



# THE CHANGING FACE OF TOURISM

UNITED NATIONS WORLD TOURISM ORGANIZATION

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## INTRODUCTION



Over the past six decades, tourism has experienced an exceptional growth; from 25 million international tourist arrivals in 1950 to 527 million in 1995 and 1,135 million in 2014.<sup>1</sup> Despite economic crises, natural disaster, health threats, geopolitical conflicts and social unrest, tourism has grown largely uninterrupted and has proven to be one of the most dynamic economic activities in the world. What used to be a rather elite class phenomenon limited to a few European and North American markets has now become in reach for an increasing number of people - a development driven by the demand of an emerging middle class across the globe, the expansion of technology and the decline in transport costs, particularly in air travel.

The following chapter elaborates further on these developments and presents UNWTO forecasts for international tourism over the coming years.

### *Definitions:*

*World Tourism Organization (UNWTO) data in the following chapter classifies a person as a tourist if his/her trip entails the movement to countries or places outside of his/her usual environment and includes an overnight stay. This comprises trips for leisure, recreation and holiday purposes; business and professional purposes; trips to visit friends and relatives (VFR) and trips for health and religious purposes.*

*Unless otherwise stated, tourism refers to cross-border tourism in this chapter.*

*For more information, please see <http://statistics.unwto.org/content/irts-2008>*

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<sup>1</sup> UNWTO, Tourism Towards 2030 Global Overview, (Madrid: UNWTO, October 2011), 34. Accessed on 11 May 2015 from <http://www.e-unwto.org/>; UNWTO, World Tourism Barometer, XIII, (Madrid: UNWTO, April 2015).

# MAJOR TRENDS IN TOURISM 1995 – 2014

## 1. Inbound tourism – international tourist arrivals

The last two decades have been marked by the rise of emerging<sup>2</sup> economy destinations, which today represent nearly half (46 per cent in 2014) of all international tourist arrivals. This development, combined with travellers' search for new destinations, has made tourism more evenly spread across the globe and left few places in the world undiscovered.

Tourism's staggering growth between 1995 and 2014 has implied an increase in all regions. The market share of international arrivals grew especially in Asia and the Pacific (from 16 per cent to 23 per cent),

but also in Africa (from four per cent to five per cent) and the Middle East (from two per cent to four per cent). On the other hand, Europe and the Americas saw their shares decrease (from 58 per cent to 51 per cent and from 21 per cent to 16 per cent respectively). Nevertheless, most tourists still travel to advanced economies, and Southern and Mediterranean Europe is currently the world's most visited sub-region.

Table 1 displays the world's top 15 countries of international tourist arrivals at destinations in 1995 and 2014 and clearly elucidates the rise of emerging economies, as well as tourism's diversification. Turkey has shown remarkable growth and now ranks 6<sup>th</sup> in arrivals, but other destinations, such as China, the Russian Federation, Hong Kong (China), Malaysia and Thailand, have also climbed significantly. Meanwhile, mature destinations, such as Italy, United Kingdom, Austria and Greece, lost places while Poland and Canada have dropped out the top 15 ranking.

**Table 1:** Top 15 countries of international tourist arrivals at destination, 1995 and 2014 (in million).<sup>3</sup>

| 1995 |                         | 2014 |                           |
|------|-------------------------|------|---------------------------|
| 1.   | France (60.0)           | 1.   | France (83.7)             |
| 2.   | United States (43.5)    | 2.   | United States (74.7)      |
| 3.   | Spain (34.9)            | 3.   | Spain (65.0)              |
| 4.   | Italy (31.1)            | 4.   | China (55.6)              |
| 5.   | United Kingdom (21.7)   | 5.   | Italy (48.6)              |
| 6.   | Mexico (20.2)           | 6.   | Turkey (39.8)             |
| 7.   | China (20.0)            | 7.   | Germany (33.0)            |
| 8.   | Poland (19.2)           | 8.   | United Kingdom (32.6)     |
| 9.   | Austria (17.2)          | 9.   | Russian Federation (29.8) |
| 10.  | Canada (17.0)           | 10.  | Mexico (29.1)             |
| 11.  | Germany (14.8)          | 11.  | Hong Kong (China) (27.8)  |
| 12.  | Greece (10.1)           | 12.  | Malaysia (27.4)           |
| 13.  | Russian Federation*     | 13.  | Austria (25.3)            |
| 14.  | Malaysia (7.5)          | 14.  | Thailand (24.8)           |
| 15.  | Hong Kong (China) (7.4) | 15.  | Greece (22.0)             |

\* Number not available

<sup>2</sup> Classification "Advanced/Emerging economy" based on the International Monetary Fund (IMF), see the Statistical Annex of the IMF World Economic Outlook of April 2015, p.150. Accessed on 11 May 2015 from [www.imf.org/external/ns/cs.aspx?id=29](http://www.imf.org/external/ns/cs.aspx?id=29).

<sup>3</sup> Table source: UNWTO, World Tourism Barometer, XIII, (Madrid: UNWTO, April 2015).

## 2. Inbound tourism – international tourism receipts

Tourism's dynamic growth is apparent not only when considering international arrivals but also in terms of export earnings (Balance of Payments Travel and Passenger transport), which tripled from US\$ half a trillion in 1995 to US\$ 1.5 trillion in 2014. The growth has been especially rapid in emerging economies.

In 2014, international tourism accounted for nine per cent of the world's GDP, one in 11 jobs, six per cent of the world's total exports and 30 per cent of the world's exports of services.<sup>4</sup> As such, it ranks as the fourth export category in both advanced and emerging economies. In many less developed countries, including Burkina Faso, Gambia, Haiti, Madagascar, Nepal, Rwanda and Tanzania, tourism is the foremost source of export earnings and thus a key driver for economic growth. Its importance is palpable also in industrialised countries. While overall exports decreased by 11 per cent during the economic recession in 2009, tourism dropped by only five per cent and continues to be instrumental in Europe's economic recovery.<sup>5</sup> As one of the fastest growing and most resilient business sectors in the world, tourism has indeed developed into an engine for economic growth and a creator of employment opportunities worldwide.

## 3. Outbound tourism

Europe is by far the world's largest source market region, representing half of the world's international tourists in 2014. However, the rise of emerging economies is evident also in terms of outbound tourism, driven by the faster economic growth in these countries. While Europeans and North Americans make up a decreasing number

of the world's tourists, the share originating from Africa, the Middle East and particularly Asia and the Pacific, is growing.

The advance of Asia is closely connected to the region's economic boom and increased tourism demand, especially from China. In 2012, China surpassed the United States as the world's number one outbound market in terms of expenditures and Chinese tourists account today for 13% of the world's total tourism expenditures (US\$ 165 billion in 2014). With slower growth in advanced economies, emerging countries' contribution to the world economy and international tourism is expected to continue to increase further in coming years. This will mostly benefit intraregional destinations as the large majority of international travel takes place within travellers' own regions, i.e. Europeans travelling in Europe, Asians in Asia, Americans in the Americas et cetera. About four out of five arrivals worldwide originate from the same region.

## 4. Mode of transportation

The increase in tourist arrivals and export earnings are closely connected with the advancements of the aviation industry, enhanced air connectivity, the emergence of low cost airline companies and new mega hubs. Over the past decades, air travel has outgrown transportation over surface (rail, road and water) and is today the leading mode of transportation for international tourism. While it represented 45 per cent of total international tourist arrivals in 1995, its share grew to 53 per cent in 2013 with important differences between regions. For instance, air travel constitutes a much higher proportion to long-haul destinations, particularly to island countries, and has increased at almost double the rate to emerging economies compared to advanced ones.<sup>6</sup>

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4 UNWTO, Tourism Highlights 2014 Edition, (Madrid: UNWTO, 2014), 2-3. Accessed on 11 May 2015 from <http://www.e-unwto.org>; UNWTO, World Tourism Barometer, XIII, (Madrid: UNWTO, April 2015).

5 UNWTO, "Trends in International Tourism", World Economic Situation and Prospects 2015, (New York: United Nations, 2015), 43-44. Accessed on 11 May 2015 from [http://www.un.org/en/development/desa/policy/wesp/wesp\\_archive/2015wesp\\_full\\_en.pdf](http://www.un.org/en/development/desa/policy/wesp/wesp_archive/2015wesp_full_en.pdf).

6 UNWTO 2015 (UNWTO database, 1995 and 2013 data).

## 5. The organisation of the travel and tourism sector

# TOURISM TOWARDS 2030

In addition to the progress of air transportation, new information and communication technologies (ICTs) have also contributed to tourism's growth and substantially influenced the organisation of the sector. Expanded internet access, new websites and mobile applications now allow tourists to make travel arrangements themselves, to share ratings and to access other travellers' opinions and evaluations online. At the same time, governments and companies across economic sectors see their power decrease as billions of people are interconnected while sharing information and conducting business one-to-one.

As consumers can report on unethical practices or contribute to promoting good examples, the role of the tourist is gaining importance as an ambassador of sustainable and responsible tourism. Yet, while the sharing economy and the advancements of telecommunications have empowered the individual and facilitated travelling, challenges such as consumer protection, quality standards and the misuse of new technologies for nefarious ends are emerging issues which need to be addressed by tourism stakeholders.

Tourism's expansion is set to continue over the coming decades, albeit at a slower speed. According to UNWTO's long-term outlook *Tourism Towards 2030*, international arrivals are expected to increase by 3.3 per cent per year between 2010 and 2030, resulting in an estimated 1.8 billion tourists travelling internationally in 2030 and five times as many domestically. Arrivals will grow faster in emerging economies, which are expected to receive 58 per cent of all international tourists by 2030, with the largest increase taking place in Asia and the Pacific. Notwithstanding, Europe is projected to continue being the most visited destination region in the world while Northeast Asia is expected to be the most visited sub-region.<sup>7</sup>

Tourism's sustained growth represents an enormous potential to spur economic development, social progress and intra-cultural exchange between people across the globe. However, with growth comes increased responsibility and the challenge to maximise tourism's social and economic benefits, while addressing issues such as child protection, universal accessibility, sustainable tourism development and the well-being of host communities. To this end, it should not be forgotten that the changing face of tourism applies also to the role of the tourist. With the possibilities brought about by new technologies and increased connectivity, the one billion people crossing international borders each year are, if well informed, one billion potential ambassadors for change and a more responsible tourism sector.

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<sup>7</sup> UNWTO, *Tourism Towards 2030 Global Overview*, (Madrid: UNWTO, October 2011), 10, 15, 18. Accessed on 11 May 2015 from <http://www.e-unwto.org/>.

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