



TRAVEL & TOURISM

GLOBAL ECONOMIC IMPACT & TRENDS 2020



JUNE 2020

ECONOMIC IMPACT & GLOBAL TRENDS 2020

185

Countries and economies,
25 world regions analysed in
this research

10.3%

Travel & Tourism
total contribution to
global GDP

1/10

Jobs supported
by Travel & Tourism
worldwide
(330 million jobs)

1/4

of all global net new jobs
created over the last five
years within the Travel &
Tourism sector

“Travel & Tourism is facing unprecedented challenges and an existential threat from the impact of the COVID-19 virus globally. It is essential that governments recognise this and ensure that Travel & Tourism is sustained through the crisis so that it can fulfil its vital role as a significant catalyst of global economic recovery and growth.”

Gloria Guevara Manzo, President & CEO
World Travel & Tourism Council

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FOREWORD

Travel & Tourism is one of the world's largest sectors, driving socio-economic development and job creation. It plays an important role in driving prosperity, empowering women, youth and other groups of society. The benefits of Travel & Tourism spread far beyond its direct impacts in terms of GDP and employment; there are also indirect benefits through supply chain linkages to other sectors as well as its induced impacts. This report on 2019 provides a valuable and timely reminder of the global economic impact of Travel & Tourism in the pre COVID-19 era and hence why a rapid and efficient recovery is so essential.

Yet, our sector is facing unprecedented challenges and an existential threat from the impact of the COVID-19 virus globally. It is essential that governments recognise this and ensure that Travel & Tourism is sustained through the crisis so that it can fulfil its vital role as a significant catalyst of global economic recovery and growth.

For nearly 30 years, the World Travel & Tourism Council (WTTC) has been quantifying the economic and employment impact of Travel & Tourism, highlighting the importance of the sector to the global economy. The 2019 annual research covers 185 countries and economies, and 25 regions of the world and reveals that the sector accounted for 10.3% of global GDP and 330 million jobs, or 10.4% of total employment in 2019. Over the past five years, one in four of all net new jobs created across the world has been in Travel & Tourism.

As of 2019, the majority of global Travel & Tourism expenditure continued to be generated by domestic travel, accounting for 71.3% of total global spending, with the remaining 28.7% coming from international visitors. While countries often tend to focus on international tourism due to the revenue earned, domestic tourism can be a powerful tool to generate employment and economic growth, as well as reduce poverty and upgrade infrastructure. In fact, domestic tourism will likely be a key driver in the sector's initial recovery from COVID-19. In terms of leisure and business travel spend, there is a firm weighting towards the leisure market, which in 2019 accounted for 78.6% of the total compared with 21.4% from business spend. Still, countries which are over-reliant on either leisure or business travel, or on domestic or international demand, tend to be more exposed to various economic and geo-political risks. As such, it is important to diversify and strive for a more equal balance between different segments.

The continued rise in the number of middle-class households, sustained low unemployment rates, and visa relaxation in many countries around the world enabled Travel & Tourism growth to reach 3.5% in 2019, a rate higher than that of the global economy for the ninth consecutive year. Across the regions, Asia Pacific was the fastest growing with 5.5% growth, followed closely by the Middle East in the second position with a 5.3% growth.

Our engagement with the Kingdom of Saudi Arabia has culminated in the signing of a long-term strategic partnership with the Ministry of Tourism; a nation which became the fastest growing leading economy in 2019 with an impressive 14% growth. This growth was the result of the Kingdom's ambitious 'Vision 2030' strategy, which includes new visa facilitation policies through which citizens from 49 countries are eligible to apply for an e-Visa online or get a Visa on arrival into Saudi Arabia.

WTTC believes that the right policy and planning decisions are best made with authoritative, reliable, and accessible data. In this context, WTTC continues to provide the evidence base required, helping both governments and private bodies to make the most effective decisions, in times of peace and crisis, for the future growth of a sustainable Travel & Tourism sector.

WTTC continues to focus on its three strategic priority areas, notably, security & travel facilitation, crisis preparedness, management & recovery and sustainable growth. In this context, I am pleased to share with you nine highlights from 2019:

1. We launched our inaugural Megatrends report in collaboration with Bloomberg Media Group entitled World, Transformed.
2. We published our Global Best Practices Recognition Initiative to equip sector leaders with a credible base of quantified successful policies and recommendations to support long-term sustained growth in Travel & Tourism.
3. Our 2019 Global Summit, under the theme *Changemakers*, was our most successful to date, bringing together over 2000 delegates from more than 60 countries, including over 120 CEOs and incredible speakers such as Barack Obama.
4. Our newly released Cities Research and our Destination 2030 report undertaken in collaboration with JLL, highlighted the significance of our sector at the destination level and the importance of long-term planning and community engagement. To drive forward our destination stewardship initiative, we also kicked-off deep dives with the cities of Barcelona and Amsterdam.
5. We organized three Leaders' Forums - in New York for North America, in Ras Al Khaimah for the Middle East & North Africa and in Shanghai for Asia – with record participation and regionally focused discussions.
6. Since the launch of our human trafficking initiative in Seville, we have been working on creating a forum for collective action and sharing best practices.
7. With climate as a top priority, we signed our common agenda with UNFCCC and launched our Action Plan to drive collective action towards climate neutrality by 2050. We hosted our first Climate & Environment Action Forum during the UN Week in New York, an event during COP25 in Madrid and launched a collaboration with Harvard University championed by Travel Corporation.
8. We launched our Crisis-Readiness report together with Global Rescue, which quantified the impact of 90 crises on the sector and developed recommendations, building on best practices across the globe. The report showcases how resilient our sector truly is.
9. The Seamless Travel Journey initiative continues to make significant progress. We have worked in collaboration with US CBP, the Border Five in addition to the EU. What's more, our first air and non-air pilot is in the works thanks to the commitment of Aruba and several other partners.

Looking ahead, WTTC maintains its commitment to lead and shape the global Travel & Tourism sector and support its sustainable and inclusive growth, throughout these unprecedented times.

Gloria Guevara Manzo
President & CEO

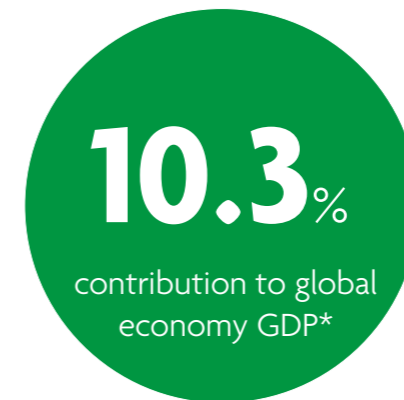


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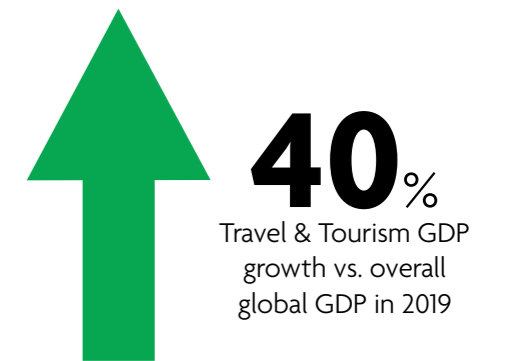
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01 2019 GLOBAL OVERVIEW

Travel & Tourism GDP in 2019

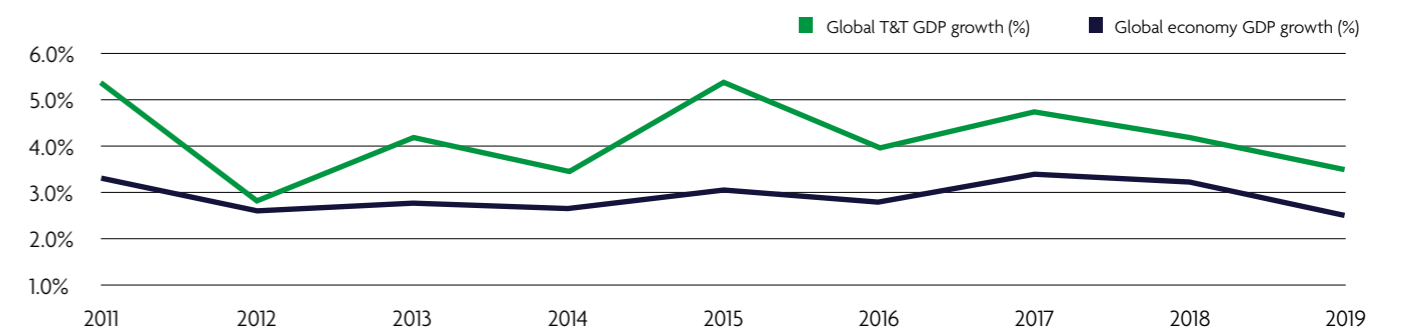


vs.



Travel & Tourism GDP growth outpaced the overall economy GDP growth for the ninth consecutive year.

FIGURE 1: WORLD'S TRAVEL & TOURISM GDP GROWTH VS. ECONOMY GDP GROWTH, 2011-19



Travel & Tourism remains an important driver for job creation across the world and a dynamic engine of employment opportunities:

330 million jobs*



1/10 of all jobs



1/4 of all net new jobs over the last five years



The Travel & Tourism sector showcases diversity. Our previous research¹ shows that across the G20 women account for nearly half of overall Travel & Tourism's employment compared with 43% employment in the economy as a whole.



Our previous study on youth² reveals that Travel & Tourism employs a higher share of youth workers than the overall economy of the ten countries studied. The share of youth employment in Travel & Tourism is highest in Canada, USA and UK where youth account for around 30% of the sector's employment.

Our research highlights that Travel & Tourism will be the key sector in driving the recovery of the global economy post COVID-19 by generating new jobs and driving visitors back to destinations. Importantly, the sector will also have a positive economic domino effect on suppliers across the entire supply chain.

*This data includes direct, indirect and induced impacts
¹ View the report: <https://wttc.org/Research/Insights>
² View the report: <https://wttc.org/Research/Insights>

FIGURE 2: TRAVEL & TOURISM GDP GROWTH COMPARED WITH OTHER SECTORS

SECTOR	GDP GROWTH, 2019
Information & Communication	4.8%
Financial services	3.7%
Travel & Tourism	3.5%
Healthcare	3.0%
Retail & Wholesale	2.4%
Agriculture	2.3%
Construction	2.1%
Manufacturing	1.7%

FIGURE 3: SECTOR CHARACTERISTICS

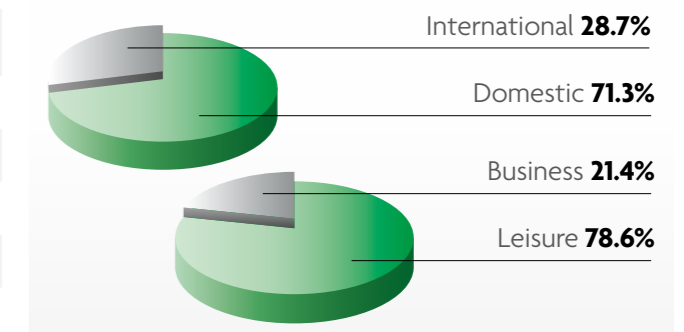


FIGURE 4: TRAVEL & TOURISM REGIONAL PERFORMANCE, 2019*

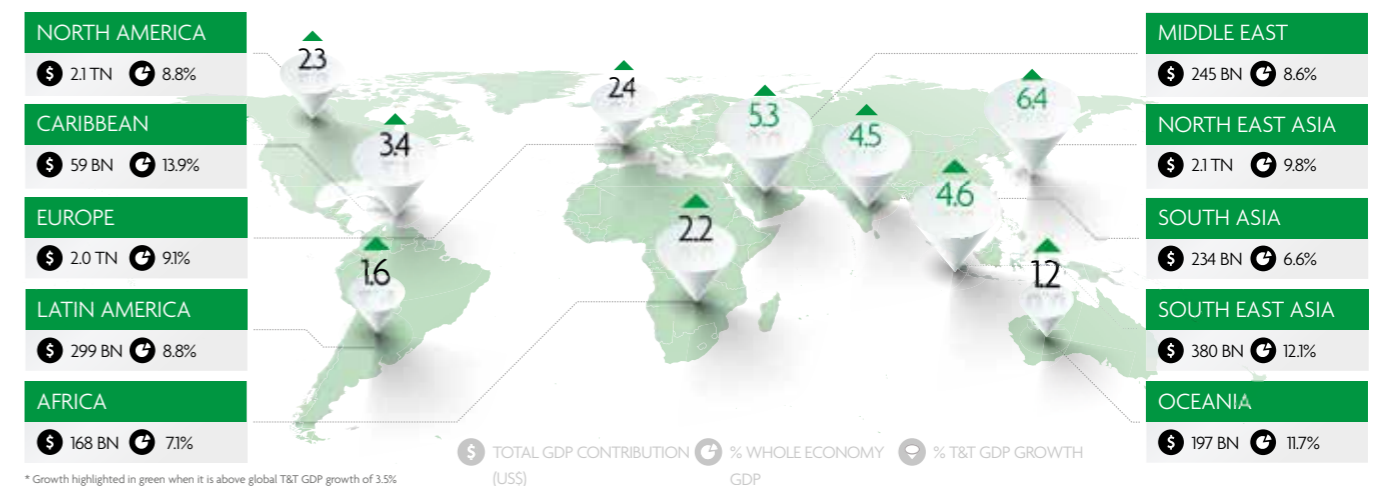


FIGURE 5: SUB-REGIONAL TRAVEL & TOURISM GDP GROWTH

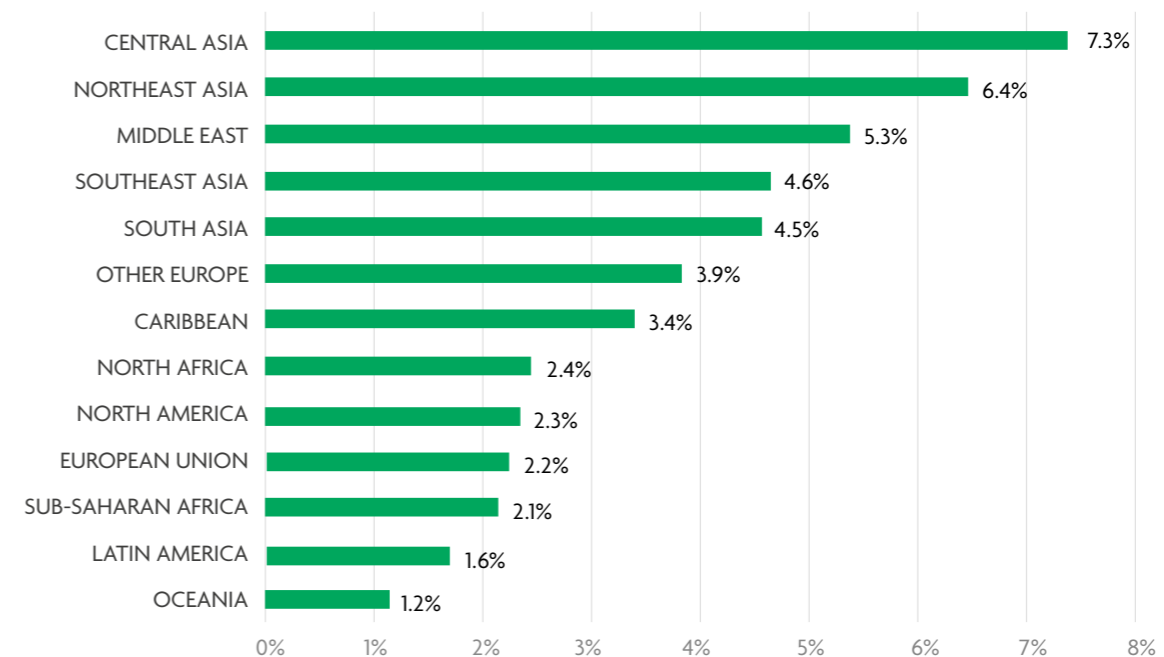


FIGURE 6: TOP 15 LARGEST COUNTRIES IN TERMS OF TRAVEL & TOURISM GDP CONTRIBUTION

	T&T CONTRIBUTION TO GDP, 2019 (US\$ BN)	T&T GDP GROWTH 2019 (%)**	DOMESTIC SPEND % OF TOTAL, 2019	INTERNATIONAL SPEND % OF TOTAL, 2019	LEISURE SPEND % OF TOTAL, 2019	BUSINESS SPEND % OF TOTAL, 2019
1 UNITED STATES	1,839	2.3	84	16	70	30
2 CHINA	1,585	9.3	86	14	81	19
3 JAPAN	359	1.6	81	19	69	31
4 GERMANY	347	1.8	86	14	83	17
5 ITALY	260	2.2	76	24	81	19
6 UNITED KINGDOM	254	1.3	83	17	67	33
7 FRANCE	229	1.9	66	34	80	20
8 SPAIN	198	1.8	44	56	89	11
9 MEXICO	196	1.8	85	15	94	6
10 INDIA	194	4.9	83	17	94	6
11 AUSTRALIA	150	0.8	78	22	83	17
12 BRAZIL	140	3.0	94	6	89	11
13 CANADA	108	2.7	76	24	65	35
14 THAILAND	107	1.8	29	71	90	10
15 PHILIPPINES	91	8.6	85	15	66	34

**Growth highlighted in green when it is above global T&T GDP growth of 3.5%

FIGURE 7: FASTEST GROWING LARGER COUNTRIES AND ECONOMIES IN TRAVEL & TOURISM GDP 2019

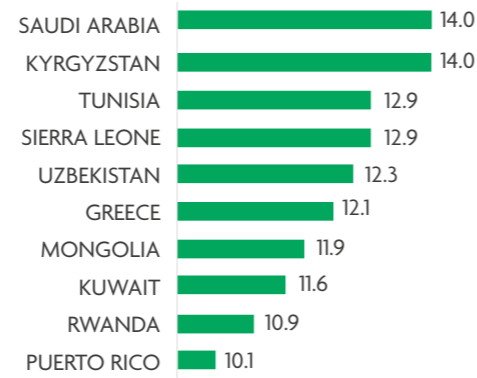
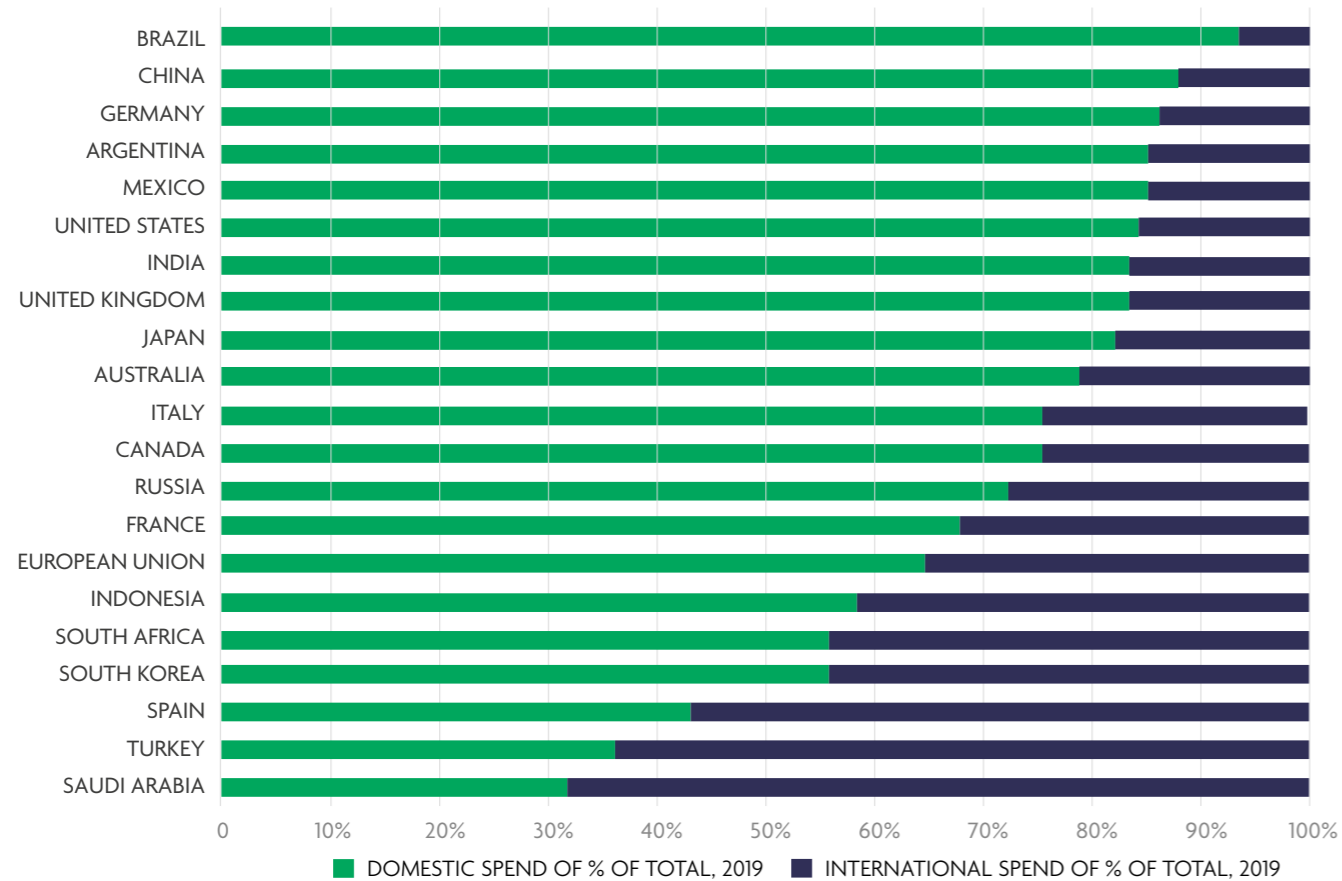


FIGURE 8: RELIANCE ON DOMESTIC VS. INTERNATIONAL SPENDING FOR G20 ECONOMIES AND SPAIN



Source: WTTC and Oxford Economics.
All values are in constant 2019 prices & exchange rates.
As reported in March 2020.



02

REGIONAL HIGHLIGHTS



FIGURE 9: REGIONAL TRAVEL & TOURISM GDP % GROWTH (2019)
2019 Growth highlighted in green when it is above global Travel & Tourism GDP growth of 3.9%

AMERICAS

US\$2.5 TN

TOTAL CONTRIBUTION TO GDP

2.2% **45.3 MN**

T&T GDP GROWTH TOTAL CONTRIBUTION TO EMPLOYMENT

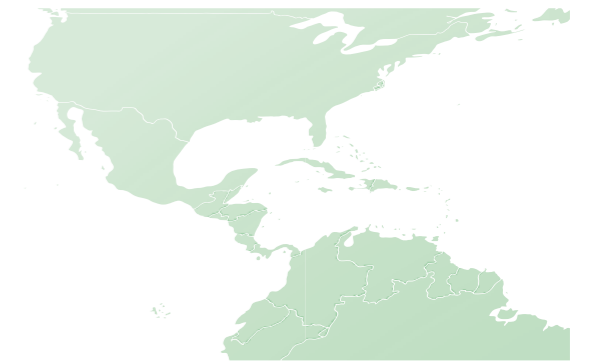
North America

The **USA** remained the world's largest Travel & Tourism economy, accounting for 86% of North America's and 21% of global Travel & Tourism total contribution to GDP in 2019. The sector GDP grew by 2.3%, driven primarily by the domestic market which accounts for the majority (84%) of all tourism spending. To continue facilitating the sector's performance, which employs over one tenth of all Americans, the US government re-authorised the Brand USA (tourism marketing organisation) through to 2027.

In **Mexico**, where Travel & Tourism accounted for 15.5% of the economy, the sector GDP grew by 1.8% in 2019, above the overall economy which contracted by -0.1%. The country has a strong reliance on domestic spending which accounted for 85% of the total, compared with 15% for international spending. Yet, there are differences across the main tourism cities, with Mexico City for instance, strongly reliant on domestic demand, while Cancun is well balanced in terms of domestic and international spending.

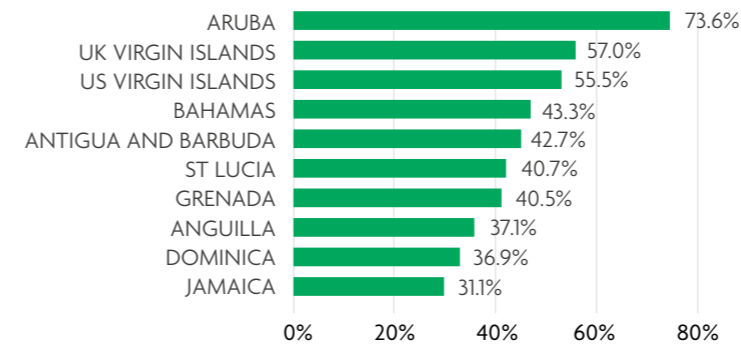
Caribbean

Growth in the Caribbean region was robust at 3.4% in 2019, as countries continued to recover from the 2017 hurricane season. Several countries had impressive growth in 2019 with Dominica growing by 43.6%, followed by Anguilla with 19%. Other countries in the region demonstrated strong performances including St Kitts and Nevis (14.6%), Puerto Rico (10.1%), Barbados (9.7%), and St Vincent and the Grenadines (9%). This growth not only showcases the sector's resilience and capacity to bounce back from different crises, but also its ability to spread its benefits widely across the world.



With Travel & Tourism accounting for a large share of overall economy in many Caribbean countries (see the figure below), the sector will play a key role in driving the recovery of the Caribbean economy post COVID-19.

FIGURE 10: TOP 10 CARIBBEAN ECONOMIES IN TERMS OF TRAVEL & TOURISM'S RELATIVE CONTRIBUTION TO GDP



Latin America

Brazil, Latin America's largest Travel & Tourism economy, grew by 3% in 2019, outpacing the overall economy growth of just 1.2%. This growth was driven by domestic spending which accounted for the majority (94%) of total tourism spending in the country. Indeed, Brazil is one of the countries with the strongest reliance on domestic demand in the world and as such it is strongly exposed to various economic and geo-political risks in the domestic economy.

Following a robust growth in 2018, **Colombia** witnessed one of the strongest growth rates of Travel & Tourism GDP in Latin America at 7.1% in 2019, more than double the growth rate of its overall economy. This follows the continued efforts of the government to successfully

transform the country's image from a once dangerous place to visit to a safe, welcoming, culturally rich destination, with unique biodiversity. Rebranding could not have been done without sweeping societal transformations and the implementation of enabling policies. Colombia also made significant investments in infrastructure with Travel & Tourism capital investment growing by 7.3% in 2019.



AFRICA

US\$168.5 BN

TOTAL CONTRIBUTION TO GDP

2.2% **24.6 MN**

T&T GDP GROWTH TOTAL CONTRIBUTION TO EMPLOYMENT

The largest African economies in terms of Travel & Tourism contribution to GDP in 2019 were **Egypt** (US\$29.5 billion), **South Africa** (US\$24.6 billion), and **Nigeria** (US\$18.1 billion).

Tunisia was the fastest growing country in Africa and sixth in the world, with Travel & Tourism GDP expanding by 12.9% in 2019, significantly ahead of the overall economy growth of just 1.3%. What is more, Travel & Tourism significantly outpaced the overall economy growth for the third consecutive year. This comes on the back of the efforts deployed by the Tunisian government to improve security in popular tourist resorts and their ability to swiftly respond to any threats. These actions have continued to make a significant and positive impact on Travel & Tourism.



In **Rwanda**, where Travel & Tourism GDP grew by a remarkable 10.9% in 2019, the government prioritised the sustainable growth of tourism which resulted in real and tangible impacts both in terms of community development and conservation. The creation of public, private and community partnerships has been particularly instrumental in the restoration and expansion of parks, and in supporting local communities' livelihoods through tourism projects.

Travel & Tourism continued to grow strongly in **Kenya**, expanding by 4.9% in 2019, driven in part by the improving connectivity and government prioritisation of the sector through, for instance, attracting and enabling the private sector investment for tourism related projects.

MIDDLE EAST

US\$245.5 BN

TOTAL CONTRIBUTION TO GDP

5.3% **6.7 MN**

T&T GDP GROWTH TOTAL CONTRIBUTION TO EMPLOYMENT

Middle East was the second fastest growing region in 2019, behind Asia-Pacific. Travel & Tourism GDP grew by 5.3%, significantly outpacing the overall economy which contracted by -0.6%.

Saudi Arabia, the region's largest country in terms of Travel & Tourism GDP (US\$73.1 billion), was the fastest growing country not only in the Middle East but amongst leading economies globally in 2019, growing by 14%. Saudi Arabia's incredible growth is the result of an ambitious strategy 'Vision 2030', which includes new visa facilitation policies that have enabled the country to open its doors to international leisure tourists. Currently, citizens from 49 countries are eligible to apply for an e-Visa online or get a Visa on arrival into Saudi Arabia.

In the **UAE**, the region's second largest country in terms of Travel & Tourism contribution to GDP (US\$48.5 billion); the sector GDP grew by 5% in 2019, outpacing the

overall economy growth for the fifth consecutive year. Whilst Dubai and Abu Dhabi remain incredibly popular destinations amongst travellers, the strong growth is also driven by the rising popularity of other Emirates, such as Ras Al Khaimah and Sharjah. The UAE has a strong reliance on international spending, accounting for 77% of all spend in the country, compared with 23% for domestic spending.

Oman also witnessed a strong growth in Travel & Tourism GDP, growing by 5.2% in 2019, compared with just 1.3% for the overall economy. In effect, Travel & Tourism outpaced the overall economy growth for the third consecutive year. Oman is one of the countries with a more even balance between international and domestic spend, notably 58% vs. 42%.



ASIA-PACIFIC

US\$3.0 TN

TOTAL CONTRIBUTION TO GDP

5.5% **182 MN**

T&T GDP GROWTH TOTAL CONTRIBUTION TO EMPLOYMENT

Travel & Tourism contribution to GDP in Asia-Pacific accounted for 34% of all global Travel & Tourism GDP.

Asia-Pacific was the fastest growing region in 2019 with 5.5% growth in Travel & Tourism GDP. This was driven by the continued growth in middle income households, visa travel facilitation policies, improved connectivity and government prioritisation of the sector.

Travel & Tourism contribution to **employment** in Asia-Pacific represented 55% of all sector's jobs globally in 2019.

The region has been a world leader in **job creation** over the last five years. 21.5 million new jobs (56% of all new jobs globally) were created by Travel & Tourism. This means that 1 in 3 of all net new jobs in Asia-Pacific were created by the sector.

In fact, all the **top five countries** (and seven of the top 10 countries) globally in terms of Travel & Tourism **job creation** over the last five years were in Asia-Pacific. India witnessed the strongest growth in the number of jobs created (6.36 million), followed by China (5.47 million) and the Philippines (2.53 million). Please, see the figure below.

In terms of the sub-regions, **Central Asia** was the fastest growing at 7.3%, led by **Kyrgyzstan** (14.0%) and **Uzbekistan** (12.3%). Both countries placed in the top 10 fastest growing Travel & Tourism economies worldwide on the back of visa relaxation and infrastructure improvements.



Travel & Tourism GDP grew by 9.3% in **China** on the back of strong domestic spending growth. The country remained the world's largest spender, accounting for 16% of all global outbound spending in 2019.

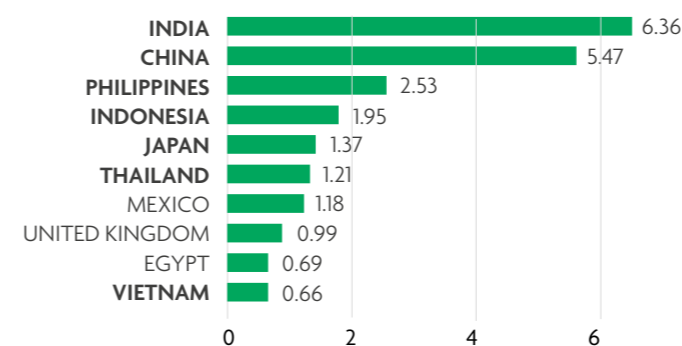
In **India**, solid performance across all Travel & Tourism indicators led to a robust growth of 4.9% as its middle class continues to thrive.

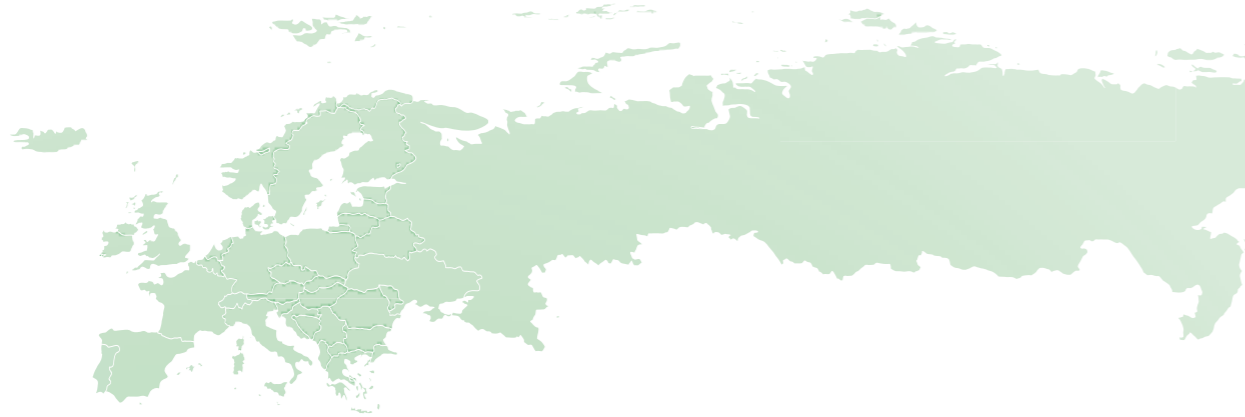
Japan experienced a 1.6% growth in Travel & Tourism GDP, driven by the continued strong growth in international spending at 5.9%. This has been supported by the government which placed tourism at the heart of its growth strategy, and the Rugby World Cup which helped attract more international visitors to the country.

Representing 25.3% of the economy, Travel & Tourism GDP in the **Philippines** grew by a remarkable 8.6% in 2019, compared to the overall economy growth of 5.9%. The importance of the sector is demonstrated by the fact that Travel & Tourism GDP growth outpaced the overall economy growth for the fifth consecutive year. The government recognises the importance of sustainable and inclusive growth with the Philippine Department of Tourism launching its refreshed sustainable tourism campaign and its new Save Our Spots (SOS) movement, calling for more responsible tourism.

Strong Travel & Tourism growth in 2019 was witnessed in **Vietnam** and **Malaysia**, growing by 7.7% and 6.6% respectively on the back of improving connectivity and expanding middle class in the wider region.

FIGURE 11: TOP 10 COUNTRIES IN THE WORLD: JOBS CREATED 2014-2019 (TRAVEL & TOURISM TOTAL JOBS, IN MILLION)





EUROPE

US\$2.0 TN

TOTAL CONTRIBUTION TO GDP

2.4% 37.1 MN

T&T GDP GROWTH TOTAL CONTRIBUTION TO EMPLOYMENT

Europe remained the largest region in the world in terms of international visitor spending (US\$619 billion), accounting for 37% of all global international spending in 2019.

Whilst the European overall economy grew by just 1.3%, the Travel & Tourism sector showed a stronger growth of 2.4% on the previous year.

The largest European economies in terms of Travel & Tourism contribution to GDP in 2019 were **Germany** (US\$347 billion), **Italy** (US\$260 billion), **UK** (US\$254 billion) **France** (US\$229 billion) and **Spain** (US\$198 billion).

Amongst all European economies, **Greece** witnessed the fastest growth at 12.1% in 2019, nearly six times higher than the overall economy growth. The continued strong performance of the sector, which accounts for 20.8% of the overall Greek economy, is in part attributed to supportive government policies including strategies to overcome seasonality and spread tourists to less visited areas.

Travel & Tourism continued to grow strongly in **Turkey** on the back of security improvements, infrastructure investment such as the development of Istanbul's new airport, and currency depreciation, making the country more attractive to foreign visitors. Following a 17.8% growth in 2018, Travel & Tourism GDP grew by 10.1% in 2019, above the overall economy growth of just 0.1%. According

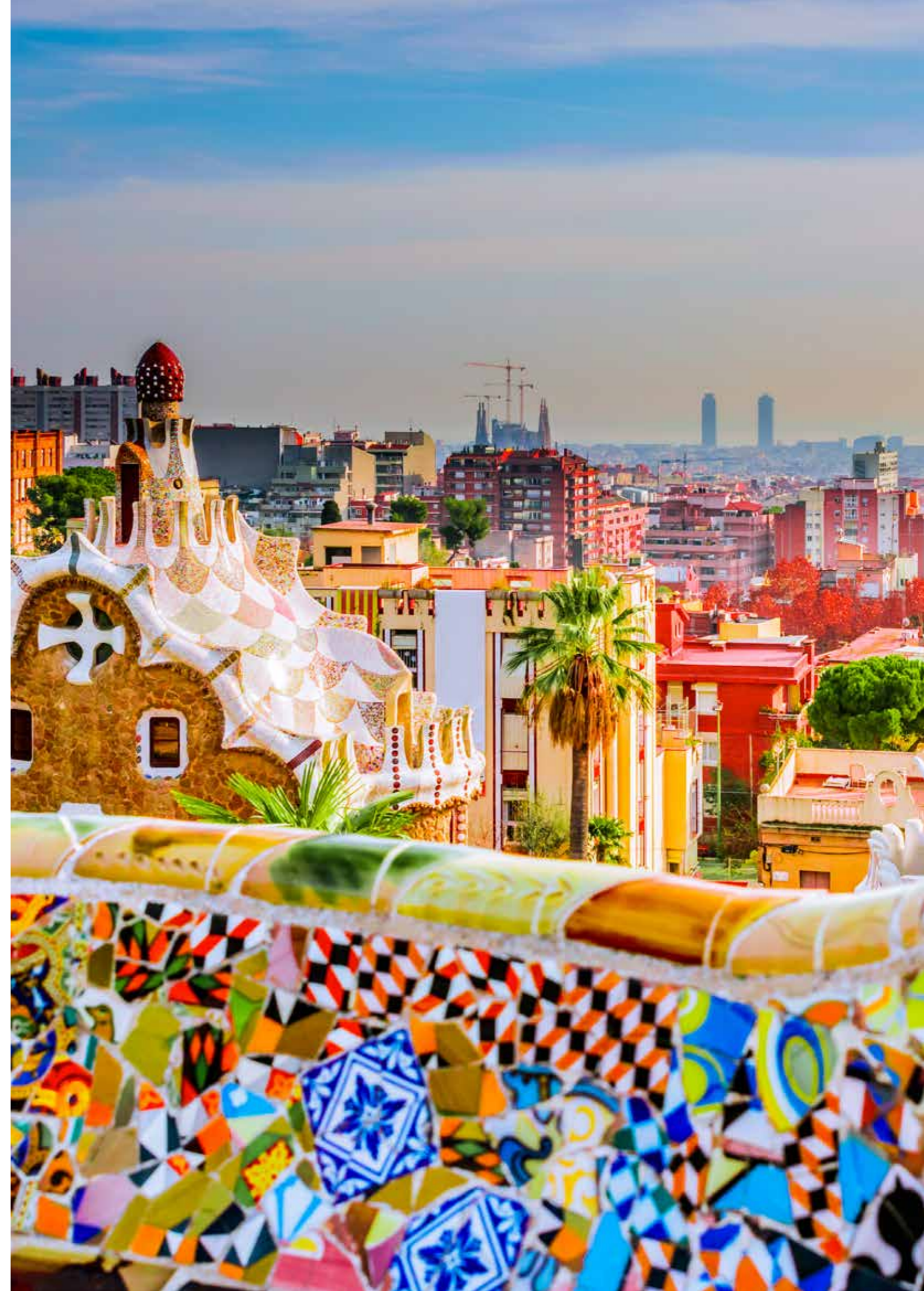
to our cities research* which looked at 73 main global tourism cities, Antalya and Istanbul were the top two fastest growing city destinations in 2018.

In the **UK**, Travel & Tourism GDP grew by 1.3% on the back of a strong growth in international visitor spending at 7.0%, particularly driven by its key overseas source market - the USA.

In **Portugal**, where Travel & Tourism accounted for 16.5% of total economy, the sector's GDP grew by 4.2%, outperforming the overall economy GDP growth almost threefold in 2019. This continued growth of the Travel & Tourism sector followed the government success in delivering its ambitious tourism strategy, which resulted in strong growth of visitors from non-traditional markets such as the USA, Canada, China and Brazil. The government put sustainable and balanced tourism development at the top of its policy priorities. This includes initiatives to overcome seasonality by extending the season beyond summer and its focus on local communities, which has seen a better integration between residents and tourists.

Spain remained the top country in Europe and third worldwide for international visitor spending (US\$86.8 billion). It is also one of the countries that is most evenly balanced in terms of its share of international and domestic spend (56% vs. 44%). Meanwhile, Travel & Tourism GDP, which accounted for 14.3% of total economy, grew by 1.8% in 2019.

*View our cities research: wttc.org/Research/Economic-Impact/Cities



03

KEY THEMES

Crisis-Ready, Resilience-Necessary

The rapid evolution of COVID-19 and its already palpable impact on the Travel & Tourism sector, has once again highlighted the increasing complexity and interconnectedness of shocks today, the reality of the “panic factor” and the importance of being crisis ready to ensure the sector is able to safeguard its people and its destinations.

While Travel & Tourism has become increasingly resilient, with the average recovery time from crisis decreasing from 26 months to 10 months between 2001 and 2018; the economic impact of shocks has increased. In effect, according to WTTTC’s scenario analysis from June 2020, which reflects the current uncertainty in the sector’s outlook particularly with regards to the scale and duration of travel restrictions; Travel & Tourism job losses for 2020 are projected at 121.1 million for the baseline scenario and 197.5 million for the downside scenario. Meanwhile, Travel & Tourism GDP losses are projected at \$3.4 trillion for the baseline and \$5.5 trillion for the downside scenario.

It is clear from WTTTC’s previous research and the current experience with COVID-19, that no one stakeholder group can address today’s shocks on their own; requiring both inter-governmental cooperation as well as public-private collaboration. The extensive impact of COVID-19 has once again illustrated the need to strike a balance between protecting the health of individuals and the health of economies. Managing the fear, panic, stigma – and associated infodemic- is also key. In effect, according to the WHO, 90% of economic losses during any outbreaks arise from the uncoordinated and irrational efforts of the public to avoid infection.

As such, the importance of taking strategic approach, built on facts and experience, and ensuring business continuity, remains central to the successful management and swift recovery of a crisis. To enable the sector to bounce back in the aftermath of COVID-19, WTTTC recommends the implementation of policies such as the improvement of travel facilitation, the removal of barriers, the easing of fiscal policies, the introduction of incentives as well as the support of destinations. To support the sector’s recovery, WTTTC has launched global protocols with the aim of rebuilding confidence amongst consumers so they can travel safely once the restrictions are lifted.



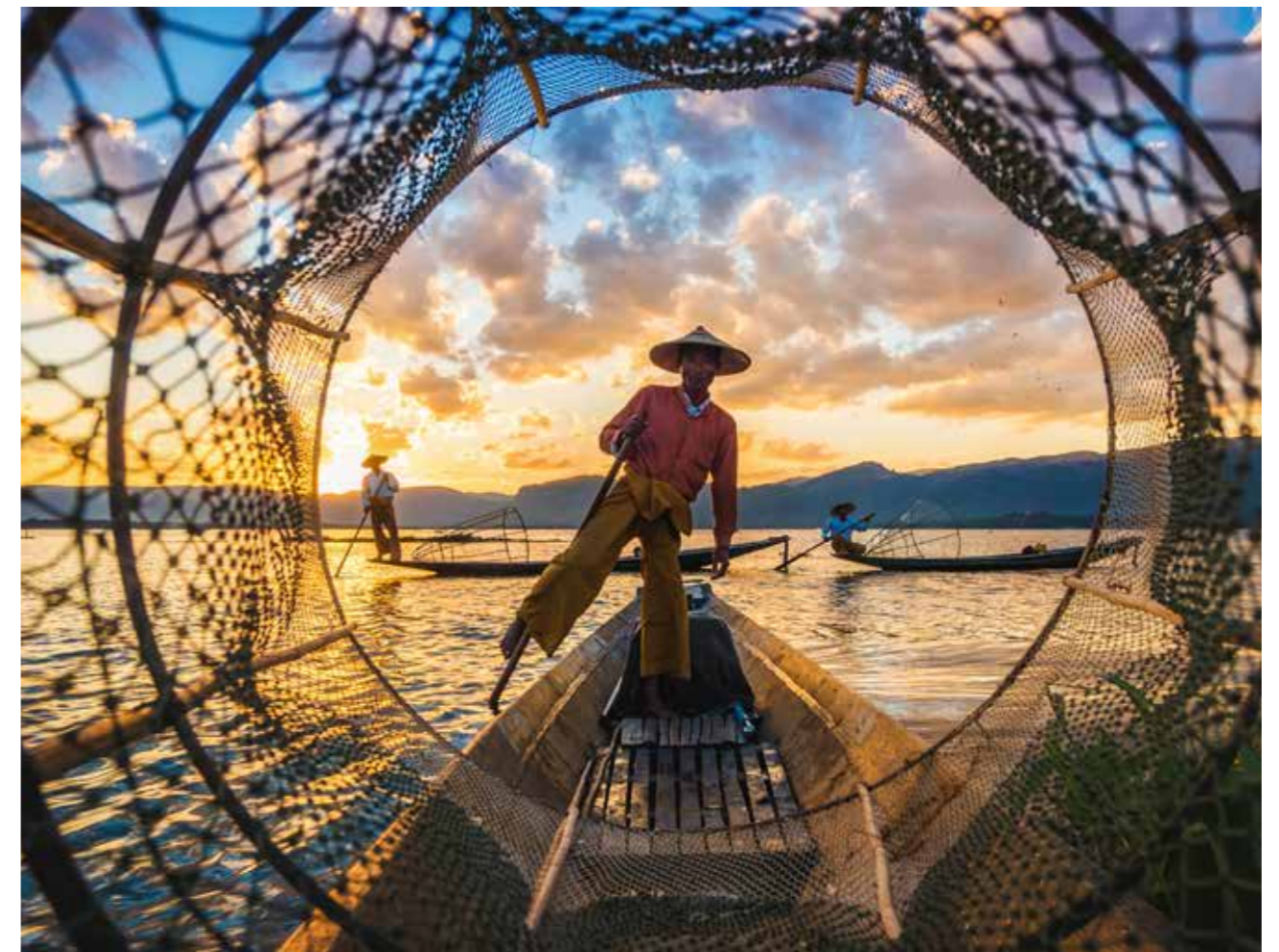
Sustainability; A Challenge for Today, not Tomorrow

COVID-19 has disrupted our lives, our sector and the global economy in an unprecedented way; putting things in perspective and challenging us to think about the future. In this context, experts and environmentalists are considering how to create a sense of urgency around the climate crisis to drive efficient and rapid action to avoid facing a similar climate and sustainability-related crisis in the future.

While Travel & Tourism’s growth is crucial to continue to support the 330 million jobs and 10.3 % of global GDP, ensuring that the sector’s growth is sustainable, contributes positively to the communities and the ecosystems on which they depend and protects the natural and cultural heritage core to its success, and is one of WTTTC’s top priorities.

In September 2019, during WTTTC’s first Climate and Environmental Action Forum, leaders agreed that the Travel & Tourism must “change before it has to”. Climate change is not only existential but outpacing us, requiring sustained targeted resilience and collaboration across stakeholder groups. The sector must hit net zero emissions by 2050 to limit global warming to survivable rates.

The Travel & Tourism sector can and must be a force for good when it comes to sustainability, with sustainability being at the core of all growth. Today is about taking bold and long-lasting action beyond isolated green initiatives. Sustainability is not an issue on which the sector should compete on, rather we are all in this together and must address climate change, moving towards a circular or regenerative economy. As we look to the future, we require courage and leadership; purpose and long-termist; and need to understand the power of partnership and empathy to drive meaningful climate action.



A New Travel Experience: Safe, Secure & Seamless

The Travel & Tourism sector grew considerably over the past decades, with the number of air travellers increasing from 2.4 billion in 2009 to 4.4 billion in 2018 according to IATA. Yet, this growth has led to a strain on infrastructure, processes and systems, all of which are insufficient to meet this forecast demand, even with the implementation of current improvement plans and solutions. These pressures are expected to continue mounting in the coming years, making action to continue enabling the secure, safe and seamless movement of legitimate travellers across international borders.

In this context, and in light of COVID-19, transformations through technological advances, most notably biometrics and the use of digital identity, show strong opportunities to enable a safe, secure and seamless end-to-end experience, whilst supporting the sector's recovery. Such a solution is supported with WTTTC research suggesting that, on average, 4 out of 5 travellers would be willing to share their photographs in advance of travel to speed up their journey. Most recently, a survey from Global Rescue released on April 27 revealed that 91% of travellers are willing to subject themselves to screening and testing, 93% are willing to share their past 14-day travel history, and 73% are willing to disclose medical conditions related to a compromised immune system.

Over the past 18 months, WTTTC considered the pain points from a security perspective to ensure a seamless journey, analysing 80 biometric initiatives around the world and identifying many examples of better journeys for travellers. For instance, in one case, the boarding time of a 400-person capacity aircraft was reduced by 66% from 45 minutes to 15 minutes, through improvements in efficiency from the use of biometric technology. WTTTC plans to build on its approach for a seamless journey to identify the health security and hygiene pain points as the world responds to COVID-19 and find tangible solutions to support the sector in ensuring it deliver a safe and seamless traveller experience.



The New Reality of Retail

Human confinement and the economic impact of COVID-19 has transformed the retail landscape. Following this intense period of digital engagement and physical restriction, high-quality experiential and meaningful flagship destinations will be demanded more than ever before.

The Bicester Village Shopping Collection's luxury shopping destinations in Western Europe and China are located in culturally rich regions outside the city, where guests can enjoy a day in an open-air environment. Yet, in response to Chinese local Government guidelines, Suzhou Village and Shanghai Village closed for four and six weeks respectively. Since reopening, the two Villages in China have rapidly recovered, achieving robust double-digit growth and demonstrating the confidence that guests have in these destinations.

In this new era guests are more cautious, initially gravitating to destinations close to home, first locally, then nationally. For instance, high net worth individuals who may have travelled frequently for business or leisure pre-Covid-19 now remain closer to home. In China, Suzhou's Tourism Board also launched the 'Locals Travelling Locally' initiative to capitalise on domestic guests. This will then be followed by the re-emergence of short-haul and eventually long-haul travel; logically the same principle will apply in Europe. Ultimately, guests are drawn to destinations that ensure a safe environment through the implementation of protocols, as well as uplifting experiences, where social distancing can be calmly observed. As of 15 June The Bicester Village Shopping Collections' nine Villages in Europe are all open and have again demonstrated healthy growth since reopening.

The Bicester Village Shopping Collection's experience in China and in Europe is now informing its vision for the future and, in the near term, the integration of Shopping Protocols, aligned with local government and health authority guidelines, while delivering an exceptional guest experience.



04

LEAGUE TABLES

WTTTC looks at the economic impact of Travel & Tourism across 185 countries and economies, in terms of the major indicators of GDP contribution, employment, visitor exports, and capital investment.

The league tables below highlight a selection of the interesting results from the latest data, showing the countries which are performing the best.

FIGURE 12: TRAVEL & TOURISM TOTAL CONTRIBUTION TO GDP

ABSOLUTE TERMS In which countries was the total contribution (absolute terms) of Travel & Tourism to GDP greatest in 2019?	
	2019
	CONSTANT US\$BN
1 United States	1839.0
2 China	1584.9
3 Japan	359.4
4 Germany	346.6
5 Italy	259.7
6 United Kingdom	254.0
7 France	229.3
8 Spain	197.8
9 Mexico	195.7
10 India	194.3

FIGURE 13: TRAVEL & TOURISM RELATIVE CONTRIBUTION TO GDP

RELATIVE TERMS In which countries was the total contribution (relative terms) of Travel & Tourism to GDP greatest in 2019?	
	2019
	% OF TOTAL GDP
1 Macau	91.3
2 Aruba	73.6
3 British Virgin Islands	57.0
4 Maldives	56.6
5 US Virgin Islands	55.5
6 Bahamas	43.3
7 Antigua and Barbuda	42.7
8 St Lucia	40.7
9 Grenada	40.5
10 Seychelles	40.5

FIGURE 14: TRAVEL & TOURISM GDP GROWTH (Fastest growing larger countries and economies in Travel & Tourism GDP 2019)

FASTEST GROWING In which countries and economies did the contribution of Travel & Tourism to GDP grow fastest in 2019?	
	2018-2019
	REAL GROWTH, %
1 Saudi Arabia	14.0
2 Kyrgyzstan	14.0
3 Tunisia	12.9
4 Sierra Leone	12.9
5 Uzbekistan	12.3
6 Greece	12.1
7 Mongolia	11.9
8 Kuwait	11.6
9 Rwanda	10.9
10 Puerto Rico	10.1

FIGURE 15: TRAVEL & TOURISM CONTRIBUTION TO EMPLOYMENT

ABSOLUTE TERMS In which countries was the total contribution (absolute terms) of Travel & Tourism to employment the greatest in 2019?	
	2019
	'000 JOBS
1 China	79,870
2 India	39,822
3 United States	16,827
4 Indonesia	12,569
5 Philippines	10,238
6 Thailand	8,055
7 Brazil	7,407
8 Mexico	7,233
9 Germany	5,669
10 Japan	5,360

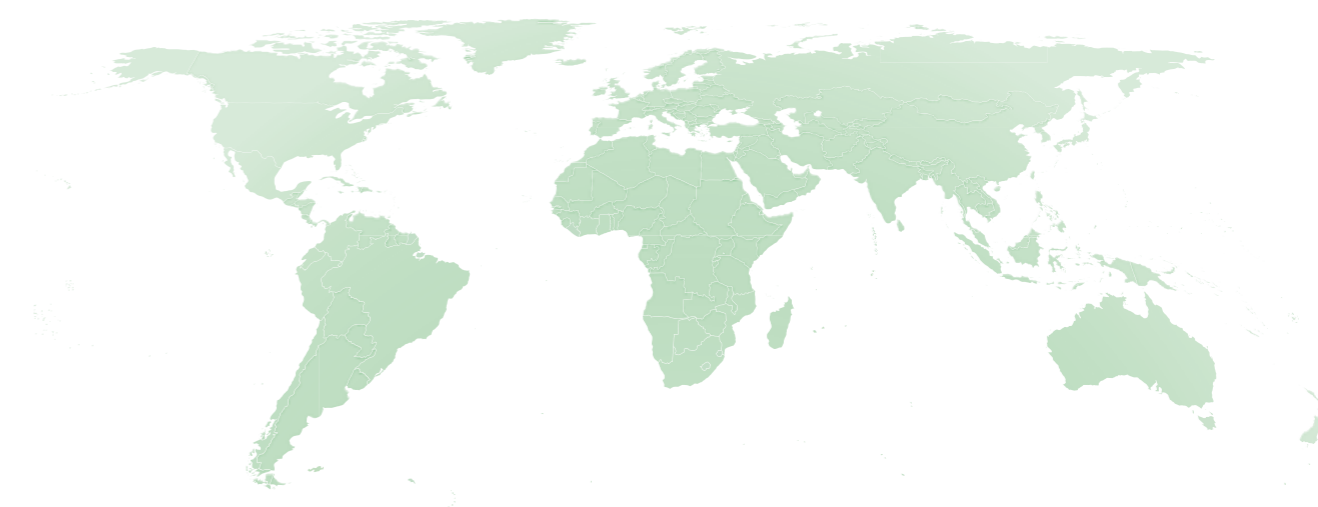


FIGURE 16: TRAVEL & TOURISM RELATIVE CONTRIBUTION TO EMPLOYMENT

RELATIVE TERMS In which countries was the total contribution (relative terms) of Travel & Tourism to employment the greatest in 2019?	
	2019
	% OF TOTAL EMPLOYMENT
1 Antigua and Barbuda	90.7
2 Aruba	84.3
3 St Lucia	78.1
4 US Virgin Islands	68.8
5 British Virgin Islands	66.4
6 Macau	65.5
7 Maldives	59.6
8 St Kitts and Nevis	59.1
9 Bahamas	52.2
10 Anguilla	51.3

FIGURE 17: INTERNATIONAL VISITOR SPENDING

ABSOLUTE TERMS In which countries were visitor exports (absolute terms) greatest in 2019?	
	2019
	CONSTANT US\$BN
1 United States	195.1
2 China	131.3
3 Spain	86.8
4 Thailand	68.9
5 France	65.4
6 Germany	52.4
7 Italy	50.1
8 Japan	47.1
9 Turkey	41.4
10 United Arab Emirates	38.4

FIGURE 18: DOMESTIC VISITOR SPENDING

ABSOLUTE TERMS In which countries was domestic spending (absolute terms) on Travel & Tourism highest in 2019?	
	2019
	CONSTANT US\$BN
1 United States	995.9
2 China	828.5
3 Germany	310.2
4 Japan	207.0
5 United Kingdom	169.1
6 Italy	156.7
7 Mexico	146.2
8 India	143.2
9 France	126.1
10 Brazil	91.2

FIGURE 19: TRAVEL & TOURISM CAPITAL INVESTMENT

ABSOLUTE TERMS In which countries was capital investment (absolute terms) in Travel & Tourism highest in 2019?	
	2019
	CONSTANT US\$BN
1 United States	208.9
2 China	167.5
3 India	44.5
4 Japan	40.3
5 Saudi Arabia	38.0
6 France	35.5
7 Germany	34.8
8 United Kingdom	24.9
9 Spain	19.8
10 Australia	18.3

05

GLOSSARY



KEY DEFINITIONS

TRAVEL & TOURISM

Relates to the activity of travellers on trips outside their usual environment with a duration of less than one year. Economic activity related to all aspects of such trips is measured within the research.

DIRECT CONTRIBUTION TO GDP

GDP generated by industries that deal directly with tourists, including hotels, travel agents, airlines and other passenger transport services, as well as the activities of restaurant and leisure industries that deal directly with tourists. It is equivalent to total internal Travel & Tourism spending (see below) within a country less the purchases made by those industries (including imports). In terms of the UN's Tourism Satellite Account methodology it is consistent with total GDP calculated in table 6 of the TSA: RMF 2008.

DIRECT CONTRIBUTION TO EMPLOYMENT

The number of direct jobs within Travel & Tourism. This is consistent with total employment calculated in table 7 of the TSA: RMF 2008.

TOTAL CONTRIBUTION TO GDP

GDP generated directly by the Travel & Tourism sector plus its indirect and induced impacts (see below).

TOTAL CONTRIBUTION TO EMPLOYMENT

The number of jobs generated directly in the Travel & Tourism sector plus the indirect and induced contributions (see below).

DIRECT SPENDING IMPACTS

VISITOR EXPORTS

Spending within the country by international tourists for both business and leisure trips, including spending on transport, but excluding international spending on education. This is consistent with total inbound tourism expenditure in table 1 of the TSA: RMF 2008.

DOMESTIC TRAVEL & TOURISM SPENDING

Spending within a country by that country's residents for both business and leisure trips. Multi-use consumer durables are not included since they are not purchased solely for tourism purposes. This is consistent with total domestic tourism expenditure in table 2 of the TSA: RMF 2008. Outbound spending by residents abroad is not included here, but is separately identified according to the TSA: RMF 2008 (see below).

GOVERNMENT INDIVIDUAL SPENDING

Spending by government on Travel & Tourism services directly linked to visitors, such as cultural services (eg museums) or recreational services (eg national parks).

INTERNAL TOURISM CONSUMPTION

Total revenue generated within a country by industries that deal directly with tourists including visitor exports, domestic spending and government individual spending. This does not include spending abroad by residents. This is consistent with total internal tourism expenditure in table 4 of the TSA: RMF 2008.

BUSINESS TRAVEL & TOURISM SPENDING

Spending on business travel within a country by residents and international visitors.

LEISURE TRAVEL & TOURISM SPENDING

Spending on leisure travel within a country by residents and international visitors.

INDIRECT AND INDUCED IMPACTS

INDIRECT CONTRIBUTION

The contribution to GDP and jobs of the following three factors:

- **CAPITAL INVESTMENT:** Includes capital investment spending by all industries directly involved in Travel & Tourism. This also constitutes investment spending by other industries on specific tourism assets such as new visitor accommodation and passenger transport equipment, as well as restaurants and leisure facilities for specific tourism use. This is consistent with total tourism gross fixed capital formation in table 8 of the TSA: RMF 2008.
- **GOVERNMENT COLLECTIVE SPENDING:** Government spending in support of general tourism activity. This can include national as well as regional and local government spending. For example, it includes tourism promotion, visitor information services, administrative services and other public services. This is consistent with total collective tourism consumption in table 9 of TSA: RMF 2008.
- **SUPPLY-CHAIN EFFECTS:** Purchases of domestic goods and services directly by different industries within Travel & Tourism as inputs to their final tourism output.

INDUCED CONTRIBUTION

The broader contribution to GDP and employment of spending by those who are directly or indirectly employed by Travel & Tourism.

OTHER INDICATORS

OUTBOUND EXPENDITURE

Spending outside the country by residents on all trips abroad. This is fully aligned with total outbound tourism expenditure in table 3 of the TSA: RMF 2008.

INTERNATIONAL TOURIST ARRIVALS

The number of arrivals of international overnight visitors (tourists) to the country.

06

RESEARCH/ DATA PARTNERS



Assisting WTTTC to Provide Tools for Analysis, Benchmarking, Forecasting and Planning.

Oxford Economics is a leader in global forecasting and quantitative analysis. Our worldwide client base comprises more than 1,500 international corporations, financial institutions, government organisations, and universities. Headquartered in Oxford, with offices around the world, we employ over 400 staff, including over 250 economists and analysts. Our best-in-class global economic and industry models and analytical tools give us an unmatched ability to forecast external market trends and assess their economic, social and business impact. For more information, visit www.oxfordeconomics.com

Contributing data to the WTTTC Economic Impact Model



STR's world-leading hotel data sample comprises 67,000 hotels and 9 million rooms around the world. STR provides premium data benchmarking, analytics and marketplace insights for global hospitality sectors. Founded in 1985, STR maintains a presence in 15 countries with a corporate North American headquarters in Hendersonville, Tennessee, an international headquarters in London, and an Asia Pacific headquarters in Singapore. STR was acquired in October 2019 by CoStar Group, Inc. (NASDAQ: CSGP), the leading provider of commercial real estate information, analytics and online marketplaces. For more information, please visit str.com and costargroup.com. Contact email: industrydata@str.com



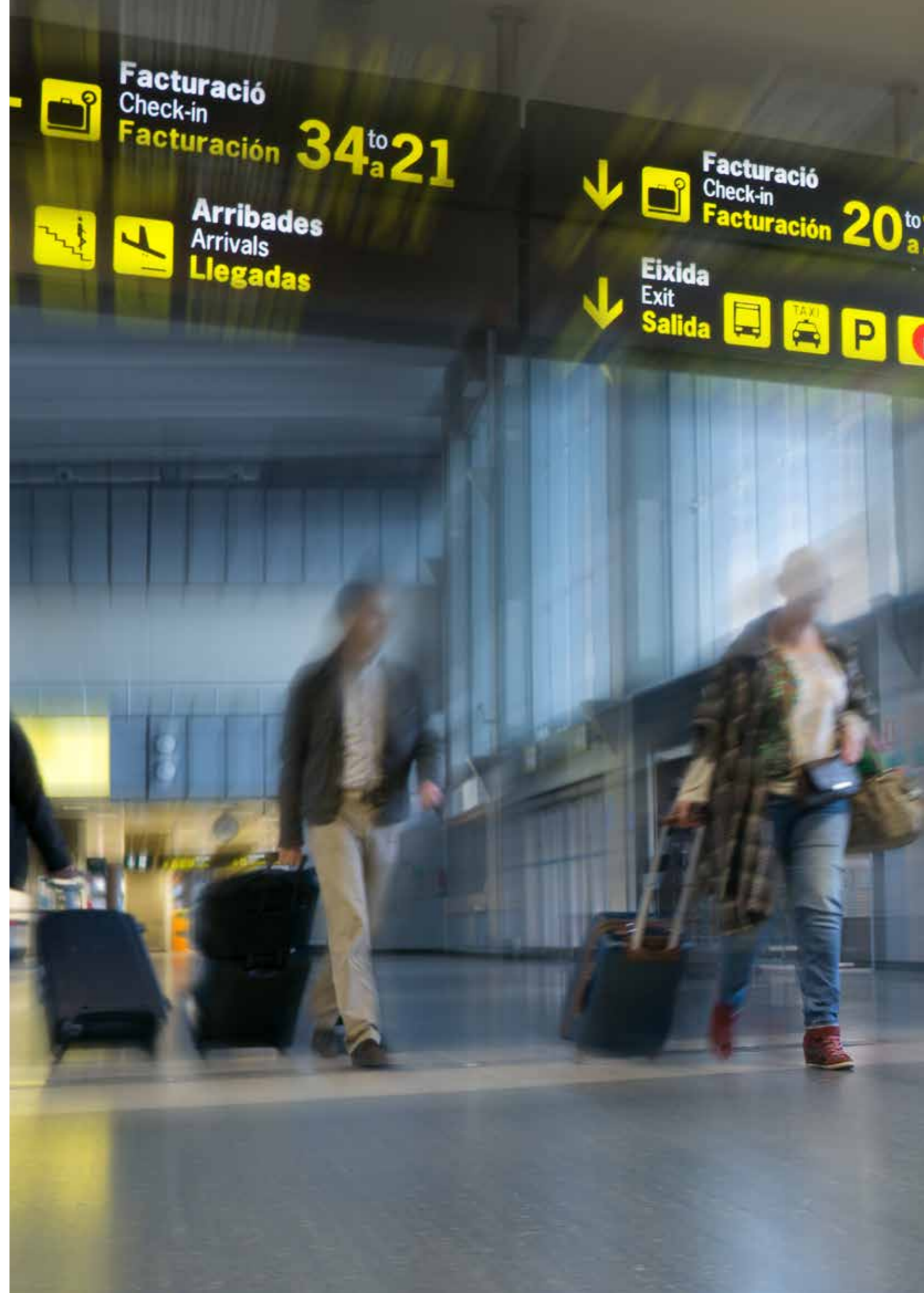
ForwardKeys helps its clients measure and improve the effectiveness of their marketing & operations; anticipate the impact of events; and capitalise on future trends. Its data scientists do so by analysing an unparalleled amount of air travel information to produce valuable insights into the profile, behaviour and impact of past, present and future travellers. Sources include airline capacity plus over 17m booking transactions and 7m flight searches per day. Customers are tourism destination marketing organizations, brands, retailers, duty-free specialists, financial institutions, media agencies and travel marketers worldwide.

Contributing research to the New Reality of Retail



THE BICESTER VILLAGE SHOPPING COLLECTION*

The Bicester Village Shopping Collection by Value Retail is home to more than 1,300 boutiques of the world's leading fashion and lifestyle brands, all of which offer savings of up to 60% on the recommended retail price, and sometimes more, all year round. Each of the 11 Villages in Europe and China offer an unparalleled experience, blending five-star hospitality, art, music, theatre, beautifully presented boutiques and exceptional value for money. The unique destinations reflect and celebrate aspects of the culture and architecture of their locations.



The World Travel & Tourism Council is the global authority on the economic and social contribution of Travel & Tourism.

WTTC promotes sustainable growth for the Travel & Tourism sector, working with governments and international institutions to create jobs, to drive exports and to generate prosperity. Council Members are the Chairs, Presidents and Chief Executives of the world's leading private sector Travel & Tourism businesses.

Together with Oxford Economics, WTTC produces annual research that shows Travel & Tourism to be one of the world's largest sectors, supporting 330 million jobs and generating 10.3% of global GDP in 2019. Comprehensive reports quantify, compare and forecast the economic impact of Travel & Tourism on 185 economies around the world. In addition to individual country fact sheets, and fuller country reports, WTTC produces a world report highlighting global trends and 25 further reports that focus on regions, sub-regions and economic and geographic groups.

To download reports or data, please visit www.wttc.org



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