

STATS WINDOW

The Pacific Business Review International has taken an initiative to start a section which will provide a snapshot of major Global & Indian economic indicators and industry review alternatively.

A snapshot of the section in upcoming issues is hereunder:

Sept. 2015	Economy at a Glance: (Global & Indian)
Oct. 2015	Education Industry: Global Scenario
Nov. 2015	Economy at a Glance: (Global & Indian)
Dec. 2015	Agriculture Industry: Global Scenario
Jan. 2016	Economy at a Glance: (Global & Indian)

Travel and Tourism Sector

Introduction

The rise of travel and tourism has shown significant resilience globally. Despite slow economic growth in advanced economies and geopolitical tensions in some regions, the T&T sector still accounts for a large part of the global economy (estimated to be approximately 9% of global GDP or US\$ 7 trillion) and employment, while the number of international travellers continues to increase. According to the World Travel & Tourism Council (WTTC), the T&T sector is forecast to continue growing at 4% annually—faster than financial services, transport and manufacturing.

Taking its wider impacts into account, Travel & Tourism's total contribution to the global economy in 2014 was US\$7.6 trillion (2014 prices), which equates to 9.8% of total economy GDP in 2014. 2.1 million new jobs were generated directly in the sector in 2014, and in total 6.1 million new jobs were created as a result of total direct, indirect and induced activity. The total contribution of Travel & Tourism to employment grew 2.3% in 2014, while the total GDP contribution grew 3.6%, faster than wider economy in 2014 and registering positive growth for the 5th successive year. This is again evidence that Travel & Tourism is a key engine for continued global growth and job creation.

Direct Travel & Tourism GDP growth in 2014 exceeded wider economic GDP growth in two-thirds (123) of the 184 countries covered by the annual economic impact research. At a global level, Travel & Tourism out-performed growth in the majority of leading sectors in 2014, including automotive, public services, retail, ICT, financial services, aerospace and extraction. Its performance was only bettered by a small selection of booming sectors like consumer electronics and machine tools.

Travel & Tourism: Global Performance 2014

2014 proved to be yet another successful year for the Travel & Tourism sector off the back of a modestly stronger economic backdrop. World GDP growth increased from 2.3% in 2013 to 2.4% in 2014. The direct GDP contribution of Travel & Tourism grew by 3.5%, up from 3.4% in 2013.

The uplift in Travel & Tourism sector growth in 2014 was as

predicted one year ago, though not by as much as forecast (4.3% forecast for 2014 versus the 3.5% outturn in 2014). World GDP growth of 2.4% was weaker than the 3.0% originally expected, with below expectations growth in Latin America, Japan, Mexico and Russia being the main sources for the world GDP downgrade. On top of this, other unexpected developments during 2014 contributed to weaker than otherwise Travel & Tourism performance: Ukraine-Russia conflict, Ebola in West Africa and political instability in Thailand. Countries like Syria and Libya remained highly unstable in 2014 and terror attacks in Nigeria and Kenya increased.

During a year of particular exchange rate volatility when the US dollar appreciated against the majority of currencies, visitor exports still grew by a robust 4.1%, outpacing growth in domestic tourism spending of 3.1%. International tourist arrivals increased by 4.7%, the fifth year in a row growth has exceeded 4%.

Various sector indicators support the view that Travel & Tourism performance was robust in 2014. Hotel performance was strong with higher occupancy rates and average daily rates in almost all regions. International air passenger demand grew by around 6%, measured in terms of revenue passenger kilometres, up from growth of 5.4% in 2013. Continued additions to seat capacity and expansion of routes, allied to some downward pressure on air fares from lower oil prices, should ensure that further growth in international air travel materialises in 2015.

All major components of Travel & Tourism recorded growth in 2014, as did all world regions. Business and leisure spending grew by 3.4%, while Travel & Tourism investment increased by 3.9%. But in most cases growth was weaker than predicted one year ago in line with weaker than anticipated macroeconomic performance. Business spending growth was downgraded by more than leisure spending. Like last year, part of this may be attributed to continued efforts by

Chinese authorities to clamp down on corruption by reducing business travel expenses on government related business.

South Asia, led by India, and the Middle East, were the fastest growing regions globally in terms of Travel & Tourism's total contribution to GDP. Europe's growth was weakest but its performance is improving. In terms of visitor exports, Europe out-performed North America in 2014 and is forecast to continue to do so in the medium-term given the strength of the US dollar. With the exception of parts of Asia where there has been a notable economic slowdown in recent years, such as in China, and Latin America where domestic economic weaknesses abound, all major regions recorded faster growth in Travel & Tourism's total contribution to GDP in 2014 compared to 2013.

Africa's Travel & Tourism performance in 2014 picked up, despite the negative impact of Ebola on the sector in the parts of Africa directly and indirectly affected. Africa's improved performance was driven by stronger than expected performance in recovering Egypt and international growth in other major destination markets. The one exception is Kenya where terror attacks and travel warnings have impacted negatively on inbound tourism.

Visitor exports growth in 2014, in real terms, was fastest in the Middle East and Africa, but slowed in Asia from 8.1% in 2013 to 4.4% in 2014. Political instability and the declaration of martial law in Thailand was a major explanatory factor for South East Asia's slowdown. A number of sub-regions enjoyed visitor exports growth around or well in excess of 5%, which in many cases was also above expectations: South Asia, Latin America, North Africa, Middle East, North East Asia, Oceania and Sub-Saharan Africa (even with Ebola). Japan and South Korea

continue to benefit hugely from strong outbound spending growth from China and 2014 was no different.

There were a number of smaller country 'hotspots' for growth in 2014, like Armenia, Oman, Qatar and Sri Lanka, which grew even stronger in percentage terms than bigger, fast growth markets like China, India, Indonesia, South Korea, and Turkey.

It is important, however, to set growth in a single year in

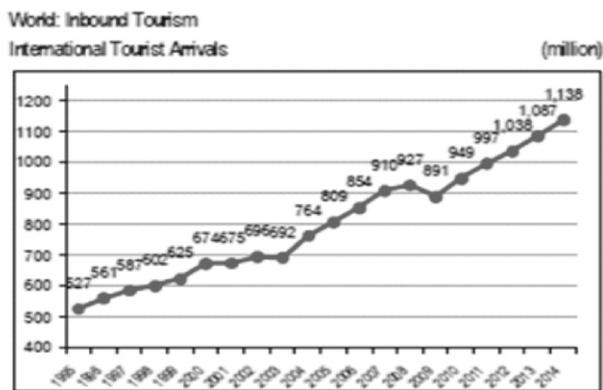
the context of longer term trends, especially given the sometimes volatile nature of international tourism flows. Thailand, despite its difficulties in 2014, has still experienced a 55% real increase in visitor exports since 2007. In contrast, visitor exports in Egypt, which improved in 2014, remain 20% lower than pre-Arab Spring levels, and 50% down on 2008 levels before the onset of the global recession and eurozone crisis.

Tourism in numbers

International tourism capped off 2014 with record numbers, growing 4.4% to reach 1,135 million tourists that crossed international borders during the year, consolidating the growth after the global economic crisis and despite many challenges. The growth in arrivals was followed closely by that of receipts from international tourism. With an increase of 3.7% in real terms, international tourism receipts reached an estimated US\$ 1,245 billion (euro 937 billion) in 2014. Adding up the export earnings generated through international passenger transport services (US\$ 221 billion in 2014), total exports from international tourism were up to US\$ 1.5 trillion, or US\$ 4 billion a day on average in 2014.

2014 – Over 1.1 billion tourists travelled internationally

International tourism propelled ahead in 2014 as the number of international tourists (overnight visitors) grew 4.4% with an additional 48 million more than in 2013, to reach a new record total of 1,135 million. growth since the global economic crisis of 2009. With a 4.4% increase, international tourism once again exceeded UNWTO's long-term forecast of 3.8% the sector's strong and consistent performance in spite of the global challenges the world faced in 2014, including a slow global economic recovery, the Middle East (+5%) registered the strongest growth, while Europe (+3%) and Africa (+2%) grew at a slightly more modest pace. By subregion, North America (+9%) saw the best results, followed by North-East Asia, South Asia, Southern and Mediterranean Europe, Northern Europe and the Caribbean, all increasing by 7%.

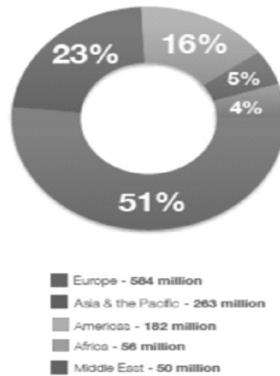


Source: World Tourism Organization (UNWTO) ©

The growth in arrivals was followed closely by that of receipts from international tourism which reached an estimated US\$ 1,245 billion (euro 937 billion) in 2014, an increase of 3.7% in real terms (taking into account international tourism receipts (the travel item of the Balance of Payment), tourism also generates export

earnings through international passenger transport services (rendered to non-residents). The latter amounted to an estimated US\$ 221 billion in 2014, bringing total exports from international tourism up to US\$ 1.5 trillion, or US\$ 4 billion a day on average.

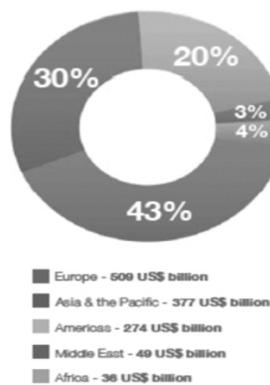
International Tourist Arrivals, 2014



In terms of receipts, Europe, which accounts for 41% of worldwide international tourism receipts, saw an increase in tourism earnings in absolute terms of US\$ 17 billion to US\$ 509 billion (euro 383 billion). Asia and the reaching US\$ 377 billion (euro 284 bn). In the Americas (22% share), receipts increased by US\$ 10 billion to a total of US\$ 274 billion (euro 206 bn). In the Middle East (4% share), tourism receipts increased by an estimated US\$ 4

billion to US\$ 49 billion (euro 37 bn) and in Africa (3% share) by US\$ 1 billion to US\$ 36 billion (euro 27 bn). By subregion, Northern Europe, Southern and Mediterranean Europe, North-East Asia, Oceania, South Asia, Caribbean, Central America, South America and the Middle East showed fastest growth in relative terms, all recording +5% or over in receipts.

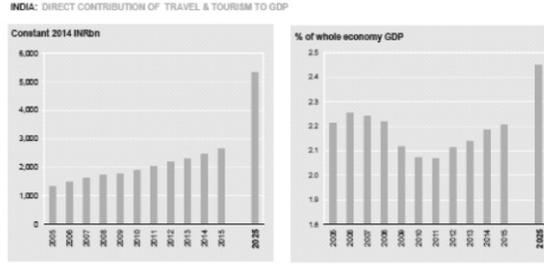
International Tourism Receipts, 2014



Travel & Tourism's contribution to GDP

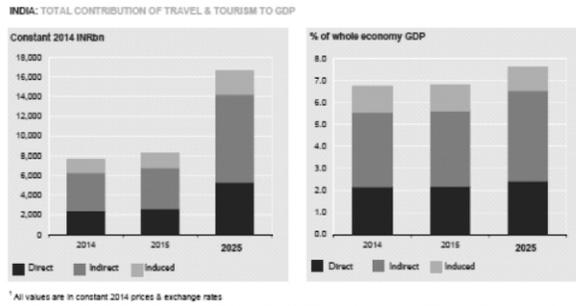
The direct contribution of Travel & Tourism to GDP in 2014 was INR2,478.2 bn (2.2% of GDP). This is forecast to rise by 7.6% to INR2,667.5 bn in 2015. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger

transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported. The direct contribution of Travel & Tourism to GDP is expected to grow by 7.2% pa to INR5,339.2bn (2.5% of GDP) by 2025.



The total contribution of Travel & Tourism to GDP was INR7,642.5bn in 2014 (6.7% of GDP) and is expected to grow by 7.5% to INR8,218.0bn (6.8% of GDP) in 2015. It

is forecast to rise by 7.3% pa to INR16,587.2bn by 2025 (7.6% of GDP).



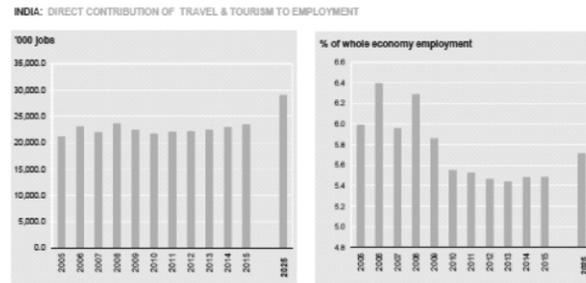
Travel & Tourism's contribution to employment

Travel & Tourism generated 23,024,000 jobs directly in 2014 (5.5% of total employment) and this is forecast to grow by 1.9% in 2015 to 23,455,500 (5.5% of total employment). This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). It also includes,

for example, the activities of the restaurant and leisure industries

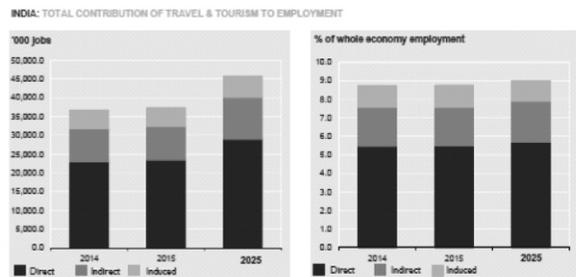
directly supported by tourists.

By 2025, Travel & Tourism will account for 29,020,000 jobs directly, an increase of 2.2% pa over the next ten years.



The total contribution of Travel & Tourism to employment (including wider effects from investment, the supply chain and induced income impacts) was 36,695,500 jobs in 2014 (8.7% of total employment). By

2025, Travel & Tourism is forecast to support 45,566,000 jobs (9.0% of total employment), an increase of 2.0% pa over the period.



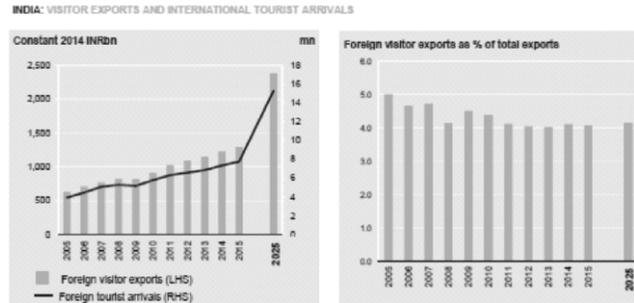
Visitor Exports and Investment

Money spent by foreign visitors to a country (or visitor exports) is a key component of the direct contribution of Travel & Tourism. In 2014, India generated INR1,224.4bn in visitor exports.

In 2015, this is expected to grow by 5.2%, and the country

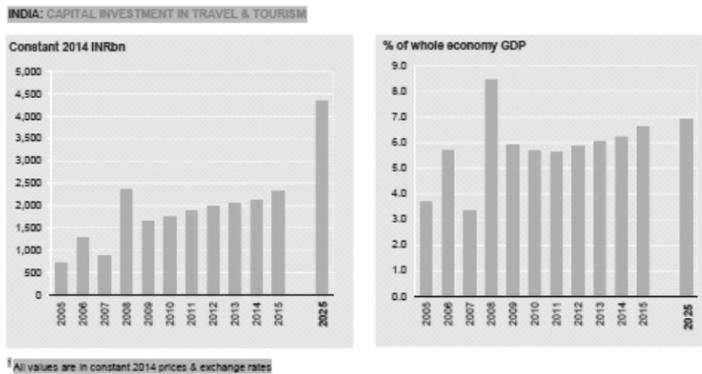
is expected to attract 7,757,000 international tourist arrivals.

By 2025, international tourist arrivals are forecast to total 15,291,000, generating expenditure of INR2,377.2bn, an increase of 6.3% pa.



Travel & Tourism is expected to have attracted capital investment of NR2,107.2bn in 2014. This is expected to rise by 9.3% in 2015, and rise by 6.5% pa over the next ten years to INR4,337.8bn in 2025.

Travel & Tourism's share of total national investment will rise from 6.6% in 2015 to 6.9% in 2025.



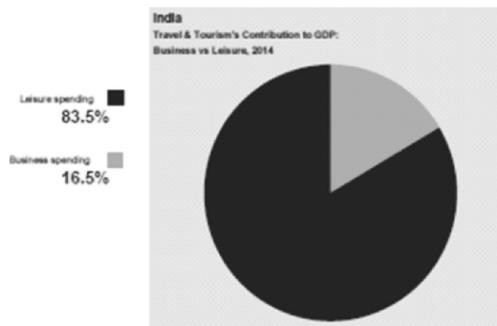
Different components of Travel & Tourism

Leisure travel spending (inbound and domestic) generated 83.5% of direct Travel & Tourism GDP in 2014 (INR5,502.3bn) compared with 16.5% for

Business travel spending (INR1,085.1bn). Business travel spending is expected to grow by 7.4% in 2015 to

INR1,165.8bn, and rise by 6.6% pa to INR2,202.2bn in 2025.

Leisure travel spending is expected to grow by 6.5% in 2015 to INR5,859.3bn, and rise by 7.1% pa to INR11,623.6bn in 2025.

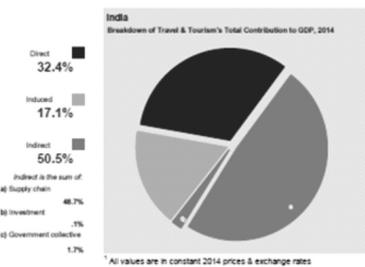
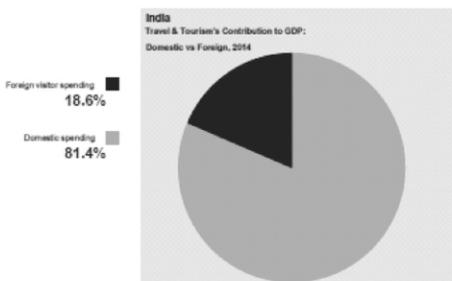


Domestic travel spending generated 81.4% of direct Travel & Tourism GDP in 2014 compared with 18.6% for visitor exports (ie foreign visitor spending or international tourism receipts).

Domestic travel spending is expected to grow by 7.0% in

2015 to INR5,737.5bn, and rise by 7.2% pa to INR11,448.7bn in 2025.

Visitor exports are expected to grow by 5.2% in 2015 to INR1,287.7bn, and rise by 6.3% pa to INR2,377.2bn in 2025.



Country Rankings: Absolute Contribution, 2014

Travel & Tourism's Direct Contribution to GDP	2014 % share
16 Cambodia	13.5
25 Thailand	8.6
48 Malaysia	5.7
61 Sri Lanka	4.8
64 Vietnam	4.6
99 Indonesia	3.2
World	3.1
Asia Pacific	3.0
113 Pakistan	2.9
120 China	2.6
138 India	2.2
151 Bangladesh	1.9

Travel & Tourism's Total Contribution to GDP	2014 % share
17 Cambodia	29.9
38 Thailand	19.3
50 Malaysia	14.9
70 Sri Lanka	11.1
World	9.8
93 China	9.4
94 Indonesia	9.3
95 Vietnam	9.3
Asia Pacific	9.2
125 Pakistan	6.9
130 India	6.7
168 Bangladesh	4.1

Travel & Tourism's Direct Contribution to Employment	2014 % share
18 Cambodia	11.7
46 Thailand	5.8
49 India	5.5
52 Malaysia	5.3
72 Sri Lanka	4.3
82 Vietnam	3.7
Asia Pacific	3.7
World	3.6
109 China	3.0
114 Indonesia	2.9
129 Pakistan	2.4
165 Bangladesh	1.6

Travel & Tourism's Total Contribution to Employment	2014 % share
21 Cambodia	26.4
51 Thailand	14.1
56 Malaysia	13.0
80 Sri Lanka	10.0
World	9.4
97 India	8.7
99 China	8.6
Asia Pacific	8.5
104 Indonesia	8.4
116 Vietnam	7.7
136 Pakistan	6.0
172 Bangladesh	3.6

Travel & Tourism Investment Contribution to Total Capital Investment	2014 % share
27 Cambodia	15.6
45 Vietnam	10.0
54 Pakistan	9.2
63 Thailand	7.4
73 Malaysia	6.8
82 India	6.2
88 Indonesia	5.3
World	4.3
111 Sri Lanka	4.1
Asia Pacific	3.7
146 China	2.9
180 Bangladesh	1.4

Visitor Exports Contribution to Total Exports	2014 % share
36 Cambodia	32.7
52 Sri Lanka	21.3
72 Thailand	14.4
88 Malaysia	8.6
World	5.7
117 Indonesia	5.6
Asia Pacific	5.2
125 Vietnam	4.8
133 India	4.1
148 Pakistan	3.0
159 China	2.4
179 Bangladesh	0.3

Country rankings: Real growth, 2015

Travel & Tourism's Direct Contribution to GDP	2015 % growth
3 Cambodia	8.4
6 Vietnam	7.9
7 India	7.6
16 China	6.7
26 Indonesia	6.0
32 Bangladesh	5.9
37 Malaysia	5.6
Asia Pacific	5.1
73 Pakistan	3.9
World	3.7
92 Thailand	3.4
156 Sri Lanka	1.3

Travel & Tourism's Total Contribution to GDP	2015 % growth
2 Cambodia	8.2
4 Vietnam	8.0
9 India	7.5
10 China	7.5
12 Indonesia	7.0
23 Bangladesh	6.0
Asia Pacific	5.5
39 Malaysia	5.3
42 Pakistan	5.2
World	3.7
96 Thailand	3.2
125 Sri Lanka	2.5

Travel & Tourism's Direct Contribution to Employment	2015 % growth
9 Cambodia	6.0
52 Vietnam	3.6
56 Malaysia	3.5
83 Indonesia	2.3
85 Pakistan	2.3
91 Bangladesh	2.1
World	2.0
103 India	1.9
Asia Pacific	1.8
122 China	1.2
147 Thailand	0.2
171 Sri Lanka	-2.6

Travel & Tourism's Total Contribution to Employment	2015 % growth
22 Cambodia	4.5
44 Vietnam	3.6
47 Pakistan	3.5
50 Indonesia	3.3
51 China	3.3
54 Malaysia	3.1
Asia Pacific	2.8
World	2.6
81 Bangladesh	2.2
98 India	1.8
126 Thailand	1.0
172 Sri Lanka	-2.4

Travel & Tourism Investment	2015 % growth
12 Pakistan	10.4
22 India	9.3
26 Sri Lanka	8.3
32 China	7.8
41 Vietnam	7.1
Asia Pacific	6.3
64 Indonesia	5.7
65 Cambodia	5.6
73 Thailand	5.4
76 Malaysia	5.3
World	4.8
129 Bangladesh	2.7

Visitor Exports	2015 % growth
11 Cambodia	8.3
22 Vietnam	7.4
40 Malaysia	5.8
47 Indonesia	5.5
56 India	5.2
85 Bangladesh	3.7
91 Thailand	3.3
Asia Pacific	3.0
World	2.8
121 China	2.2
130 Pakistan	1.7
159 Sri Lanka	-1.6

Country rankings: Long term growth, 2015 – 2025

Travel & Tourism's Direct Contribution to GDP	2015 - 2025 % growth pa
5 India	7.2
7 Thailand	6.7
11 Vietnam	6.6
15 Cambodia	6.3
22 Bangladesh	6.1
23 Sri Lanka	6.1
24 China	6.0
43 Indonesia	5.3
45 Pakistan	5.3
Asia Pacific	4.9
101 Malaysia	4.1
World	3.9

Travel & Tourism's Total Contribution to GDP	2015 - 2025 % growth pa
4 India	7.3
12 Bangladesh	6.5
13 Cambodia	6.5
15 Thailand	6.4
18 China	6.2
19 Vietnam	6.2
21 Sri Lanka	6.1
27 Indonesia	5.9
37 Pakistan	5.6
Asia Pacific	5.0
73 Malaysia	4.5
World	3.8

Travel & Tourism's Direct Contribution to Employment	2015 - 2025 % growth pa
7 Cambodia	4.6
8 Thailand	4.6
52 Malaysia	2.9
69 Sri Lanka	2.5
89 India	2.2
95 Pakistan	2.1
World	2.0
Asia Pacific	2.0
112 Vietnam	1.8
129 Bangladesh	1.4
131 Indonesia	1.4
135 China	1.3

Travel & Tourism's Total Contribution to Employment	2015 - 2025 % growth pa
10 Thailand	4.1
33 China	3.3
34 Cambodia	3.3
36 Malaysia	3.2
Asia Pacific	2.6
World	2.3
64 Pakistan	2.3
83 Bangladesh	2.1
87 India	2.0
105 Indonesia	1.8
113 Sri Lanka	1.7
131 Vietnam	1.3

Travel & Tourism Investment Contribution to Capital Investment	2015 - 2025 % growth pa
4 Bangladesh	7.8
5 Pakistan	7.7
11 Indonesia	7.1
14 China	6.6
16 India	6.5
19 Cambodia	6.4
21 Malaysia	6.3
26 Vietnam	6.2
32 Thailand	6.0
Asia Pacific	5.7
48 Sri Lanka	5.5
World	4.6

Visitor Exports Contribution to Exports	2015 - 2025 % growth pa
4 Thailand	7.7
11 Vietnam	6.8
19 Pakistan	6.6
21 Sri Lanka	6.3
22 India	6.3
27 Cambodia	6.0
35 Bangladesh	5.7
39 China	5.5
40 Indonesia	5.5
Asia Pacific	4.7
World	4.2
123 Malaysia	3.5

The Economic Contribution of Travel & Tourism: Growth

India Growth ¹ (%)	2009	2010	2011	2012	2013	2014	2015E	2025F ²
1. Visitor exports	-0.5	11.1	12.9	6.6	5.3	6.5	5.2	6.3
2. Domestic expenditure (Includes government individual spending)	2.3	5.5	6.5	7.4	5.5	7.4	7.0	7.2
3. Internal tourism consumption (= 1 + 2)	1.8	6.4	7.7	7.3	5.4	7.2	6.6	7.0
4. Purchases by tourism providers, including imported goods (supply chain)	1.8	6.2	7.8	7.3	5.4	7.2	6.0	6.9
5. Direct contribution of Travel & Tourism to GDP (= 3 + 4)	1.8	6.8	7.5	7.3	5.4	7.4	7.6	7.2
Other final impacts (indirect & induced)	1.8	6.8	7.5	7.3	5.4	7.4	7.6	7.2
6. Domestic supply chain								
7. Capital investment	-30.5	6.4	7.6	5.8	2.5	3.6	9.3	6.5
8. Government collective spending	16.3	7.3	6.6	9.4	7.0	7.1	2.9	6.2
9. Imported goods from indirect spending	-12.1	9.1	16.1	6.4	3.6	5.0	8.1	5.8
10. Induced	17.1	0.1	7.4	3.0	3.6	6.5	6.4	5.3
11. Total contribution of Travel & Tourism to GDP (= 5 + 6 + 7 + 8 + 9 + 10)	-2.0	4.5	3.9	6.5	5.1	7.3	7.5	7.3
Employment impacts ('000)								
12. Direct contribution of Travel & Tourism to employment	-5.0	-3.5	1.5	0.7	1.2	2.5	1.9	2.2
13. Total contribution of Travel & Tourism to employment	-5.6	-2.1	2.7	1.2	1.4	2.7	1.8	2.0
Other indicators								
14. Expenditure on outbound travel	3.6	0.0	25.0	-6.4	-1.3	20.5	5.0	5.9

¹2009-2014 real annual growth adjusted for inflation (%); ²2015-2025 annualised real growth adjusted for inflation (%)

Summary Tables: Estimates & Forecasts

India	2014 US\$mn ¹	2014 % of total	2015 Growth ²	US\$mn ¹	2025 % of total	Growth ³
Direct contribution to GDP	40,602.0	2.2	7.6	87,474.5	2.5	7.2
Total contribution to GDP	125,211.0	6.7	7.5	271,758.0	7.6	7.3
Direct contribution to employment ⁴	23,024.1	5.5	1.9	29,019.7	5.7	2.2
Total contribution to employment ⁴	36,695.4	8.7	1.8	45,566.0	9.0	2.0
Visitor exports	20,060.1	4.2	5.2	38,946.6	4.2	6.3
Domestic spending	87,864.2	4.7	7.0	187,571.0	5.3	7.2
Leisure spending	90,146.5	1.8	6.5	190,437.0	2.1	7.1
Business spending	17,777.7	0.4	7.4	36,080.6	0.4	6.6
Capital investment	34,523.2	6.2	9.3	71,067.9	6.9	6.5

¹2014 constant prices & exchange rates; ²2015 real growth adjusted for inflation (%); ³2015-2025 annualised real growth adjusted for inflation (%); ⁴'000 jobs

Asia Pacific	2014 US\$bn ¹	2014 % of total	2015 Growth ²	US\$bn ¹	2025 % of total	Growth ³
Direct contribution to GDP	694.1	3.0	5.1	1,177.1	3.2	4.9
Total contribution to GDP	2,153.9	9.2	5.5	3,709.7	10.1	5.0
Direct contribution to employment ⁴	64,001	3.7	1.8	79,075	4.0	2.0
Total contribution to employment ⁴	149,566	8.5	2.8	199,583	10.2	2.6
Visitor exports	397.8	5.2	3.0	646.9	5.2	4.7
Domestic spending	1,162.7	5.0	5.8	2,000.1	5.5	5.0
Leisure spending	1,206.4	2.2	4.7	2,087.6	2.5	5.2
Business spending	354.2	0.7	6.6	559.5	0.7	4.0
Capital investment	303.5	3.7	6.3	560.2	4.7	5.7

¹2014 constant prices & exchange rates; ²2015 real growth adjusted for inflation (%); ³2015-2025 annualised real growth adjusted for inflation (%); ⁴'000 jobs

Worldwide	2014 US\$bn ¹	2014 % of total	2015 Growth ²	US\$bn ¹	2025 % of total	Growth ³
Direct contribution to GDP	2,364.8	3.1	3.7	3,593.2	3.3	3.9
Total contribution to GDP	7,580.9	9.8	3.7	11,381.9	10.5	3.8
Direct contribution to employment ⁴	105,408	3.6	2.0	130,694	3.9	2.0
Total contribution to employment ⁴	276,845	9.4	2.6	356,911	10.7	2.3
Visitor exports	1,383.8	5.7	2.8	2,140.1	5.6	4.2
Domestic spending	3,642.1	4.7	3.7	5,465.0	5.0	3.8
Leisure spending	3,850.2	2.3	3.3	5,928.8	2.5	4.1
Business spending	1,175.7	0.7	4.0	1,679.0	0.7	3.2
Capital investment	814.4	4.3	4.8	1,336.4	4.9	4.6

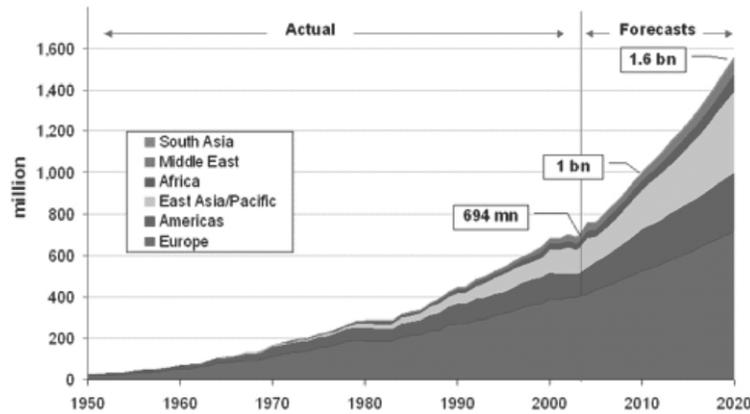
¹2014 constant prices & exchange rates; ²2015 real growth adjusted for inflation (%); ³2015-2025 annualised real growth adjusted for inflation (%); ⁴'000 jobs

Tourism 2020

Tourism 2020 Vision is the World Tourism Organization's long-term forecast and assessment of the development of tourism up to the first 20 years of the new millennium. An essential outcome of the *Tourism 2020 Vision* is quantitative forecasts covering a 25 years period, with 1995 as the base year and forecasts for 2010 and 2020.

Although the evolution of tourism in the last few years has been irregular, UNWTO maintains its long-term forecast

for the moment. The underlying structural trends of the forecast are believed not to have significantly changed. Experience shows that in the short term, periods of faster growth (1995, 1996 and 2000) alternate with periods of slow growth (2001 to 2003). While the pace of growth till 2000 actually exceeded the *Tourism 2020 Vision* forecast, it is generally expected that the current slowdown will be compensated in the medium to long term.



UNWTO's *Tourism 2020 Vision* forecasts that international arrivals are expected to reach nearly 1.6 billion by the year 2020. Of these worldwide arrivals in 2020, 1.2 billion will be intraregional and 378 million will be long-haul travellers.

The total tourist arrivals by region shows that by 2020 the top three receiving regions will be Europe (717 million tourists), East Asia and the Pacific (397 million) and the Americas (282 million), followed by Africa, the Middle

East and South Asia.

East Asia and the Pacific, Asia, the Middle East and Africa are forecasted to record growth at rates of over 5% year, compared to the world average of 4.1%. The more mature regions Europe and Americas are anticipated to show lower than average growth rates. Europe will maintain the highest share of world arrivals, although there will be a decline from 60 per cent in 1995 to 46 per cent in 2020

	Base Year	Forecasts		Market share (%)		Average annual growth rate (%)
	1995	2010	2020	1995	2020	1995-2020
	(Million)					
World	565	1006	1561	100	100	4.1
Africa	20	47	77	3.6	5.0	5.5
Americas	110	190	282	19.3	18.1	3.8
East Asia and the Pacific	81	195	397	14.4	25.4	6.5
Europe	336	527	717	59.8	45.9	3.1
Middle East	14	36	69	2.2	4.4	6.7
South Asia	4	11	19	0.7	1.2	6.2

Long-haul travel worldwide will grow faster, at 5.4 per cent per year over the period 1995-2020, than intraregional travel, at 3.8 per cent. Consequently the

ratio between intraregional and long-haul travel will shift from around 82:18 in 1995 to close to 76:24 in 2020.