather than the product available. Nevertheless, Travel and Tourism is the world's largest industry and creator of jobs across national and regional economies. Jobs generated by Travel and Tourism are spread across the economy - in retail, construction, manufacturing and

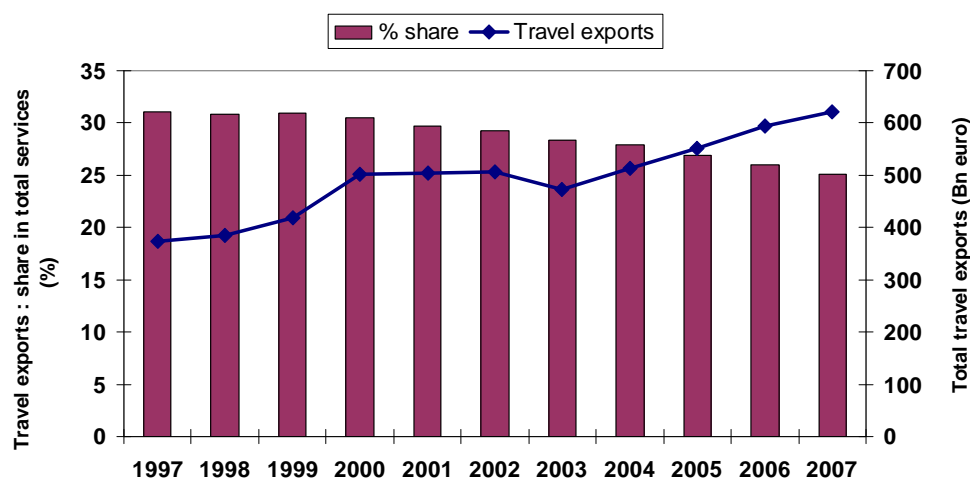
telecommunications, as well as directly in Travel and Tourism companies. These sectors employ a large proportion of women, minorities and young people; the jobs are predominantly in small and medium-sized companies, and offer good training and transferability.

Over the past decades, the continued expansion and diversification of tourism has made it one of the largest and fastest-growing economic sectors in the world. Over time, more and more destinations have opened up and invested in tourism development, turning modern tourism into a key driver for socioeconomic progress.

Tourism has also become one of the major international trade categories. Today, the export income generated by international tourism ranks fourth after fuels, chemicals and automotive products. For many developing countries, it is one of the main income sources and the number one export category, creating much-needed employment and opportunities for development.

In 2007, worldwide international travel earnings increased by 4.6% compared to 2006 (expressed in euro). According to figures published by the International Monetary Fund, total world exports in travel increased from €374.5bn in 1997 to €620.5bn in 2007, an increase of 66% in value terms. However, in the same period the share of travel in total service exports decreased, from 31.1% to 25.1%.

Chart 1: World travel receipts and share in total services exports



Right-hand scale for share of travel in total services in %, left-hand scale for total travel exports in € billion

Source: IMF Balance of payments statistics

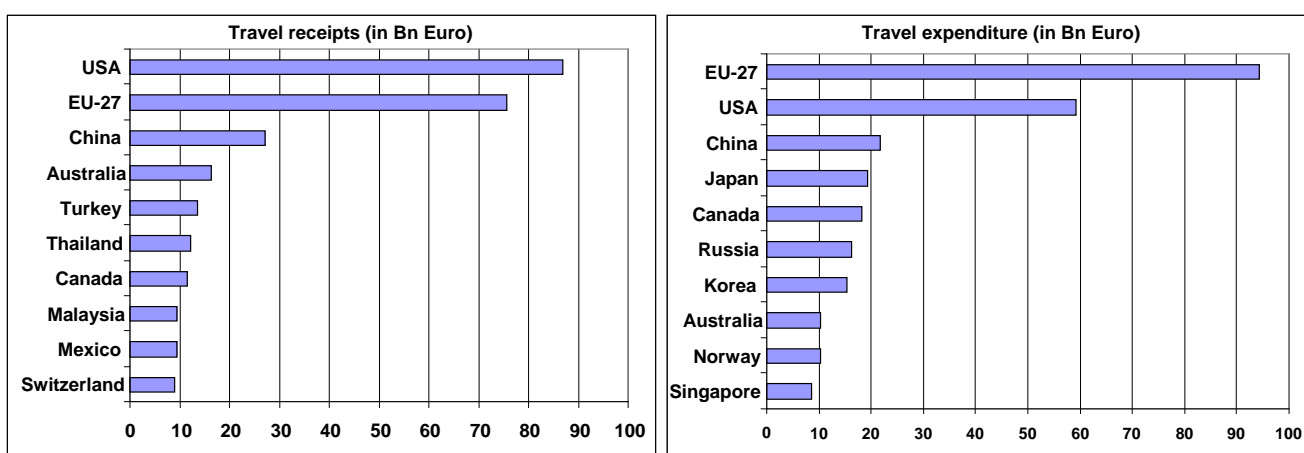
## The EU is the world's biggest spender and second biggest earner in travel

The EU is the world's biggest spender and second biggest earner in international travel. Travel and tourism is a very significant industry - regionally, nationally, within the EU and on a global scale. It is a significant source of employment both in Europe and throughout the world. According to the European Commission, tourism accounts for 4% of the Community's GDP, with about 2 million enterprises employing some 4% of the total labour force, representing about 8 million jobs. When the interactions with other sectors are taken into

account, tourism's contribution to GDP is estimated to be around 11% and it provides employment for more than 12% of the labour force, representing about 24 million jobs.

Intra-Community travel is increasingly facilitated by the Schengen agreements, and the introduction of the euro. However, the EU has to cope with growing international competitiveness due to developments in transportation and globalisation.

**Chart 2: World's top 10 earners and spenders in international travel – 2007**

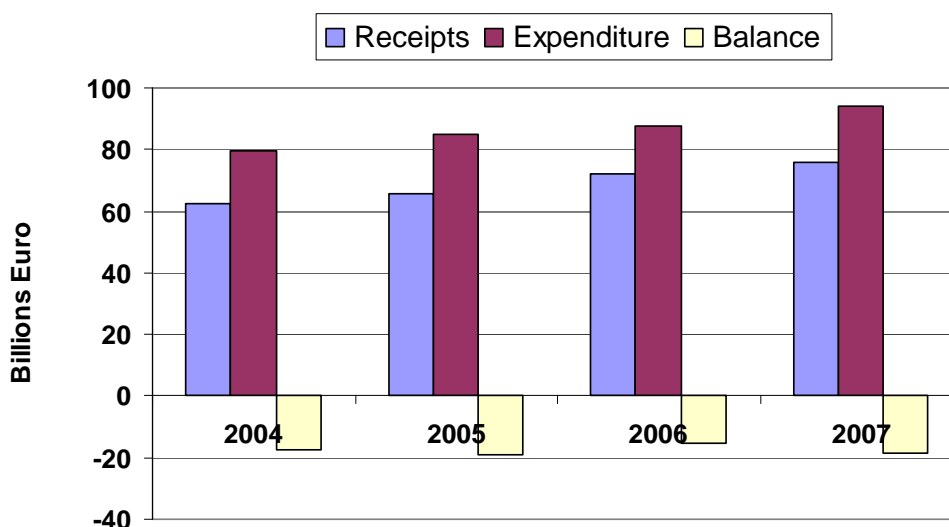


Source: IMF Balance of payments statistics, Eurostat

In 2007, the EU-27 earned €75.6bn from foreign travellers compared with €72.3bn in 2006 and €65.7bn in 2005. At the same time, the spending of EU residents abroad increased at a similar rate, amounting to €4.2bn in 2007 compared to

€7.7bn in 2006 and €8.4bn in 2005. Consequently, the EU's large and growing deficit with the rest of the world in travel reached €18.6bn in 2007, up from €15.4bn in 2006.

**Chart 3: EU international transactions in travel with the rest of the world (in billion euro)**



Source: Eurostat

**Table 1: EU travel receipts, expenditure and balance with the rest of the world (in million euro)**

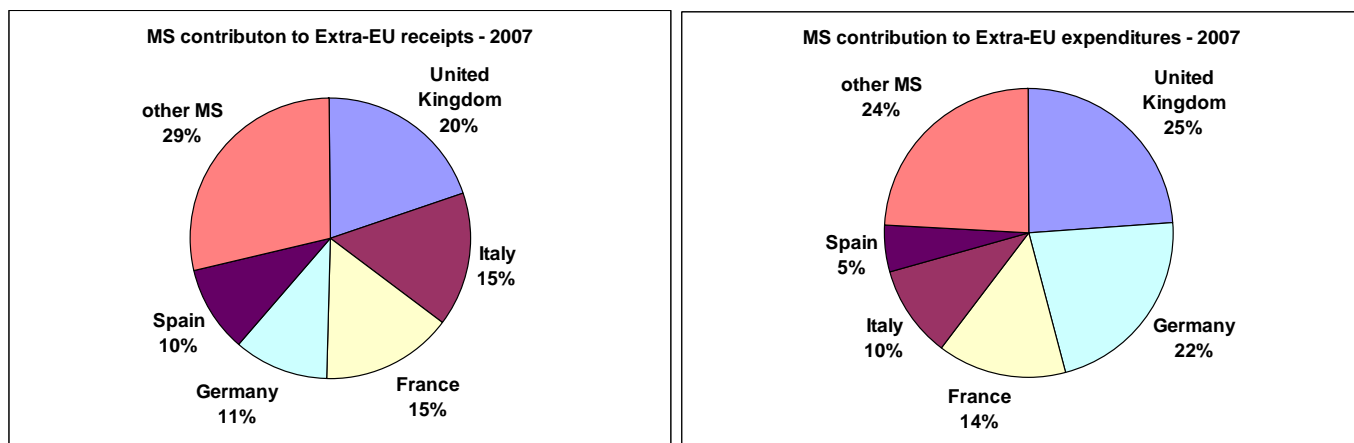
Major source countries	Receipts	Major destinations	Expenditures	Partner countries	Balance
U.S.A	19 346	U.S.A	16 870	Norway	4 027
Switzerland	10 804	Switzerland	7 382	Switzerland	3 422
Norway	6 536	Turkey	6 464	U.S.A	2 476
Russia	3 975	Croatia	3 469	Russia	2 213
Canada	3 254	Egypt	3 407	Japan	1 280
Australia	2 890	Canada	3 193	South Korea	413
Japan	2 181	Thailand	2 950	Chile	380
China	1 882	China	2 913	Venezuela	320
Brazil	1 403	Australia	2 628	Australia	262
Turkey	1 077	Norway	2 509	Taiwan	209
Mexico	995	Morocco	2 389	Canada	60
India	924	India	2 026	Hong Kong	43
South Africa	798	Mexico	1 794	Nigeria	42
Croatia	795	Russia	1 762	Iceland	23
Israel	765	South Africa	1 662	Singapore	19
Chile	675	Brazil	1 408	Uruguay	3
New Zealand	597	Japan	900	Liechtenstein	-1
South Korea	583	Israel	856	Brazil	-5
Venezuela	529	New Zealand	798	Iran	-56
Hong Kong	502	Argentina	652	Malaysia	-78
Morocco	422	Hong Kong	459	Israel	-92
Argentina	393	Philippines	409	New Zealand	-201
Iceland	361	Indonesia	389	Indonesia	-229
Nigeria	356	Malaysia	384	Argentina	-259
Egypt	348	Iceland	338	Philippines	-290
Taiwan	345	Nigeria	314	Mexico	-798
Malaysia	306	Chile	296	South Africa	-864
Singapore	305	Singapore	286	China	-1 031
Thailand	305	Venezuela	209	India	-1 102
Indonesia	160	Iran	184	Morocco	-1 967
Iran	128	South Korea	170	Thailand	-2 645
Philippines	119	Taiwan	136	Croatia	-2 673
Uruguay	59	Uruguay	55	Egypt	-3 059
Liechtenstein	50	Liechtenstein	51	Turkey	-5 387

Source: Eurostat

Five Member States (France, the United Kingdom, Italy, Germany and Spain) account for 71% of total extra-EU receipts from travel services. The United Kingdom was the biggest earner, with 20% of receipts, followed by France and Germany with

15% each. On the other hand, the same five Member States were also responsible for 76% of total extra-EU expenditure. The United Kingdom and Germany were the biggest spenders with 25% and 22% of expenditure respectively.

**Chart 4: Member States' contributions to extra-EU travel receipts and expenditure, 2007**



Source: Eurostat

## The travel sector is a major player in Member States' trade in services

In 2007, travel accounted for 22.7% of the EU total of services exports and 25.1% of the total of imports. Travel plays a very important role in trade in services for a large number of Member States.

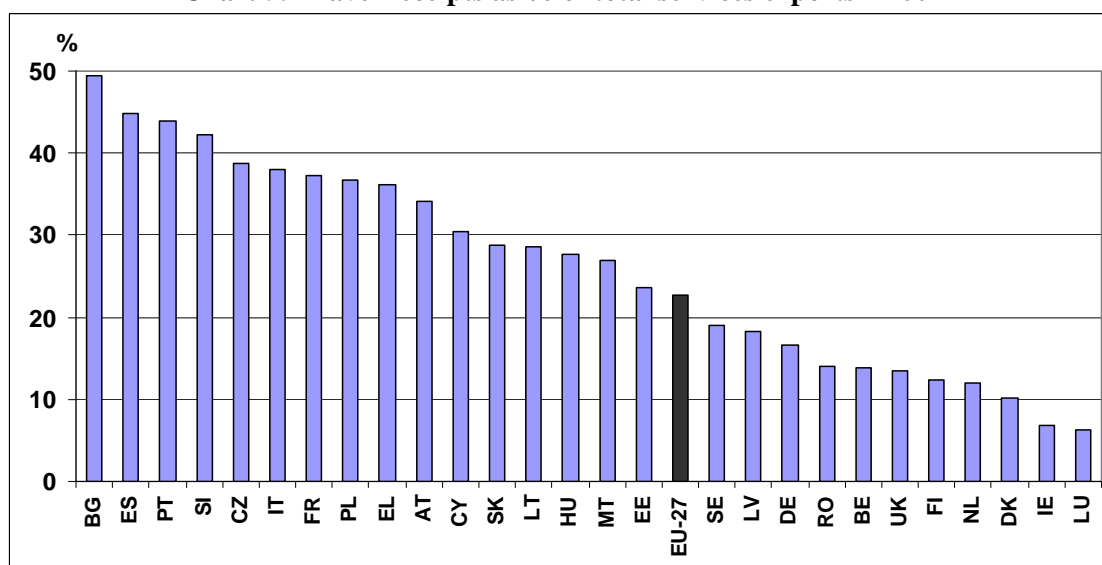
For Bulgaria, travel receipts represent around 50% of the total services exports, followed by Spain and

Portugal with 44.7% and 43.8% respectively. Other important countries in this respect are Slovenia and the Czech Republic. On the other hand, in Cyprus, Bulgaria and the United Kingdom, expenditure for travel represents more than 35% of the total imports of services.

**Table 2: Member States' trade in travel with rest of the world, 2007 (in million euro)**

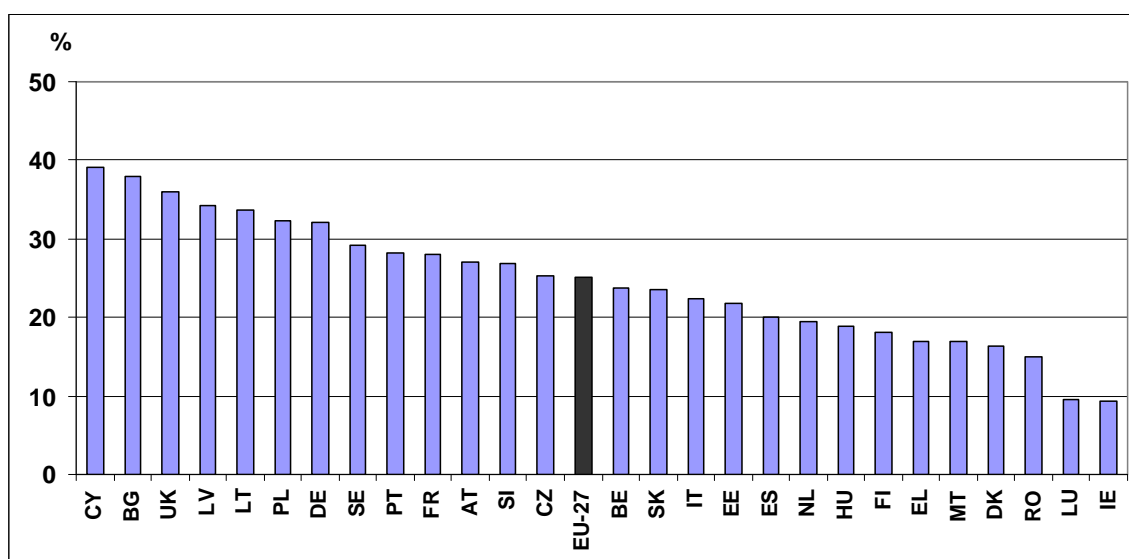
	Reporter	Receipts	Expenditures	Balance
ES	Spain	42171	14360	27811
FR	France	39568	26781	12787
IT	Italy	31091	19892	11199
EL	Greece	11320	2487	8833
AT	Austria	13780	7702	6078
PT	Portugal	7393	2858	4535
CZ	Czech Republic	4828	2645	2183
PL	Poland	7686	5654	2032
HU	Hungary	3449	2147	1302
SI	Slovenia	1811	831	980
BG	Bulgaria	2287	1332	955
CY	Cyprus	1955	1071	885
MT	Malta	664	272	392
SK	Slovakia	1473	1117	356
LU	Luxembourg	2919	2592	327
EE	Estonia	754	487	267
LT	Lithuania	839	834	5
RO	Romania	1066	1114	-47
LV	Latvia	490	677	-187
FI	Finland	2070	2907	-838
SE	Sweden	8770	10186	-1417
DK	Denmark	4534	6386	-1852
IE	Ireland	4426	6389	-1963
NL	Netherlands	9710	13912	-4203
BE	Belgium	7939	12583	-4645
UK	United Kingdom	27510	52836	-25327
DE	Germany	26289	60619	-34331

**Chart 5: Travel receipts as % of total services exports – 2007**



Source: Eurostat

**Chart 6: Travel expenditures as % of total services imports – 2007**



Source: Eurostat

### Travel between Member States exceeds extra-EU travel

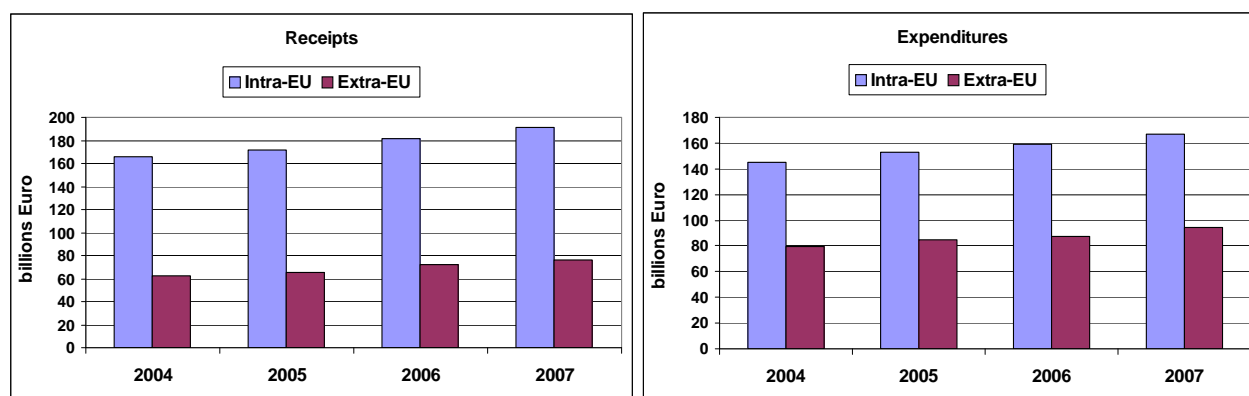
Travel to other Member States is more important than travel to third countries. In 2007, Member States earned €91bn from travellers coming from other Member States.

The corresponding value of receipts from travellers coming from countries outside the EU was

€75.6bn. Between 2004 and 2007, intra-EU travel increased by 13.8 %.

In terms of expenditures, the residents of EU Member States spent €166.4bn in other Member States and only €4.2bn in non-EU countries in 2007.

**Chart 7: Intra-EU and extra-EU receipts and expenditures, in billion euro**



Source: Eurostat

### Inbound tourism in the EU in 2007: Spain is the most attractive destination

In 2007, a total of almost 263 million foreign tourists (for a definition of tourists and the difference between travel and tourism, see the methodological notes on page 7) spent about 267 billion euro in the EU-27 Member States (including intra-EU and extra-EU tourists, but excluding domestic tourists). The enlargement process contributed to improving tourist flows by

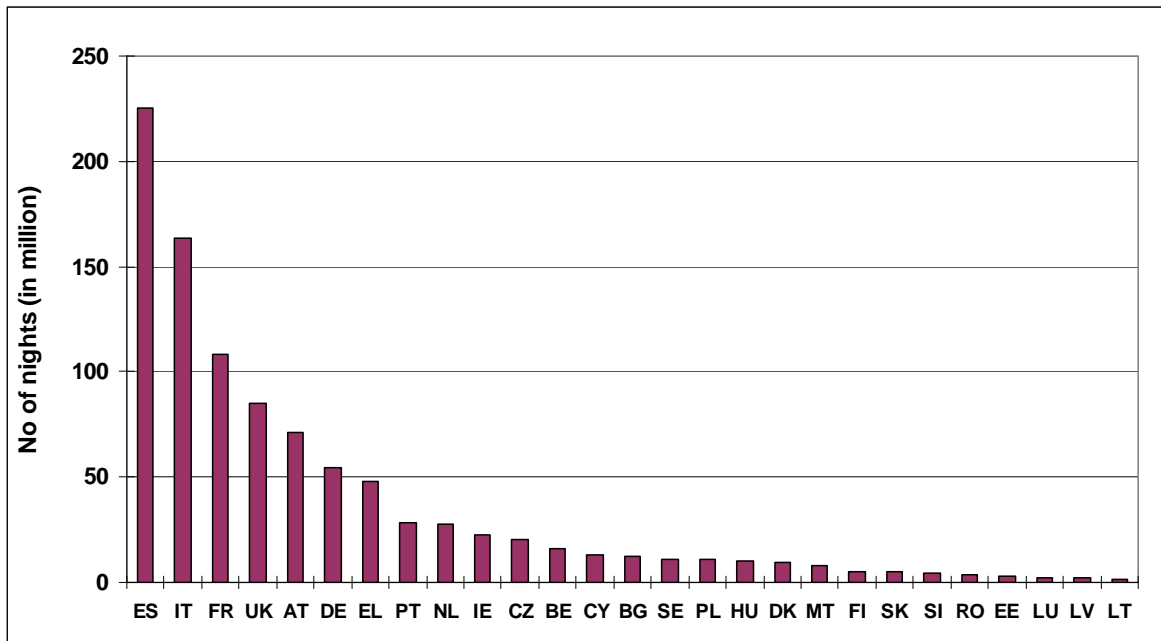
inducing international arrivals not only in the new Member States, but also between old and new Member States. The Community's accession policy and the market-oriented policies in the new Member States brought about very significant increases in tourist flows between old and new Member States that are continuing.

Thus, the importance of intra-European tourism increased during the process of enlargement. The divergent price levels in old and new Member States will incontestably intensify competition.

On the other hand, the high GDP growth rates in the new Member States foster the development of tourism and thus open new markets and business opportunities for tourism enterprises.

Spain (224 million nights), Italy (163 million nights) and France (108 million nights) were the countries with the highest number of nights spent by non-residents in collective accommodation, representing more than 50% of the total for the European Union.

**Chart 8: Total number of nights (in millions) spent by non-residents in 2007**

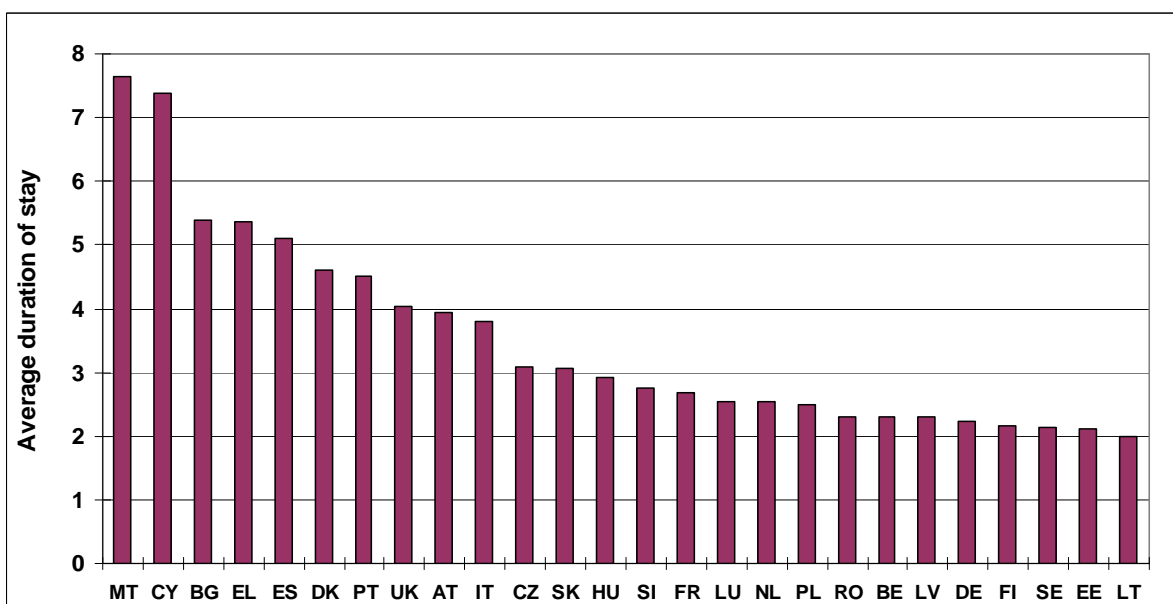


Source: Eurostat

On average, each tourist stays 3 to 4 nights in the country visited. Malta and Cyprus register the longest duration with an average of 7 nights spent

per traveller, while in Estonia and Lithuania, it is less than 2 days on average.

**Chart 9: Average duration of stay (in days) in 2007**



Source: Eurostat

## METHODOLOGICAL NOTES

The data used in this issue of Statistics in Focus are from Eurostat Balance of Payments statistics and Tourism statistics (unless otherwise indicated). The Balance of Payments of the European Union is compiled as the sum of the harmonised balance of payments accounts of the Member States. The balance of payments of the EU Institutions is added to the European Union aggregate.

The methodological framework is that of the fifth edition of the International Monetary Fund Balance of Payments Manual (BPM5).

**Travel** covers the goods and services acquired from an economy by travellers during visits of less than one year in that economy. Excluded is the international carriage of travellers, which is covered in passenger services under **transportation**.

On the **credit** side (exports), *travel* covers the **receipts** from all goods and services provided by a resident economy to a non-resident staying less than one year in that economy for any other purpose than (i) being stationed on a military base or being an employee (including diplomats and other embassy personnel) of his/her government, or (ii) being an accompanying dependent of an individual mentioned under (i).

On the **debit** side (imports), *travel* records **expenditure** of the same type spent abroad by residents displaying the same characteristics. Expenditures made in the economy of the employing enterprise by seasonal and border workers are included under *travel*. The one-year rule does not apply to students or patients receiving health care abroad, who remain residents of their economy of origin even if the length of the stay in another economy is one year or more.

The most common **goods and services** entered in *travel* are lodging, food and beverages, entertainment and transport within the economy visited – all of which are consumed within the providing economy – and gifts, souvenirs and articles purchased for travellers' own uses and taken out of the economies visited.

Eurostat, the World Tourism Organisation and the OECD identify **tourism** as "the activities of those persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes". Similarly, a **visitor** is "any person travelling to a place other than his/her usual environment for less than twelve months and whose main purpose of trip is other than the exercise of an activity remunerated from within the place visited".

Therefore the BPM5 and the tourism statistics definitions differ as regards **students and medical patients** (considered as residents of their home economies in BPM5, and as visitors in tourism statistics), and the **expenditure of border and seasonal workers** (included under travel in BPM5, but excluded in tourism statistics which do not consider as visitors all individuals who move to another economy primarily for the purpose of earning income).

**Arrivals:** In tourism statistics, one person visiting the same country several times a year is counted each time as a new arrival. Likewise, the same person visiting several countries during the same trip is counted each time as a new arrival.

**Nights spent by residents and non-residents:** A night spent (or overnight stay) is each night that a guest actually spends (sleeps or stays) or is registered (his/her physical presence there being unnecessary) in a collective accommodation establishment or in private tourist accommodation. Overnight stays are calculated by country of residence of the guest and by month.

### Country abbreviations

BE: Belgium, BG: Bulgaria, CZ: Czech Republic, DK: Denmark, DE: Germany, EE: Estonia, IE: Ireland, EL: Greece, ES: Spain, FR: France, IT: Italy, CY: Cyprus, LV: Latvia, LT: Lithuania, LU: Luxembourg, HU: Hungary, MT: Malta, NL: Netherlands, AT: Austria, PL: Poland, PT: Portugal, RO: Romania, SI: Slovenia, SK: Slovakia, FI: Finland, SE: Sweden, UK: United Kingdom;

## Further information

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Data: [Eurostat Website: http://ec.europa.eu/eurostat](http://ec.europa.eu/eurostat)

Data: [Eurostat's Website/ Economy and Finance/ Balance of Payment – International transactions](#)

Data: [Eurostat's Website/ Industry, Trade and Services/ Tourism](#)

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