

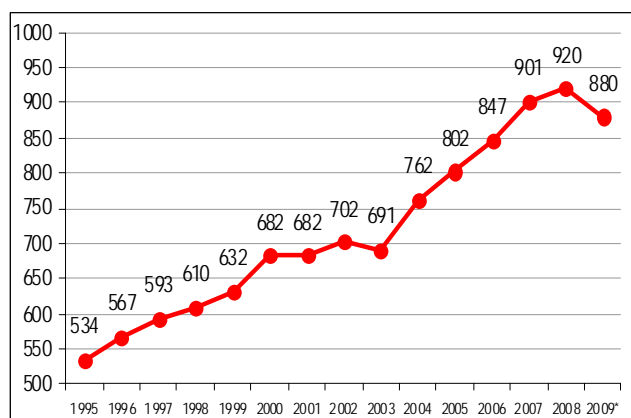


On track for recovery after an exceptionally challenging 2009

International tourist arrivals are estimated to have declined worldwide by 4% in 2009 to 880 million. Growth returned in the last quarter of 2009, after 14 months of negative results, contributing to a better than expected full-year. The 2% upswing registered in the last quarter of 2009 contrasts with the declines of 10%, 7% and 2% felt in the first three quarters respectively. Asia and the Pacific and the Middle East led the recovery with growth already turning positive in both regions in the second half of 2009.

World: Inbound Tourism
International Tourist Arrivals

(million)



Source: World Tourism Organization (UNWTO) ©

Based on the trends through the first three quarters, international tourism receipts for 2009 are estimated to have decreased by around 6%. While this is unquestionably a disappointing result for an industry accustomed to continuous growth, it can also be interpreted as a sign of comparative resilience given the extremely difficult economic environment. This becomes even more evident when compared with the estimated 12% slump in overall exports as a consequence of the global crisis.

Against the backdrop of both the upturn in international tourism figures and overall economic indicators in recent months, UNWTO forecasts a growth in international tourist arrivals of between 3% and 4% in 2010. (Continued on page 5)

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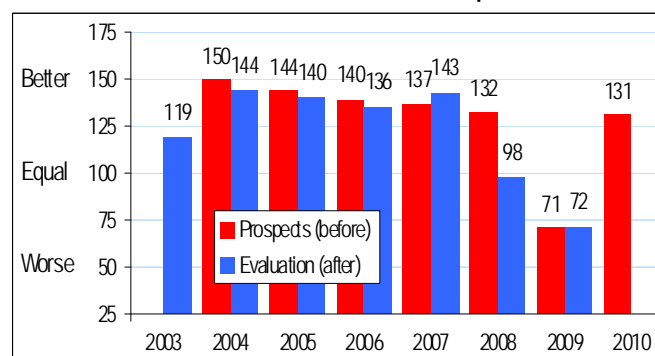
UNWTO Panel of Tourism Experts

Panel looks forward to 2010 with expectations

The improved prospects for 2010 are confirmed by the encouraging steep rise in the UNWTO Panel of Experts' Confidence Index for 2010. As expected, given the turbulence experienced over the past 12 months, the over 340 members of the UNWTO Panel of Tourism Experts from around the world who contributed to this issue of the *UNWTO World Tourism Barometer* have evaluated 2009 with a pretty poor score of just 72.

However, the average score given by these same experts for 2010's prospects is 131, well above the neutral 100 and close to the level of the boom years 2004-2007. (Continued on page 16)

UNWTO Panel of Tourism Experts



Source: World Tourism Organization (UNWTO) ©

The *UNWTO World Tourism Barometer* is a publication of the World Tourism Organization (UNWTO). By monitoring short-term tourism trends on a regular basis, UNWTO aims to provide all those involved directly or indirectly in tourism with adequate up-to-date statistics and analysis in a timely fashion.

The *UNWTO World Tourism Barometer* is published three times a year (in January, June and October). Each issue contains three regular sections: an overview of short-term tourism data from destination and generating countries and air transport; the results of the latest survey among the UNWTO Panel of Tourism Experts, providing an evaluation of and prospects for short-term tourism performance; and selected economic data relevant for tourism. The objective for future editions of the *UNWTO World Tourism Barometer* will be to broaden its scope and improve coverage gradually over time.

The *UNWTO World Tourism Barometer* is prepared by UNWTO's Market Trends, Competitiveness and Trade in Tourism Services Section, with the collaboration of consultants, Nancy Cockerell and David Stevens. The UNWTO Secretariat wishes to express its sincere gratitude to all those who have participated in the elaboration of the *UNWTO World Tourism Barometer*, in particular all institutions that supplied data, and to the members of the UNWTO Panel of Tourism Experts for their valuable contributions.

For more information on the *UNWTO World Tourism Barometer*, including copies of previous issues, please refer to the Facts & Figures section on the UNWTO website at www.unwto.org/facts/menu.html.

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Explanation of abbreviations and signs used

* = provisional figure or data
 .. = figure or data not (yet) available
 | : change of series
 mn: million (1,000,000)
 bn: billion (1,000,000,000)

Q1: January, February, March
 Q2: April, May, June
 Q3: July, August, September
 Q4: October, November, December

T1: January, February, March, April
 T2: May, June, July, August
 T3: September, October, November, December

YTD: Year to date, variation of months with data available compared with the same period of the previous year. The (sub)regional totals are approximations for the whole (sub)region based on trends for the countries with data available.

Series International Tourist Arrivals

TF: International tourist arrivals at frontiers (excluding same-day visitors);
 VF: International visitor arrivals at frontiers (tourists and same-day visitors);
 THS: International tourist arrivals at hotels and similar establishments;
 TCE: International tourist arrivals at collective tourism establishments;
 NHS: Nights of international tourists in hotels and similar establishments;
 NCE: Nights of international tourists in collective tourism establishments.

Series International Tourism Receipts and Expenditure

All percentages are derived from non-seasonally adjusted series in local currencies, unless otherwise indicated: \$: US\$; €: euro; sa: seasonally adjusted series.



The World Tourism Organization is a specialized agency of the United Nations and the leading international organization in the field of tourism. It serves as a global forum for tourism policy issues and a practical source of tourism know-how. Its membership includes 160 countries and territories and more than 350 Affiliate Members representing local governments, tourism associations and private sector companies including airlines, hotel groups and tour operators.

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UNWTO World Tourism Barometer, January 2010

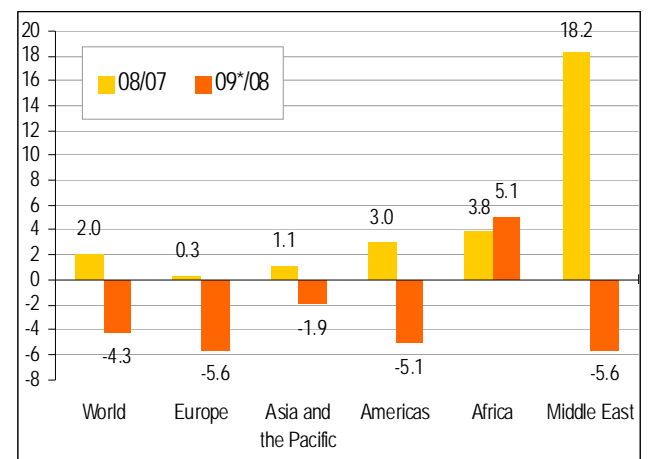
Quick overview of key trends

International tourism 2009

- Worldwide, international tourist arrivals fell by 4% in 2009.
- This represents a slight improvement on the previous estimate as a result of the 2% upswing in the last quarter of 2009. In contrast, international tourist arrivals shrank by 10%, 7% and 2% in the first three quarters of 2009 respectively.
- Asia and the Pacific and the Middle East led the recovery with growth already turning positive in both regions in the second half of the year.
- Full-year results show that growth was negative in all world regions except for Africa, which bucked the global trend.
 - Europe** ended 2009 down 6% after a very complicated first half (-10%). Destinations in Central, Eastern and Northern Europe were particularly badly hit, while results in Western, Southern and Mediterranean Europe were relatively better.
 - Asia and the Pacific** (-2%) showed an extraordinary rebound. While arrivals declined by 7% between January and June, the second half of 2009 saw 3% growth reflecting improved regional economic results and prospects.
 - In the **Americas** (-5%), the Caribbean returned to growth in the last four months of 2009. The performance was more sluggish in the other sub-regions, with the A(H1N1) influenza outbreak exacerbating the impact of the economic crisis.
 - The **Middle East** (-6%), though still far from the growth levels of previous years, had a positive second half in 2009.
 - Africa** (+5%) was a robust performer, with Sub-Saharan destinations doing particularly well.
- Despite the overall decline, several destinations worldwide reported positive results in 2009 in terms of international tourist arrivals. These include Morocco, Kenya, Rwanda, South Africa, Swaziland, Cuba, Curaçao, Dominican Republic, Jamaica, Guatemala, Nicaragua, Chile, Colombia, Guyana, Paraguay, Peru, Uruguay, the Republic of Korea, Taiwan (pr. of China), Cambodia, Indonesia, Malaysia, Myanmar, several Pacific Islands, Iran, Nepal, Sri Lanka, Iceland, Sweden, Hungary, FYR of Macedonia, Italy, Montenegro, Serbia, Turkey, Bahrain, Jordan, Lebanon and Syria.
- Based on the trends through the first three quarters of the year, receipts for 2009 are estimated to have decreased by around 6%. Still, there were seven destinations worldwide which achieved some growth in exports earnings from tourism in 2009. Among these, it is worth noting the double-digit growth of Taiwan (pr. of China), Sweden and Australia. Furthermore, Hong Kong (China), Malaysia, Poland and Hungary also managed to buck the overall negative trend.
- As in previous crises, consumers tended to travel closer to home during 2009. Several destinations have seen domestic tourism endure the crisis better and even grow significantly. This was the case among many other countries, of China, Brazil and Spain, where the domestic market, representing a large share of the total demand, contributed to partially offsetting the decline in international tourism.
- The upward trend of the last months of 2009 is also visible in the air transport data from IATA and various regional air transport associations. According to IATA, passenger traffic was positive since September 2009 after a year of declines. Overall, worldwide passenger traffic through November was 4% down, while capacity declined by 3%, leaving load factors at 75.4%, down from 75.9% for full year 2008.

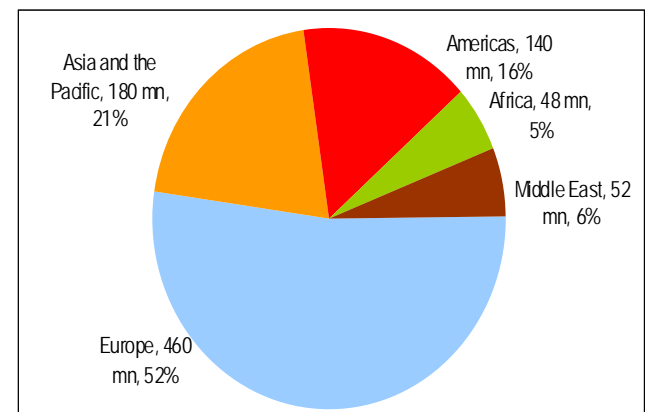
International Tourist Arrivals

(% change)



Source: World Tourism Organization (UNWTO) ©

World Inbound Tourism: International Tourist Arrivals, 2009*

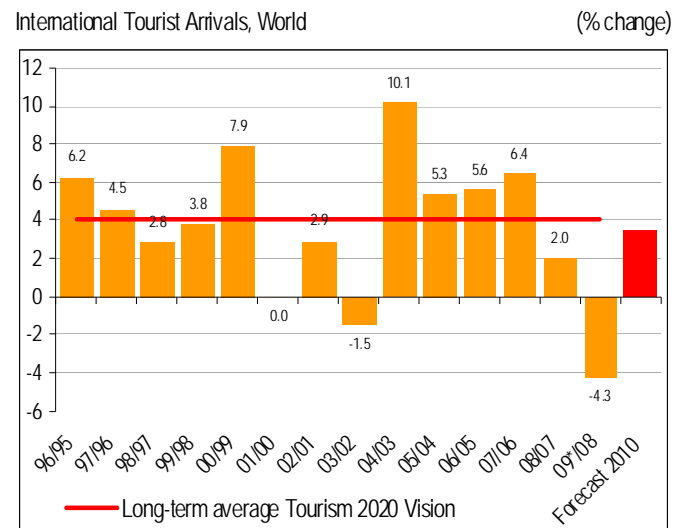


Source: World Tourism Organization (UNWTO) ©

- Meanwhile, global airline capacity measured in available seats shows positive growth for the fifth consecutive month in January 2010, according to OAG.
- Hotel performance data for the first eleven months, as analysed by Deloitte based on data reported by STR Global, also corroborates this upward trend – occupancy rates have started to post growth in some key destinations which is a sign that the recovery has begun.
- As expected, given the turbulence experienced over the past 12 months, the over 340 members of the UNWTO Panel of Tourism Experts from around the world who contributed to this issue of the *UNWTO World Tourism Barometer* have evaluated 2009 with a pretty poor score of 72 – surprisingly close to their rating for 2009's prospects at the beginning of the year. Nonetheless, the evaluation of the last four months of 2009 (up to 91 from 73 for the period May-August) confirms the improved confidence of the sector.

Prospects for 2010

- The International Monetary Fund (IMF) has just recently stated that the global recovery is occurring “significantly” faster than expected, as compared with its October assessment, which already counted on a clear return of economic growth in 2010 (+3.1% worldwide, with stronger performance for emerging economies at +5.1%, alongside a more sluggish one for advanced economies at +1.3%).
- Given the recent upturn in both international tourism figures and the overall economic indicators, UNWTO forecasts a growth in international tourist arrivals of between 3% and 4% in 2010.
- By region, Asia is expected to continue showing the strongest rebound, while Europe and the Americas are likely to recover at a more moderate pace. Growth is expected to return to the Middle East while Africa will continue its positive trend benefiting from the extra boost provided by the 2010 FIFA World Cup in South Africa.
- These improved prospects are confirmed by the encouraging steep rise in the UNWTO Panel of Experts' Confidence Index for 2010. The experts who judge prospects for 2010 as 'better or 'much better than would reasonably be expected' (61%) clearly outnumber those rating it as 'the same as' (32%), or 'worse' (7%). The average score for 2010 (131), is well above the neutral 100 and close to the level of the boom years 2004-2007.
- 2010 provides several upside opportunities, while naturally not eliminating downside risks. On the positive side, the economy is recovering quicker than expected and business and consumer confidence have picked up. Interest rates and inflation are expected to rise only moderately in the short term. In the tourism sector, the pent-up demand that generally follows a slump creates several opportunities and there is scope for a revival among source markets which were hard hit in 2009 such as the UK or the Russian Federation. Another factor that will brighten up 2010 is that there will be plenty of events to attract potential visitors – from the Winter Olympics in Vancouver in February to the FIFA Football World Cup in June in South Africa and the Shanghai World Expo from May through October.
- On the downside, unemployment is the key challenge. The jobs crisis is not over yet, particularly in major advanced economies and many valuable human resources are still at risk. In the economic front, recovery in major tourism source markets, especially in Europe and the USA, is still fragile and household and company budgets may face extra pressure from the gradual withdrawal of stimulus measures and from potential increases in taxation as results of growing public deficits. Oil prices are expected to remain volatile through 2010 and security threats as well as the potential of increased related hassle and costs for travellers are still a challenge. Finally, although the overall impact of the influenza A(H1N1) virus was milder until now than anticipated, experience from previous pandemics shows that the situation could once again become challenging. 2010 will be characterised by a still quite rough business environment for the tourism sector as revenues and yields are expected to recover at a slower pace than travel volumes.



Source: World Tourism Organization (UNWTO) ©

Inbound Tourism: short-term trends 2009

World

(Continued from page 1)

Destinations in emerging economies, which currently receive 47% of worldwide international tourist arrivals, resisted last year's adverse environment relatively better than advanced economies (based on IMF classification, see www.imf.org/external/pubs/ft/weo/2009/02/pdf/statapp.pdf). As they count with less mature tourism sectors and more dynamic economies, they clearly have a potential to faster growth. In the past decades emerging economies tended to outgrow advanced economies on average by some 2 to 3 percentage points a year. In 2009 they maintained this differential, with arrivals decreasing by less than 3% compared to the over 5% decline of advanced economies.

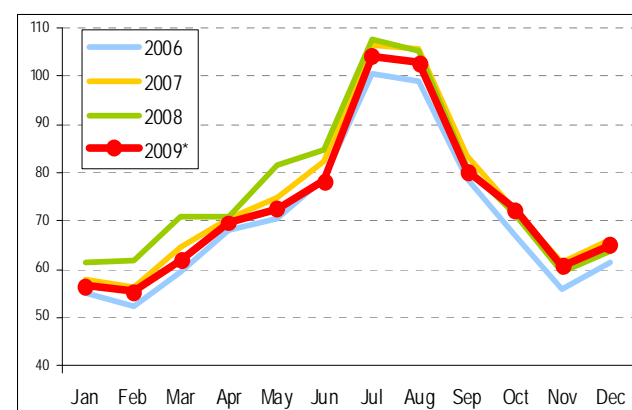
Full-year results for international tourist arrivals show that, except for Africa, which bucked the global trend, all world regions were negative in 2009. The Middle East, Europe and the Americas were the hardest hit regions. Preliminary estimates point to a 6% drop in arrivals for the Middle East last year with, in line with trends for Asia, a turnaround in the second half after a double-digit decline in the first six months of 2009. As in 2008, Europe (-6%)

turned in one of the worst performances. Central, Eastern and Northern Europe (-8%) were particularly affected, while in the Americas (-5%), all subregions ended 2009 down on the previous year, but North and Central America (both at -6%) recorded the largest decreases. The Caribbean by contrast managed to sustain the decline due to the recovery of the last four months of 2009. Asia and the Pacific achieved the most impressive upturn, from a

International Tourist Arrivals, monthly evolution

World

(million)



Source: World Tourism Organization (UNWTO) ©

International Tourist Arrivals by (Sub)region

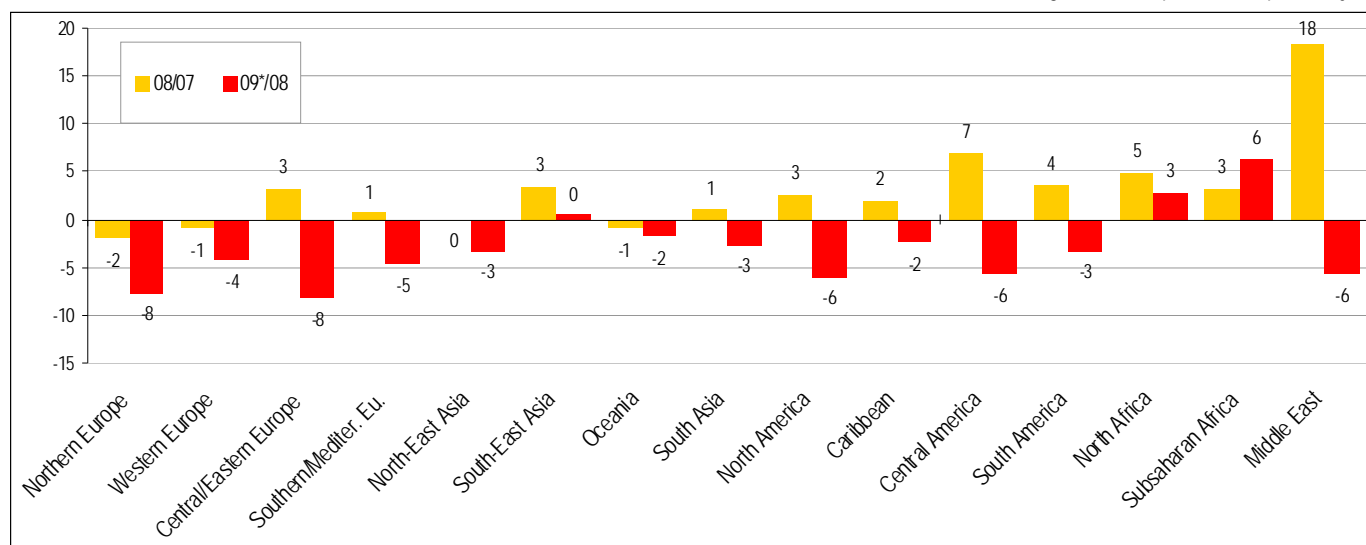
	Full year				Share 2009*	Change				Monthly or quarterly data series (% change over same period of the previous year)														
	2000	2005	2008	2009*		2009*	08/07			08/08	2009													
	(million)					(%)	J.-J.	J.-D.	(%)	J.-J.	J.-D.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
World	682	802	920	880	100	2.0	5.8	-1.4	-4.3	-8.5	-0.7	-7.7	-10.2	-12.8	-1.6	-10.7	-7.6	-3.2	-2.5	-1.0	1.4	2.1	2.0	
Advanced economies	423	451	495	468	53.1	-0.3	3.8	-3.6	-5.4	-9.7	-2.0	-5.4	-12.9	-16.7	0.8	-12.6	-9.8	-4.6	-2.6	-2.8	-0.5	1.5	0.7	
Emerging economies	260	351	425	413	46.9	4.9	8.3	1.4	-2.9	-7.4	0.8	-10.3	-7.8	-8.8	-4.6	-8.7	-4.9	-1.4	-2.3	1.4	3.7	2.4	3.0	
Europe	392.2	441.0	487.1	459.7	52.2	0.3	3.7	-2.4	-5.6	-9.8	-2.4	-7.5	-13.1	-17.6	-1.5	-11.5	-8.4	-3.2	-2.8	-3.2	-1.6	-0.4	-1.1	
Northern Europe	43.7	52.8	57.0	52.6	6.0	-2.0	3.2	-6.1	-7.7	-9.6	-6.0	-8.7	-17.1	-13.6	-1.7	-14.5	-3.7	-5.2	-7.8	-5.5	-7.5	-3.5	-5.6	
Western Europe	139.7	141.7	152.4	145.8	16.6	-0.9	2.2	-3.3	-4.3	-9.8	-0.3	-1.8	-12.6	-22.7	1.6	-11.9	-8.6	-1.3	0.1	-2.6	0.6	2.8	1.2	
Central/Eastern Eu.	69.3	87.5	99.7	91.6	10.4	3.2	5.4	0.9	-8.2	-11.6	-5.5	-12.7	-14.3	-14.2	-8.4	-11.2	-10.4	-5.8	-5.5	-5.8	-5.1	-5.5	-5.0	
Southern/Mediterr. Eu.	139.5	159.1	178.0	169.6	19.3	0.6	4.4	-2.1	-4.7	-8.9	-1.4	-8.8	-11.3	-16.0	0.6	-10.5	-8.8	-3.1	-2.6	-1.6	0.3	2.2	1.8	
Asia and the Pacific	110.1	153.6	184.1	180.5	20.5	1.1	5.7	-3.2	-1.9	-6.7	2.9	-4.8	-10.4	-6.7	-0.8	-10.1	-7.7	-5.5	3.3	4.4	3.4	6.6	5.7	
North-East Asia	58.3	86.0	101.0	97.6	11.1	-0.1	5.6	-5.1	-3.3	-7.4	0.8	-4.7	-9.7	-8.2	-0.2	-11.6	-10.7	-6.9	5.8	-0.7	1.6	3.6	1.6	
South-East Asia	36.1	48.5	61.7	62.0	7.0	3.5	7.2	-0.2	0.4	-5.9	7.1	-3.7	-12.3	-3.5	-2.9	-9.2	-3.8	-3.6	1.4	14.5	6.6	13.8	11.6	
Oceania	9.6	11.0	11.1	10.9	1.2	-0.9	0.4	-2.2	-1.8	-4.7	1.0	-1.9	-8.6	-6.6	4.5	-5.1	-9.9	-7.9	-1.0	8.3	4.6	1.7	2.1	
South Asia	6.1	8.1	10.3	10.0	1.1	1.1	4.2	-1.7	-2.8	-7.0	1.3	-15.0	-8.6	-11.7	1.0	-2.8	-1.0	-1.2	-5.7	-3.8	3.4	-0.2	12.9	
Americas	128.2	133.3	147.1	139.6	15.9	3.0	6.4	-0.1	-5.1	-7.0	-3.2	-1.6	-5.2	-12.8	2.6	-12.3	-11.4	-6.8	-6.6	-2.2	0.2	-1.9	0.2	
North America	91.5	89.9	97.8	91.9	10.4	2.6	6.4	-0.4	-6.0	-8.8	-3.6	-1.9	-4.9	-14.4	2.4	-15.8	-14.2	-7.1	-6.4	-2.2	0.4	-2.8	-0.3	
Caribbean	17.1	18.8	20.2	19.7	2.2	2.1	5.9	-2.2	-2.4	-5.3	1.3	-3.4	-6.7	-11.8	-1.9	-2.9	-3.1	-1.0	-4.0	7.2	4.1	1.7	3.1	
Central America	4.3	6.3	8.3	7.8	0.9	7.0	11.4	2.8	-5.7	-7.4	-3.9	2.5	-8.3	-12.7	3.1	-15.6	-14.1	-9.1	-4.7	-4.4	-6.2	0.5	0.4	
South America	15.3	18.3	20.8	20.1	2.3	3.7	5.2	2.2	-3.3	-1.3	-5.5	-0.7	-3.7	-6.9	9.5	0.2	-2.6	-10.3	-11.3	-7.5	-1.4	-2.0	-1.2	
Africa	27.0	36.4	45.7	48.0	5.5	3.8	3.8	1.5	5.1	4.4	5.7	6.5	4.4	-3.0	11.1	4.8	3.1	5.5	-0.1	6.4	5.6	9.9	8.5	
North Africa	10.2	13.9	17.2	17.7	2.0	4.9	8.7	2.5	2.9	5.1	1.3	5.3	5.2	-2.5	16.6	4.6	2.3	4.7	-13.5	5.4	1.7	12.0	8.9	
Subsaharan Africa	16.8	22.5	28.6	30.4	3.5	3.2	1.5	0.8	6.4	4.0	8.6	6.9	4.1	-3.2	8.1	4.9	3.8	6.5	13.5	6.9	7.7	9.0	8.3	
Middle East	24.9	37.9	55.6	52.5	6.0	18.2	26.8	9.3	-5.6	-16.4	5.3	-37.0	-14.4	-8.4	-21.9	-12.8	5.6	5.6	-5.5	3.8	19.0	4.3	6.6	

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO January 2010)

International Tourist Arrivals

(% change over same period of the previous year)



Source: World Tourism Organization (UNWTO) ©

7% decline between January and June to a 3% growth in the second half of the year. Not all subregions performed as well, but though the region's yearly count was down 2%, South-East Asia managed to end the year with a slight improvement over 2008's level. Africa was the clear winner in the regional stakes, attracting an estimated 5% growth and suffering only one month of decline (March due to the fact that the Easter was in April in 2009 while in the previous year it had been in March).

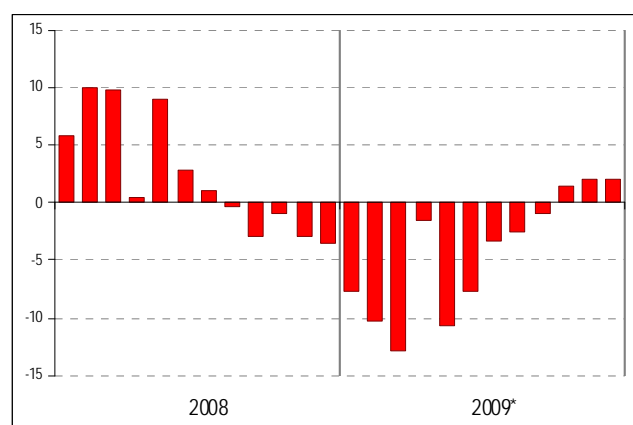
the year, and in particular in the case of Subsaharan Africa and Central and Eastern Europe, the subregional aggregate is based on data for only a limited number of countries. Countries with monthly data series available cover some 90% of worldwide arrivals. An assessment is made for missing data (both months and countries) based on trends for the (sub)region. In addition, data reported by countries at this stage is generally provisional and can still be revised. Experience, however, shows that the worldwide estimate will be accurate at this time of the year. So, although no major changes are expected to occur in terms of trends, individual numbers and growth rates may still vary.

Arguably, the last 12-18 months have been one of the most challenging periods in tourism's history. Both business and consumer confidence were bound to be affected, especially with the continuing uncertainties about unemployment and other factors such as exchange rates, the availability of credit, and uncertainty over the A (H1N1) influenza virus. However, data shows that, following 14 months of declines (some fairly modest, but with a deep trough in the first half of last year), arrivals returned to positive growth in October 2009. This recovery, which is still fragile and uneven, is also reflected in the UNWTO's Panel of Experts Confidence Index.

Among the key trends that marked 2009, the most important was the poor performance of the business travel market, as this is driven by business development and thus directly related to the health of the world economy. The impact was felt most strongly by airlines due to the sharp fall in premium seat sales and in the high-end hotel market. Demand for segments like meetings and incentives plummeted in some countries, in part because companies were reluctant to be seen spending on such items in a recession and at a time when so many people were losing their jobs. 'Austerity chic' has become the new buzzword. Budget and mid-market travellers were the first to cut back on travel last year, but even more affluent consumers, used to taking several trips a year, sacrificed secondary trips,

International Tourist Arrivals, monthly evolution

World (% change)



Source: World Tourism Organization (UNWTO) ©

In absolute values, of the 40 million arrivals that disappeared from 2008's count, Europe accounted for close to 70%, or 27 million, as against 7 million for the Americas, 3 million each for Asia and the Pacific and for the Middle East. Africa on the other hand gained an estimated 2 million arrivals in 2009.

As always, it is important to stress that figures at this early moment in the year are preliminary estimates. Statistics for individual countries are, in a limited number of cases, based on full year data. In most cases, however, they are based on 10-11 months of full year results, with some based on a more limited part of the year. Also, not all countries report monthly or quarterly data series through

with the result that short-break travel suffered more than longer holidays. Not surprisingly, long-haul destinations were also more affected than short-haul points, and the strong euro (against most currencies) resulted in a continuing shift to destinations outside the eurozone.

Similar to previous crises, consumers tended to travel closer to home during 2009. Several destinations have seen domestic tourism endure the crisis better and even grow significantly, often with the support of specific government measures aimed at leveraging this trend. This was the case among many other countries, of China, Brazil and Spain, where the domestic market, representing a large share of the total demand, contributed to partially offsetting the decline in international tourism.

Detailed results for arrivals and receipts by country are included in the 'Regions' section on page 19.

Prospects for 2010

The International Monetary Fund (IMF) has just recently stated that the global recovery is occurring "significantly" faster than expected, as compared with its October assessment which already counted on a clear return of economic growth in 2010 (+3.1% worldwide, with stronger performance for emerging economies at +5.1%, alongside a more sluggish one for advanced economies at +1.3%).

Against this backdrop and given the upturn in international tourism figures and in other economic indicators in recent months, UNWTO forecasts a growth in international tourist arrivals of between 3% and 4% in 2010. By region, Asia is expected to continue showing the strongest rebound, while Europe and the Americas are likely to recover at a more moderate pace. Growth is expected to return to the Middle East while Africa will continue its positive trend benefiting from the extra boost provided by the 2010 FIFA World Cup in South Africa.

2010 provides several upside opportunities, while naturally not eliminating downside risks.

Upside opportunities:

- Business and consumer confidence has picked up;
- Interest rates and inflation remain at historically low levels and are expected to rise only moderately in the short term;
- A slump is generally followed by a rebound due to pent-up demand and destinations are expected to actively leverage this opportunity;
- There is scope for a revival among source markets which were hard hit in 2009, such as the UK or the Russian Federation;
- The momentum of the spirit of cooperation and partnership bred by the crisis is expected to be maintained by stakeholders;

- The flexibility shown by the tourism sector in dealing with rapid shifts in demand and volatile market conditions has made it stronger;
- Crises provide an opportunity to address underlying structural weaknesses and implement strategies fostering sustainable development and the transformation to the Green Economy.

Downside risks:

- Unemployment is the key challenge. The jobs crisis is not over yet, particularly in major advanced economies and many valuable human resources are still at risk;
- Economic growth in major source markets, especially in Europe and the USA, is still fragile;
- Stimulus measures are likely to be phased out due to increasing public deficits while a number of advanced economies may see increases in taxation, putting extra pressure on household and company budgets;
- Oil prices remain volatile;
- Although the overall impact of the influenza A(H1N1) virus was milder until now than anticipated, experience from previous pandemics shows that the situation could once again become challenging;
- Security threats and the potential of increased related hassle and costs for travellers are still a challenge;
- Revenues and yields are expected to recover at a slower pace than travel volumes.

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Roadmap for Recovery: UNWTO's Response to the Global Economic Crisis

Tourism & Travel, a primary vehicle for job creation and economic recovery

UNWTO has recently presented a *Roadmap for Recovery* at its XVIII General Assembly, held early October 2009 in Kazakhstan (www.unwto.org/pdf/roadmap_EN.pdf or www.unwto.org/trc).

The *Roadmap*, which was unanimously endorsed by Members States, is a manifesto on how tourism and travel, one of the world's biggest sources of jobs and export earnings, can be a primary vehicle for job creation and economic recovery. The document aims to show how the tourism sector can contribute to the ongoing actions to respond to the current crisis – by creating jobs, promoting trade and enhancing development – and to the long-term challenge of the transformation to a green economy.

The *Roadmap* sets the way forward to support the global economy and the tourism sector through 15 strategic guidelines in three interrelated areas:

- **Resilience** – supporting the sector's immediate response through job retention and training, partnerships and regional support, innovation and the enhancement of the use of technology;

- **Stimulus** – advocating the inclusion of tourism in general economic stimulus packages, namely in regards to fiscal and monetary measures, highlighting its capacity to contribute to the global objectives of job creation and economic recovery;
- **Green Economy** – advancing tourism in the Green Economy as a sector that can deliver on smart growth, intelligent infrastructure and clean energy jobs.

This is a call to national and world leaders as they seek to stimulate the global economy to place tourism and travel at the core of stimulus packages and the long-term green economy transformation. Actions are needed to boost trade promotion, simplify regulation, build infrastructure and rationalise taxes, which in turn will incite companies to invest, innovate and stimulate demand.

This is no time to ease the support for the economic recovery. UNWTO's XVIII Assembly stressed the importance of all measures that stimulate tourism and travel, and called for a moratorium on burdensome travel taxes which target tourism, citing in particular the UK Airport Passenger Duty. These taxes place a serious burden on all destinations, but particularly on poor countries, and undermine ongoing efforts to promote tourism trade by numerous economies worldwide.

(For information on UNWTO's response to the economic crisis see www.unwto.org/trc and for information on *Tourism and Economic Stimulus* see www.unwto.org/trc/response/response.php?lang=E)



International Tourism Receipts and Expenditure 2009

International Tourism Receipts estimated to have declined by 6% in 2009

Experience shows that tourism earnings generally follow the trend in arrivals quite closely, even if they suffer somewhat more in difficult times. Based on trends through the first three quarters, receipts for 2009 are estimated to have decreased by around 6%. While this is unquestionably a disappointing result for an industry accustomed to continuous growth, it can also be interpreted as a sign of comparative resilience given the extremely difficult economic environment. This becomes even more evident when compared with the estimated 12% slump in overall exports as a consequence of the global crisis.

In 2008, international tourism generated US\$ 946 billion in export earnings, a 1.8% increase in real terms (i.e. adjusted for exchange rate fluctuations and inflation) as compared to a 2.0% growth in arrivals, showing the close relation between the trends for both indicators. Also, over a longer period (see graph below), receipts tend to follow the growth in international arrivals closely, but at a slightly slower pace. In the period 1990-2008, international tourism receipts grew at an average annual rate of 4.2% a year, while receipts in real terms increased on average by 4.0% a year (with a correlation of 0.93). This small difference can be attributed to the fact that volumes tend to grow faster in price-competitive emerging destinations as well as in the shoulder seasons with comparatively shorter trips, thus bringing down average expenditure. Also, with growing volumes, unit costs tend to decrease due to economies of scale and the smaller margins needed.

In times of crises, however, the impact on receipts tends to be higher than on arrivals. Tourism earnings suffer somewhat more than arrivals as consumers trade down, stay closer to home and travel for shorter periods of time.

This happened in 2001 when arrivals stagnated while receipts declined by 2%, and in 2002 when arrivals grew slightly and receipts stagnated. However, there is also a certain counterbalance as the decrease in volume will be mainly in the shorter secondary trips, and not so much in the main trips, lifting average expenditure per trip.

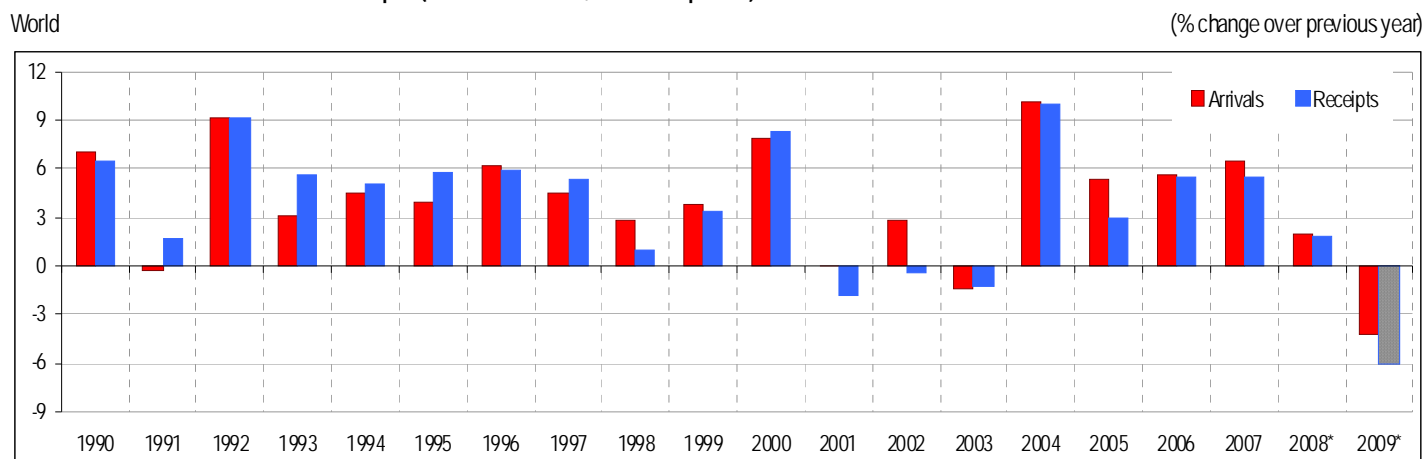
With regard to international tourism receipts in 2009, most destinations currently have only reported preliminary data for the first three quarters. Most countries will report data for the fourth quarter of 2009 only towards the end of the first quarter of 2010. For the assessment presented here, this data is analysed in local currencies, weighted for their shares in the total and provisionally corrected for inflation. This shows an aggregated contraction in receipts of about 8% in real terms in the first three quarters of 2009, compared to a 6% decrease in international arrivals in the same period, i.e. the decline in receipts is some 2 percentage points more.

Given the high level of correlation between both indicators, the trend in arrivals can be considered a useful proxy for the trend in receipts. For the full year 2009, receipts are also expected to have improved, relatively speaking, in the last quarter. With a decline of 4% in international tourist arrivals, receipts for the full year 2009 can be estimated to have decreased by 6%.

Even though it is common practice to use data such as arrivals for short-term analysis, everyone is more interested in the trend in receipts and expenditure. For various reasons estimating the trend in receipts is a far more complicated exercise than for arrivals:

- On average receipts data lags some two months behind arrivals data. Most countries report data on a quarterly basis and preliminary data is typically made available 2-3 months after the end of the period which is being reported.
- Trends in receipts data can be heavily distorted by exchange rate fluctuations.
- Inflation should be taken into account in order not to overestimate growth.
- The preliminary data can in practice be subject to substantial revisions.

International tourist arrivals and receipts (local currencies, constant prices)



Source: World Tourism Organization (UNWTO) ©

International Tourist Arrivals by Country of Destination

							Monthly or quarterly data series																
Full year							(% change over same period of the previous year)																
	Series	2007	2008	2009*	08/07	09*/08	Series	2009*												2008			
		(million)				(%)		YTD	Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4	
World		901	920	880	2.0	-4.3		-4.3	-10.4	-6.9	-2.3	1.8	-3.2	-2.5	-1.0	1.4	2.1	2.0	8.2	4.0	-0.7	-2.4	
1	France	TF	80.8	78.4	..	-3.0	..	TCE	-7.8	-19.6	-10.8	-1.9		-1.3	-0.9	-4.4			6.1	-2.7	-5.6	-5.2	
2	United States	TF	56.0	58.0	..	3.6	..	TF(1)	-7.0	-14.3	-6.6	-3.9		-6.1	-3.7	-1.2	0.5		15.4	7.6	3.2	-6.0	
3	Spain	TF	58.7	57.2	52.2	-2.5	-8.7	TF	-8.7	-16.2	-8.2	-7.8	-3.8	-6.1	-8.1	-9.5	-3.6	-3.1	-4.8	5.2	1.2	-5.4	-9.0
4	China	TF	54.7	53.0	50.5	-3.1	-4.8	TF	-4.8	-11.3	-5.1	-0.1	-2.5	-1.8	5.0	-3.6	-1.6	-0.7	-5.4	9.6	-3.0	-9.3	-7.7
5	Italy	TF	43.7	42.7	..	-2.1	..	TF	0.4	-5.4	-3.4	5.8		4.3	9.2	3.9	2.8		-2.6	2.6	-3.7	-5.1	
6	United Kingdom	TF	30.9	30.1	..	-2.4	..	VF	-8.0	-13.9	-6.0	-7.0		-8.8	-9.3	-1.6	-7.9	-0.8	6.8	-1.2	-2.1	-13.0	
7	Ukraine	TF	23.1	25.4	..	9.8	..	TF	-19.9	-19.9									12.3	12.3	12.3	1.1	
8	Turkey	TF	22.2	25.0	..	12.3	..	TF	1.6	-4.5	-1.0	3.2		6.1	-1.2	4.9	5.4	11.8	14.6	17.4	9.4	10.0	
9	Germany	TCE	24.4	24.9	..	1.9	..	TCE	-3.2	-8.9	-6.7	0.0		-0.5	1.6	-1.1	0.5	7.3	5.4	4.3	0.8	-2.1	
10	Mexico	TF	21.4	22.6	..	5.9	..	TF	-6.0	7.7	-19.2	-8.0		-10.9	-5.9	-6.3	5.9	-9.4	5.4	2.9	6.5	9.1	
11	Malaysia	TF	21.0	22.1	23.6	5.1	7.2	TF	7.2	2.2	4.7	12.4	9.5	3.9	10.4	24.9	14.3	11.0	4.0	1.2	3.9	8.2	7.5
12	Austria	TCE	20.8	21.9	..	5.6	..	TCE	-2.7	-8.6	3.7	0.4		-2.9	3.9	-0.1	-6.0	-4.1	13.7	-0.6	2.6	4.3	
13	Russian Federation	TF	20.6	..	..	..	..	VF	-11.2	-10.8	-11.5								3.4	6.2	8.8	-6.3
14	Hong Kong (China)	TF	17.2	17.3	16.9	1.0	-2.2	TF	-2.2	0.6	-11.6	-4.7	5.6	-16.6	3.9	-0.4	5.0	5.9	6.0	5.3	4.1	-2.2	-2.3
15	Canada	TF	17.9	17.1	..	-4.4	..	TF	-7.7	-8.2	-7.4	-7.8		-6.5	-13.0	-1.7	-7.1		-1.8	-4.9	-4.5	-5.6	
16	Greece	TF	16.2	15.9	..	-1.4	..	TCE	-20.0	-28.5	-21.4			-19.7	-15.1				7.7	-1.9	0.3	-6.5	
17	Saudi Arabia	TF	11.5	14.8	..	28.0	..	TF	-29.2	-60.1	-43.9	-13.4		8.7	7.7	-48.7	139	22.4	53.6	75.1	-21.8	27.0	
18	Thailand	TF	14.5	14.6	14.1	0.8	-3.4	TF	-3.4	-15.7	-16.5	-2.9	26.2	-14.2	-5.4	16.9	10.5	26.3	40.8	12.9	13.6	-2.0	-18.0
19	Poland	TF	15.0	13.0	..	-13.5	..	TF	-10.6	-18.6	-12.7	-2.7							-8.6	-11.2	-15.9	-17.3	
20	Portugal	TF	12.3	..	..	..	..	TCE	-9.1	-21.3	-8.4	-5.9		-6.8	-4.2	-6.9	-1.6		21.1	3.8	1.4	-8.4
21	Egypt	TF	10.6	12.3	..	15.9	..	VF	-3.4	-13.4	-4.0	0.7		-2.1	-4.7	10.8	2.5	7.3	25.1	22.6	15.1	3.7	
22	Macao (China)	TF	12.9	10.6	..	-18.1	..	TF	-3.2	-8.3	-11.8	1.7		-14.4	11.0	11.1	11.9	9.1	17.3	16.7	7.4	1.0	
23	Netherlands	TCE	11.0	10.1	9.9	-8.2	-2.0	TCE	-2.0	-14.8	2.8	1.0	-0.3	3.8	-0.7	-0.4	-0.3	-0.3	-0.3	0.8	-11.8	-9.0	-10.1
24	South Africa	TF	9.1	9.6	..	5.5	..	VF	4.5	-2.2	5.3	10.9		5.2	19.0	9.1			12.0	3.8	1.1	5.7	
25	Croatia	TCE	9.3	9.4	..	1.2	..	TCE	-0.8	-20.0	-4.2	1.8		-0.6	4.9	-0.9	-4.0	0.2	29.9	0.4	0.6	-0.8	
26	Hungary	TF	8.6	8.8	..	2.0	..	TF	1.8	0.4	0.8	3.4							4.6	1.4	-1.1	5.9	
27	Switzerland	THS	8.4	8.6	..	1.9	..	THS	-4.1	-9.7	-6.9	-0.4		-3.1	0.4	2.0	-1.0	6.3	9.2	2.7	0.4	-4.3	
28	Japan	VF	8.3	8.4	..	0.0	..	VF	-21.4	-27.2	-30.1	-16.3		-23.3	-8.4	-16.5	-11.3	2.1	10.6	9.3	-2.0	-16.0	
29	Ireland	TF	8.3	8.0	..	-3.7	..	TF	-11.8	-9.1	-11.9	-11.9		-9.1	-13.0	-13.9	-16.7		4.3	1.3	-6.6	-5.2	
30	Morocco	TF	7.4	7.9	..	6.4	..	TF	7.0	4.4	13.3	0.9		5.9	-12.7	13.4	10.7	23.8	14.4	10.5	1.2	5.4	
31	Singapore	TF	8.0	7.8	..	-2.2	..	VF	-5.6	-13.6	-9.3	0.3		-4.4	-0.6	7.2	-0.5	8.4	6.8	-0.2	-4.5	-7.8	
32	Belgium	TCE	7.0	7.2	..	1.7	..	TCE	-5.5	-8.1	-6.5			-2.6	-0.2				3.2	3.8	0.5	-0.5	
33	Untd Arab Emirates	THS	..	..	..	..	..	THS(2)	-1.3	3.0	-1.5	-5.7							5.7	9.7	2.2	14.5
34	Tunisia	TF	6.8	7.0	..	4.2	..	TF	-2.6	-0.9	1.3	-4.9		2.8	-14.3	-0.5	-5.7	-4.3	6.2	4.8	0.6	9.5	
35	Korea, Republic of	VF	6.4	6.9	7.8	6.9	13.4	VF	13.4	24.3	6.8	14.2	9.4	7.2	19.8	15.5	13.4	11.0	4.0	12.0	6.3	4.0	5.9
36	Czech Rep	TCE	6.7	6.6	..	-0.5	..	TCE	-9.9	-17.1	-8.7	-6.6		-6.7	-4.1	-9.4			6.8	-0.4	-0.4	-6.3	
37	Indonesia	TF	5.5	6.2	..	13.2	..	TF(1)	1.3	0.0	4.2	-0.8		4.6	-5.5	-1.4	3.4	1.4	15.7	8.1	13.1	16.2	
38	Sweden	TCE	5.2	..	..	..	..	THS(3)	2.1	-9.7	-0.8	9.4		18.1	7.2	-3.3	5.3		10.5	5.0	-7.9	-2.7
39	Bulgaria	TF	5.2	5.8	..	12.2	..	TF	-0.4	-6.6	-8.3	6.1		5.0	5.6	8.6	2.3	-5.9	15.5	17.9	12.3	-0.1	
40	Australia	VF	5.6	5.6	..	-1.0	..	VF	-0.8	-3.5	0.6	-2.6		-12.8	-0.8	9.0	6.5	2.5	0.4	-1.7	-0.4	-2.5	
41	Syrian Arab Republic	TF	4.2	5.4	..	30.6	..	VF	10.4	2.1	17.5	11.5		17.5	7.8	7.8	4.4		11.2	23.6	41.7	29.2	
42	India	TF	5.1	5.3	5.1	4.0	-3.3	TF	-3.3	-13.5	-1.8	-3.8	6.9	0.6	-8.6	-4.1	-0.9	-0.6	21.0	6.2	7.4	9.1	-3.7
43	Brazil	TF	5.0	5.1	..	0.5	..	TF											4.9	-4.4	2.5	-4.1	
44	Bahrain	TF	4.9	..	..	..	..	VF	4.3	12.8	-3.7								10.5	77.5	3.5	1.2
45	Argentina	TF	4.6	4.7	..	2.4	..	TF	-13.1	-10.7	-6.9	-21.4							5.2	3.1	5.8	-4.2	
46	Denmark	TCE	4.8	4.5	..	-5.6	..	NCE(1)	-10.4	-35.8	1.1	-11.0		-6.0	-14.4	-15.7	-6.7	-15.1	25.1	-7.9	-8.8	-1.7	
47	Taiwan (pr. of China)	VF	3.7	3.8	4.4	3.5	14.3	VF	14.3	2.2	18.6	13.9	22.1	12.8	17.9	10.8	12.6	25.4	27.8	8.3	2.9	4.2	-0.8
48	Norway	TF	4.4	4.4	..	1.4	..	THS	-8.8	-9.3	-14.3	-6.5		-8.9	-4.7	-3.4	6.0		-1.3	-0.5	-10.7	-3.9	
49	Dominican Rp	TF	4.0	4.0	4.0	0.0	0.3	TF	0.3	-5.2	-0.5	1.5	8.1	1.7	-1.1	5.3	9.4	6.1	8.9	6.8	3.2	-4.5	-7.3
50	Puerto Rico	TF	3.7	3.9	..	5.6	..	THS(3)	-3.5	-9.4	-1.8	2.6		-2.2	-3.2	21.6			-1.4	-4.4	-0.2	-4.4	

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO January 2010)

See box at page 2 for explanation of abbreviations and signs used

International Tourism Receipts

Monthly or quarterly data series

		US\$				Local currencies, current prices (% on previous year)																		
		2000	2007	2008	2009*	Series	07/06	08*/07	2009*												2008*			
									YTD	Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4	
		(billion)																						
World		475	858	946	..																			
1	United States	82.4	97.1	110.1	..	sa	13.1	13.4	-15.1	-13.2	-18.5	-17.2		-20.0	-17.9	-13.3	-11.7	-5.7		24.2	21.7	13.9	-2.8	
2	Spain	30.0	57.6	61.6	..		3.3	-0.4	-9.6	-14.3	-8.0	-9.0		-8.3	-8.8	-10.0	-6.5			5.4	1.3	0.2	-8.0	
3	France	30.8	54.3	55.6	..		7.3	-4.6	-6.3	-8.9	-10.1	-4.2		-4.1	-0.6	-8.6	0.0	0.0		1.8	1.4	-11.4	-3.5	
4	Italy	27.5	42.7	45.7	..		2.5	-0.1	-7.8	-8.9	-10.7	-5.5		-4.9	-4.6	-7.3	-5.9			1.8	1.2	2.0	-7.7	
5	China	16.2	37.2	40.8	39.0	\$	9.7	9.7	-4.5	-15.4	-9.2	0.6	6.5	-0.7	5.4	-3.0	24.4	3.3	-11.8	13.1	-2.0	-10.5	-8.2	
6	Germany	18.7	36.0	40.0	..		0.7	3.5	-10.1	-8.1	-10.3	-10.5		-11.9	-10.9	-8.5	-11.1	-11.6		2.1	3.8	2.5	5.5	
7	United Kingdom	21.9	38.6	36.0	..	sa	2.6	1.6	-2.9	-3.9	-4.4	-0.1								2.5	9.5	-1.8	-3.4	
8	Australia	9.3	22.3	24.8	..		12.5	10.7	10.6	10.3	10.6	12.8		7.9	13.4	17.7	9.9	5.8		11.4	13.4	7.8	10.4	
9	Turkey	7.6	18.5	22.0	..	\$	9.7	18.7	-4.0	-11.1	-9.6	-4.6		-4.8	-4.5	-4.5	10.8	10.9		28.4	25.9	14.4	16.3	
10	Austria	9.8	18.9	21.8	..		4.0	7.5	-6.2	-10.6	0.9	-3.1								14.7	1.0	3.0	4.6	
11	Thailand	7.5	16.7	18.2	..		13.3	5.2	-20.2	-22.0	-25.3	-12.7								20.7	17.3	6.2	-18.8	
12	Greece	9.2	15.5	17.1	..		-0.3	2.8	-11.4	-17.0	-12.2	-10.9		-16.7	-10.7	-2.9	-8.5			7.8	8.5	1.5	-4.7	
13	Hong Kong (China)	5.9	13.8	15.3	..		18.7	11.0	1.6	8.2	-4.4	0.6								13.9	14.2	14.0	4.0	
14	Malaysia	5.0	14.0	15.3	..		26.3	5.5	4.6	0.6	3.9	9.4								1.3	4.0	8.2	8.8	
15	Canada	10.8	15.3	15.1	..		-0.8	-2.1	-7.2	-0.8	-7.9	-9.9								0.8	-3.4	-3.5	-0.6	
16	Switzerland	6.6	12.2	14.4	..		8.0	6.7	-3.7	-6.1	-3.1	-2.0								11.7	6.3	6.5	2.3	
17	Macao (China)	3.2	13.6	13.4	..		39.1	-1.9																
18	Netherlands	7.2	13.3	13.3	..		7.4	-6.6	-4.5	-19.9	4.7	1.6								11.2	-11.5	-9.2	-13.1	
19	Mexico	8.3	12.9	13.3	..	\$	5.5	3.4	-16.2	-8.5	-27.1	-19.0		-20.9	-22.0	-11.9	-10.0	-7.9		5.7	6.8	4.8	-3.8	
20	Sweden	4.1	12.0	12.5	..		21.0	1.5	12.8	14.6	18.5	7.0								-1.6	-10.8	8.7	10.8	
21	Belgium	6.6	10.9	12.4	..		-3.0	5.6	-25.0	-11.1	-20.3	-36.4		-28.7	-48.5	-26.5				1.9	16.8	4.6	-2.4	
22	Russian Federation	3.4	9.6	11.9	..	\$	25.9	24.3	-23.9	-24.1	-25.5	-22.4								45.6	32.0	25.1	1.1	
23	India	3.5	10.7	11.8	11.4		13.4	16.0	-0.9	-7.4	6.9	0.0								8.8	21.1	33.9	6.4	
24	Poland	5.7	10.6	11.8	..		30.6	-3.3	4.6	3.1	6.8	3.7								-6.3	3.1	-8.9	-0.6	
25	Egypt	4.3	9.3	11.0	..	\$	22.6	18.1	-6.4	-17.2	-1.6	-1.6								39.3	42.6	15.2	-10.0	
26	Croatia	2.8	9.3	11.0	..	€	7.3	10.5	-15.2	-2.3	-15.9	-15.7								17.3	15.8	6.9	19.9	
27	Portugal	5.2	10.1	10.9	..		10.9	0.5	-8.0	-15.0	-8.7	-4.3		-5.8	-2.0	-5.6	-7.0			8.7	1.2	-0.7	-4.2	
28	Japan	3.4	9.3	10.8	..		11.6	1.8	-16.8	-20.4	-22.9	-13.0		-20.3	-4.6	-13.1	-12.0	-1.7		10.9	8.3	-1.2	-9.6	
29	Singapore	5.1	9.2	10.6	..		15.3	8.4	-8.0	-10.0	-10.2	-3.8								23.7	7.9	5.1	-0.3	
30	Korea, Republic of	6.8	6.1	9.8	..	\$	6.1	59.2	-0.8	43.5	6.6	-1.4		5.9	13.8	-17.2	-45.5	-32.6		44.9	37.0	38.5	106.4	
31	Saudi Arabia	..	5.2	9.7	..		5.4	86.1	-30.2	-39.9	-30.5	-3.4		33.8	-7.9	-33.0				34.1	169.7	29.8	275.2	
32	South Africa	2.7	8.8	7.9	..	sa	12.2	6.2	-0.7	3.2	-3.1	-2.1								7.8	7.0	6.6	3.5	
33	Czech Rep	3.0	6.6	7.7	..		7.5	-2.0	-7.6	-7.3	-9.5	-5.9								15.2	1.7	-7.5	-0.5	
34	Indonesia	5.0	5.3	7.4	..	\$	20.2	38.0	-13.9	-14.5	-11.2	-15.7								40.9	31.7	37.8	41.6	
35	Morocco	2.0	7.2	7.2	..		11.8	-4.9	-5.7	-23.4	-7.8	-2.5		-4.1	-7.9	14.1	8.9	33.0		-0.8	9.5	-8.3	-17.1	
36	Lebanon	..	5.5	7.2	..	\$	9.7	31.6																
37	Uhtd Arab Emirates	1.1	6.1	7.2	..		22.1	17.9																
38	Denmark	3.7	6.2	6.7	..		2.4	0.7	-2.4	-6.8	0.6	-2.5								7.8	-0.2	-3.0	3.1	
39	Ireland	2.6	6.1	6.3	..		3.9	-3.3	-18.0	-13.4	-12.2	-24.5								-0.3	1.0	-3.6	-10.6	
40	Hungary	3.8	4.7	6.0	..	€	2.3	18.9	1.3	10.9	4.1	-5.1								10.4	12.9	25.2	23.0	
41	Taiwan (pr. of China)	3.7	5.2	5.9	..	\$	1.5	13.9	13.8	2.6	18.4	20.4								11.4	13.4	12.7	17.8	
42	Brazil	1.8	5.0	5.8	..	\$	31.9	16.8	-8.9	-11.5	-11.4	-9.3		-4.9	-8.8	-14.4	-6.1	5.7		20.7	17.0	22.4	7.9	
43	Ukraine	0.4	4.6	5.8	..	\$	31.9	13.9	-39.3	-32.4	-39.2	-41.0								36.9	37.8	28.2	-8.9	
44	New Zealand	2.3	5.4	5.0	..		0.6	-3.0	-1.9	-0.9	-6.6	1.9								-3.1	1.2	-3.3	-6.1	
45	Argentina	2.9	4.3	4.6	..	\$	29.0	7.4	-21.3	-15.7	-15.3	-33.6								2.9	17.2	27.3	-4.9	
46	Norway	2.2	4.5	4.6	..		9.5	-1.4	-6.0	-7.7	-7.6	-3.1								6.7	8.2	0.2	3.7	
47	Luxembourg	1.8	4.0	4.5	..		1.5	3.8	-5.8	-0.6	-8.7	-7.3								8.6	5.1	3.8	-1.3	
48	Philippines	2.2	4.9	4.4	..	\$	40.8	-11.0	-38.2	-39.8	-40.9	-33.2		-40.3	-31.9	-24.2				-0.5	0.7	-18.7	-22.7	
49	Dominican Rp	2.9	4.1	4.2	..	\$	3.8	2.8	-5.8	-7.9	-6.0	-2.6								3.3	6.3	1.8	-1.0	
50	Israel	4.1	3.1	4.1	..	\$	12.4	31.1	-10.3	-15.2	-11.3	-5.0								33.3	42.9	31.6	17.3	

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO January 2010)

See box at page 2 for explanation of abbreviations and signs used

International Tourism Expenditure

					Monthly or quarterly data series																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO January 2010)

See box at page 2 for explanation of abbreviations and signs used

The top destinations...

At this time of the year only a few countries have posted full year data for arrivals and even less so for receipts. Of the first 50 destinations in terms of international tourist arrivals, ten reported data for all 12 months, with four reporting increases: Taiwan (pr. of China) (+14%), Republic of Korea (+13%), Malaysia (+7%) and Dominican Republic (+0.3%). Of the 48 destinations that have data available for the first half year at least, except for the four already mentioned, another nine reported positive growth: Syrian Arab Republic (+10%), Morocco (+7%), South Africa (+5%), Bahrain (+4%), Sweden (+2%), Hungary (+2%), Turkey (+2%), Indonesia (+1%) and Italy (+0.4%).

Of the 50 largest destinations in terms of international tourism receipts, 47 have posted results for at least the first half of 2009, of which 40 recorded declines in receipts. Still, there were seven destinations which achieved growth in receipts from international tourism, in spite of the adverse economic environment which characterised 2009. Among these, it is worth noting the double-digit growth of Taiwan (pr. of China) (+14%), Sweden (+13%) and Australia (+11%). Furthermore, Hong Kong (China) (+2%), Malaysia (+5%), Poland (+5%) and Hungary (+1%) also managed to buck the overall negative trend.

In the tables accompanying this section, countries and territories are listed according to their rank in 2008. No major changes are anticipated in the first six positions of the ranking by arrivals, neither for the first eight positions in terms of receipts.

...and the top tourism spenders

Of the 50 largest source markets by international tourism expenditure, 43 have reported results for at least nine months. Among these, 33 registered decreases in the corresponding levels of expenditure over 2008 while a total of ten source markets showed some increase. Despite a drop in the global levels of spending, the accompanying table shows that at least 50 source countries are likely to have spent in excess of US\$ 3 billion on tourism abroad in 2009, accounting together for four fifths of global international tourism spend.

Of the ten source markets that stand out with growth in expenditure, the best performers were, among the emerging markets, Turkey (+14%) and India (+5%) and, among the more mature markets, Austria (+5%). Among the top ten it is worth noting also the positive results of the Netherlands (+2%). Another five source markets recorded some increase during the first nine months of the year – Australia, Singapore and Indonesia (+3% each), Malaysia (+2%), and Finland (+1%). China, for which data is only available for the first six months, shows a striking 20% growth in expenditure abroad during this period.

About receipts and expenditure data

For destination countries, receipts from international tourism count as exports and cover all transactions related to the consumption by international visitors of, for example, accommodation, food and drink, fuel, domestic transport, entertainment, shopping, etc. They include transactions generated by same-day as well as overnight visitors. Receipts from same-day visitors can be substantial, especially in the case of neighbouring countries where a lot of shopping for goods and services is carried out by cross-border, same-day visitors. However, the values reported as international tourism receipts do not include receipts from international passenger transport contracted from companies outside the travellers' countries of residence, which are reported in a separate category.

With financial data measured in different currencies it is fairly complicated to accurately determine variations in relative terms, as receipts have to be expressed in a common currency like the US dollar or the euro and are generally also reported at current prices, thus not taking account of exchange rate fluctuations and inflation. In 2008 the dollar depreciated 7% against the euro and in 2007 8%, while over the two years 2005 and 2006, the US dollar and the euro maintained a fairly steady exchange rate, although both currencies did fluctuate against a range of other currencies. On average for the year, in 2008 one euro exchanged at US\$ 1.4708, in 2007 at 1.3705, in 2006 at 1.2556 and in 2005 at 1.2441 (or 1 US\$ to 0.6799 euro on average for 2008, 0.7297 euro in 2007, 0.7964 euro in 2006 and 0.8038 euro in 2005).

In order to account for exchange rate fluctuations and inflation, international tourism receipts in US dollar values were computed back to the local currencies of each destination, weighted by the share in the total, and deflated by the corresponding rate of inflation.

Although in this way data are made comparable, care should nevertheless be taken in interpreting the trends, as statistics, in most cases, are still provisional and subject to revision. For the totals, an assessment is made by UNWTO for countries that have not yet reported results, based on the previous year's value and the trend for the (sub)region. Unlike arrivals, where revisions generally more or less balance out, receipts data tends to be revised upwards.

In contrast, a total of 13 countries reduced their expenditure abroad by over 10%. The biggest declines in expenditure among the market leaders came mainly from countries most hit by the economic crisis and/or suffering weak currencies. The Republic of Korea, Ukraine, Saudi Arabia, Taiwan (Rep. of China), Japan, Mexico, Thailand and the UK are among the hardest hit. In the top 15 of the world spenders both Spain (-15%) and the Russian Federation (-14%) have seen their levels of expenditure decline significantly.

The trends in expenditure quite closely mirror those in outbound trip volume (for countries reporting outbound

travel statistics). The UK's decline comes as no surprise given the weakness of sterling, and the same is true of the Republic of Korea, whose local currency, the won, has been trading at very unfavourable exchange rates for outbound travellers.

However, the economic crisis and unfavourable currency fluctuations were not the only factors depressing outbound travel demand in 2009. The A(H1N1) influenza pandemic has also had an impact on demand in a number of markets (especially those in North-East Asia and the Americas) and airline capacity cuts have also had some effect.

The tables in this section list the first 50 destinations in terms of receipts. For values of other countries with data available, see the tables on the regions on pages 19-38.

A comprehensive analysis of these rankings will be included in the next full issue of the UNWTO World Tourism Barometer scheduled for June 2010.

Elibrary

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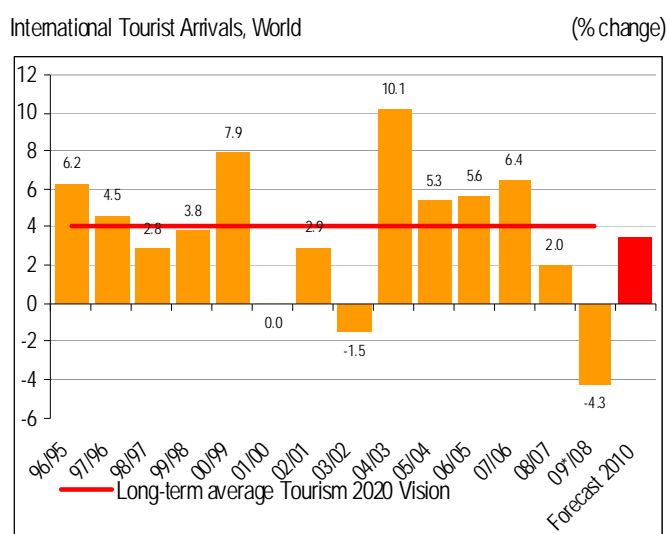
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UNWTO forecasts for 2010

Back to growth in 2010

Given the recent upturn in both international tourism figures and the overall economic prospects, UNWTO forecasts a growth in international tourist arrivals of between 3% and 4% in 2010, i.e., better than the initial 1% to 3% growth forecast in the October 2009 edition of the *UNWTO World Tourism Barometer*.



Source: World Tourism Organization (UNWTO) ©

2010 forecast

UNWTO's revised forecast indicates that international tourist arrivals are set to return to growth in 2010 at a rate of 3% to 4%, an improvement on the 1% to 3% growth forecast in October 2009. This improved outlook reflects the upturn that occurred in the last quarter of 2009, when international tourist arrivals grew by 2%, as well as the better-than-expected economic indicators.

These prospects are further confirmed by the encouraging steep rise in the UNWTO Panel of Experts' Confidence Index for 2010. The experts who judge prospects for 2010 as 'better or 'much better than would

reasonably be expected' (62%) clearly outnumber those rating it as 'the same as' (32%), or 'worse' (7%). The average score for 2010 (131), is well above the neutral 100 and close to the level of the boom years 2004-2007.

By region, Asia and the Pacific (+5% to +7%) is expected to continue showing the strongest rebound, while Europe (+1% to +3%) and the Americas (+2% to +4%) are likely to recover at a more moderate pace. Growth is expected to return to the Middle East at a rate between 5% and 9% while Africa (+4% to +7%) will continue its positive trend benefiting from the extra boost provided by the 2010 FIFA World Cup in South Africa (the forecast for Africa and the Middle East shows a wider margin due to the more limited coverage and higher volatility of the underlying data series).

About these forecasts

These forecasts are developed for UNWTO by the Fundación Premio Arce of the Universidad Politécnica de Madrid and are based on econometric modelling using the series of monthly data on international tourist arrivals available for the five regions. The aim of the model is to analyse the underlying trend in the data and extrapolate this to the short-term future. The model has been tested by comparing forecasts for previous years with actual results for those years. Of course, as with any model, the forecast growth rates assume that the current conditions will not suddenly change as a result of external factors. They also include a margin of error depending on the stability of the underlying data series.

These forecasts need to be read with a certain level of caution, not only because of the above mentioned, but also because the underlying data is not perfect:

- monthly data series are not available for all countries, although the countries with monthly series included represent roughly 90% of worldwide arrivals. Coverage is in particular comparatively limited for the Middle East and Africa, and a considerable margin should be taken into account;
- monthly data is typically preliminary and many countries are expected to revise their statistics at a later date;
- the monthly series is often based on a proxy that is not the same as the indicator used for the yearly data, e.g. for France the monthly series used is arrivals in hotels and similar accommodation (THS), instead of tourist arrivals at frontiers (TF), while for the USA the monthly series does not include arrivals from Mexico in the border areas, etc.

Forecast of growth in International Tourist Arrivals

	2007	2008	2009		2010	
	real	real	real			
	year	year	year	Jan.-June	July-Dec.	between
World	6.4%	2.0%	-4.3%	-8.5%	-0.7%	3% and 4%
Europe	4.6%	0.3%	-5.6%	-9.8%	-2.4%	1% and 3%
Asia and the Pacific	9.7%	1.1%	-1.9%	-6.7%	2.9%	5% and 7%
Americas	5.2%	3.0%	-5.1%	-7.0%	-3.2%	2% and 4%
Africa	9.0%	3.8%	5.1%	4.4%	5.7%	4% and 7%
Middle East	14.6%	18.2%	-5.6%	-16.4%	5.3%	5% and 9%

Source: World Tourism Organization (UNWTO) ©

Evaluation by UNWTO's Panel of Tourism Experts

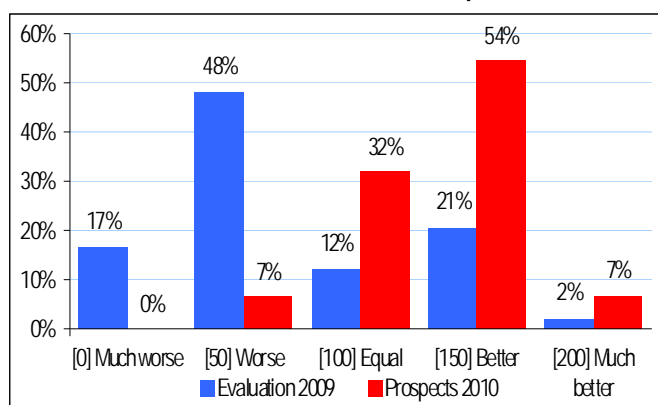
UNWTO Tourism Confidence Index marked by cautious optimism

(Continued from page 1)

The over 340 specialists from over 100 countries and territories, who contributed to this edition the UNWTO Panel of Experts, have corroborated the preliminary results registered in international tourism in 2009.

In their evaluation of the full year 2009, an overwhelming majority of Panel Members (65%) considered the past year as 'worse' or 'much worse'. However, when asked about their outlook for 2010, the number of experts who judge prospects for the current year as 'better' or 'much better than would reasonably be expected' clearly outnumbers that of experts rating it as 'the same as', or '(much) worse'. In percentage terms, only 7% of Panel Members think the outlook is negative while for 32% prospects are 'equal' and for 61% they are 'better' or 'much better'.

UNWTO Panel of Tourism Experts



Source: World Tourism Organization (UNWTO) ©

Averaged on a scale of 0 to 200, in which 100 means 'equal' or 'no change', the panel's evaluation of just 72 for last year is well down on the fairly neutral 98 they gave for 2008's performance a year ago and is, indeed, the worst score ever given since the *UNWTO World Tourism Barometer* was first published in 2003. Nevertheless, the score very closely mirrors their rating for the global tourism industry's prospects at the start of last year (71).

Although the downward trend in ratings for 2009 was evident across all sectors of industry and governments, representatives of the public sector appear to be slightly less negative about the year just passed (74) than their counterparts in the private sector (70). A breakdown of responses by region shows that UNWTO's experts from Europe were the most negative, giving a score of only 59, which compares with 73 for the Americas, 90 for the Middle East, 95 for Asia and the Pacific and 116 (the only score above the neutral 100) for Africa – thereby confirming the respective regional performances over the 12 months. Global operators were the most pessimistic with a score of only 45 for 2009.

The UNWTO Tourism Confidence Index

The UNWTO *Tourism Confidence Index* is based on the results of an email survey conducted by the UNWTO Secretariat among selected representatives of public and private sector organisations participating in the UNWTO *Panel of Tourism Experts*. The survey has been repeated every four months since May 2003 in order to keep track of actual performance, as well as perceived short-term prospects, of the tourism sector. This allows performance and prospects to be compared over time, as well as providing a comparison of the actual performance of the past four months with prospects forecast for the same period four months earlier. Results are also broken down by region and by sector of activity. These breakdowns should, however, be interpreted with caution as they may in some cases be based only on a relatively small number of responses.

The UNWTO Secretariat's aim is to continuously expand and improve the Panel sample. Experts interested in participating in the survey, in particular from countries still not included in the listing below, are kindly invited to send an email to <barom@unwto.org>.

How to read this data

For the UNWTO *Tourism Confidence Index* members of the UNWTO Panel of Tourism Experts are asked once every four months by email to answer the following two simple questions:

- *What is your assessment of tourism performance in your destination or business for the four months just ended (or about to end) as against what you would reasonably expect for this time of year?*
- *What are the tourism prospects of your destination or business in the coming four months compared with what you would reasonably expect for this time of year?*

Participants should select one of the following five options: much worse [0]; worse [50], equal [100]; better [150], much better [200]. Results are averaged and broken down by region and by activity. A value above 100 means that the number of participants who evaluate the situation as "better" or "much better", outnumber the participants who reply "worse" or "much worse".

In addition, participants are also invited to include a qualitative assessment in their own words. The analysis contained in the *UNWTO World Tourism Barometer* is in large part based on their comments.

By activity, scores for 2009 are, perhaps not surprisingly, lowest among experts in the Transport sector (39) and those working in Accommodation & Catering (62). Destinations and Consultants, Research and the Media were somewhat less negative and gave an average rating of 72 and 73 respectively. General Industry Bodies & Other (81) and Tour Operators and Travel Agencies proved the least negative about the year just passed (79).

The ratings for Prospects in 2010 overall are significantly higher across the board, reflecting improved expectations if not yet real confidence. While the overall rating stands at 131, public sector experts (134) are slightly more upbeat than the private sector ones (129). In terms of activity, ratings range from a low of 118 for the Transport sector to a high of 135 for General Industry Bodies & Other. In terms of regions, the most optimistic prospects have come from Asia and the Pacific (146), in a significant rebound, and ahead of Africa (143), of the Americas (139), the Middle East (137) and Europe (118).

Four-month period

As might be expected, scores given for the experts' evaluation of the last four months of 2009 are a lot better than those for the full 12 months of the year, reflecting the partial recovery in the final quarter, but recognising that the positive growth achieved by many destinations was from a depressed base in the last four months of 2008. The overall score was 91, up from 73 in the previous four months (98 for the public sector and 86 for private sector respondents).

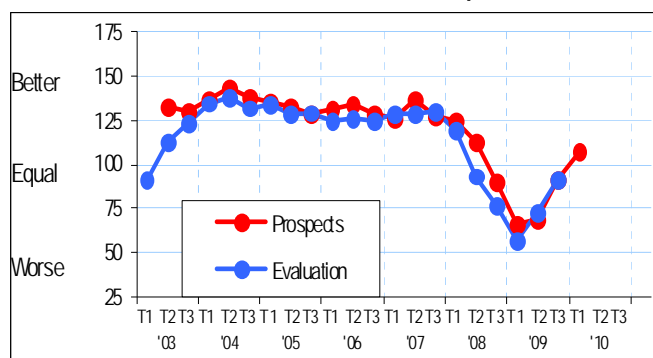
tourism in many of the world's leading destinations – than for 2010 as a whole. This would imply that experts expect business to pick up in the course of the year. The overall rating is nevertheless above the neutral 100 (107 overall, with 114 for the public sector and 102 for the private sector), reflecting the panel's improved confidence.

The most pessimistic about the short term are Global Operators (89) and the only region with a negative score is Europe (92). Most cheerful is Asia and the Pacific (136), followed by Africa (130). By sector of activity, the pessimists and optimists are equally divided. Three gave a rating below 100, i.e. Transport (89), General Industry Bodies (94) and Accommodation & Catering (95), and three look forward to positive performance, i.e. Tour Operators & Travel Agencies (106), Consultants, Research and the Media (107), and Destinations (112).

The outlook for the year should become much clearer after the next four months.

See the regional sections for graphs corresponding to the respective regions.

UNWTO Panel of Tourism Experts



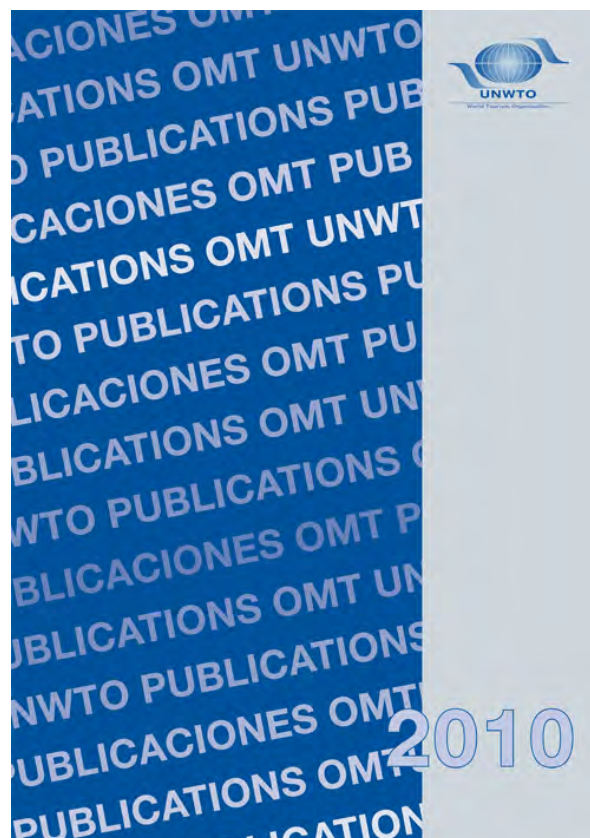
Source: World Tourism Organization (UNWTO) ©

Average scores for the September through December 2009 period are still below 100 for experts in Europe (80), for Global Operators (86) and for experts in the Americas (86). Africa (118) remained in positive territory, and the Middle East (110) and Asia and the Pacific (115) moved into it, with the latter showing a striking improvement compared to the evaluation of the May-August period (63). In terms of the breakdown by activity/segment, none gave a rating of more than 100. Experts in the Transport sector gave the lowest score of 79, while Consultants, Research and the Media and Destinations (both 94) were again among the most positive.

Given the whole host of uncertainties still facing the industry as we enter a new year, it is not surprising that the average ratings for prospects in first four months of 2010 mask very divergent views within the Panel of Experts, both from one region and one sector to another. Overall the experts are still considerably more cautious about the January-April period – the off-peak season for leisure

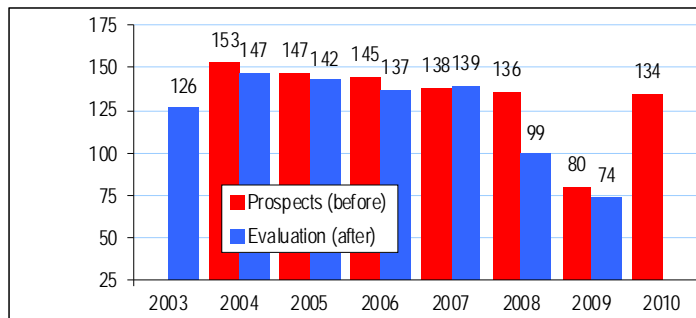
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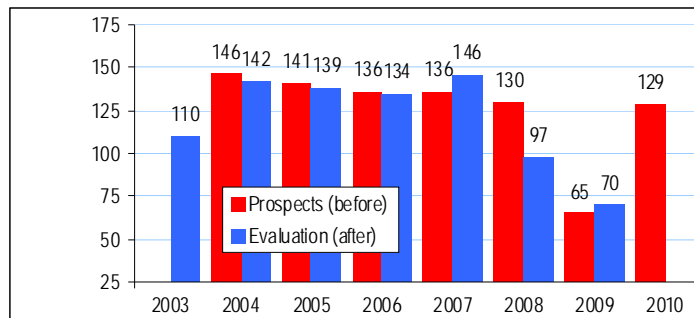
UNWTO Panel of Tourism Experts

Public



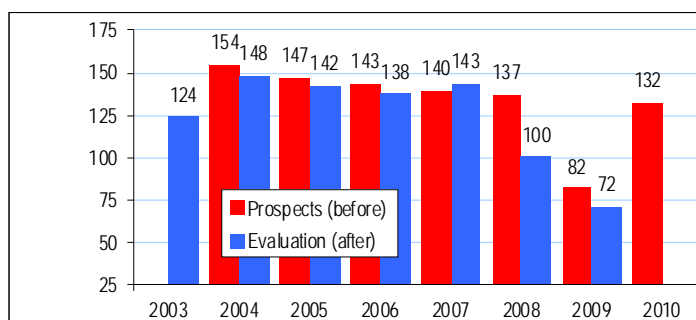
Source: World Tourism Organization (UNWTO) ©

Private



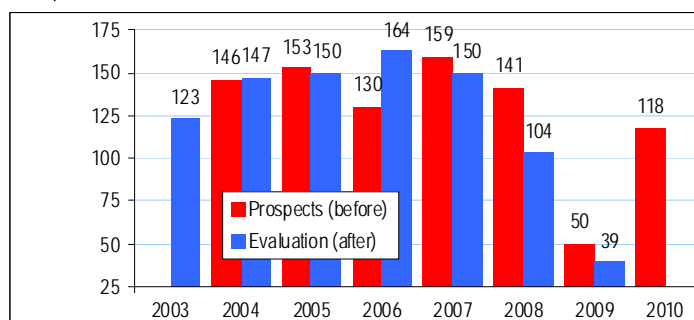
Source: World Tourism Organization (UNWTO) ©

Destinations



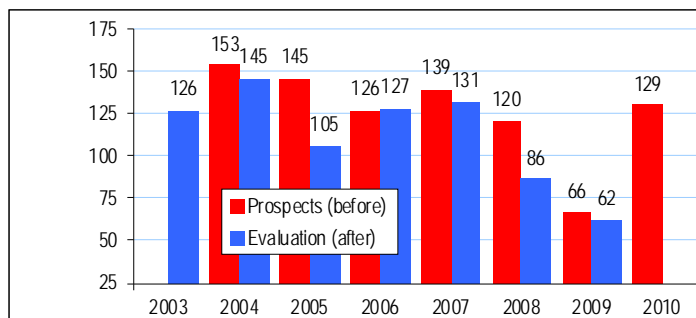
Source: World Tourism Organization (UNWTO) ©

Transport



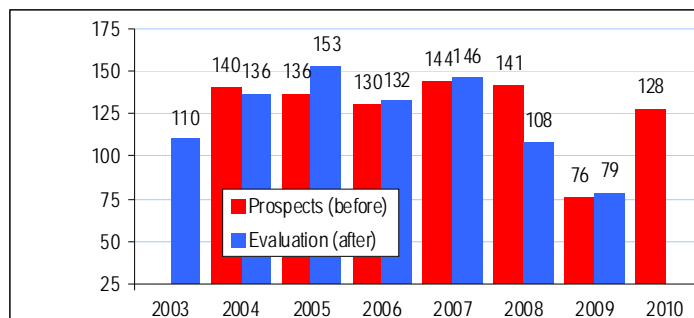
Source: World Tourism Organization (UNWTO) ©

Accommodation & Catering



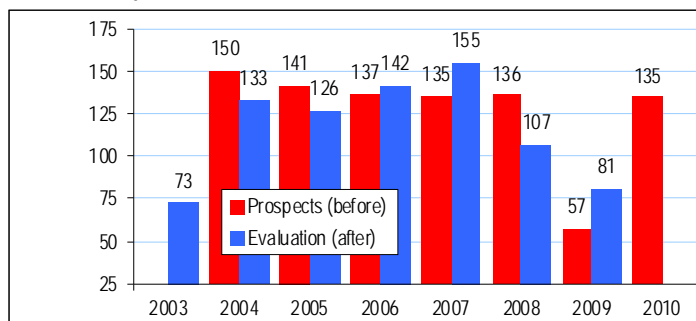
Source: World Tourism Organization (UNWTO) ©

Tour Operators & Travel Agencies



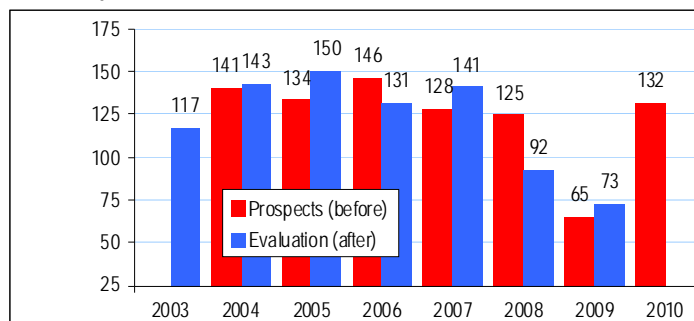
Source: World Tourism Organization (UNWTO) ©

General Industry Bodies & Other



Source: World Tourism Organization (UNWTO) ©

Consultancy, Research & Media



Source: World Tourism Organization (UNWTO) ©

For this edition responses have been received from experts based in Albania, Algeria, Andorra, Anguilla, Argentina, Aruba, Australia, Austria, Bahamas, Belgium, Bermuda, Bhutan, Bolivia, Brazil, Brunei Darussalam, Burkina Faso, Cambodia, Canada, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Ethiopia, Finland, France, Germany, Ghana, Greece, Guatemala, Guinea, Honduras, Hong Kong (China), Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Ireland, Israel, Italy, Jamaica, Japan, Jordan, Lebanon, Lesotho, Liechtenstein, Lithuania, Macao (China), Malaysia, Maldives, Malta, Marshall Islands, Mauritius, Mexico, Monaco, Morocco, Mozambique, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Norway, Panama, Peru, Philippines, Poland, Portugal, Republic of Korea, Reunion, Romania, Russian Federation, Saint Vincent and the Grenadines, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, Spain, Swaziland, Sweden, Switzerland, Taiwan (pr. of China), Thailand, Tunisia, Turkey, United Arab Emirates, United Kingdom, United States, Uruguay, Uzbekistan, Venezuela, Vietnam, Yemen and Zimbabwe.

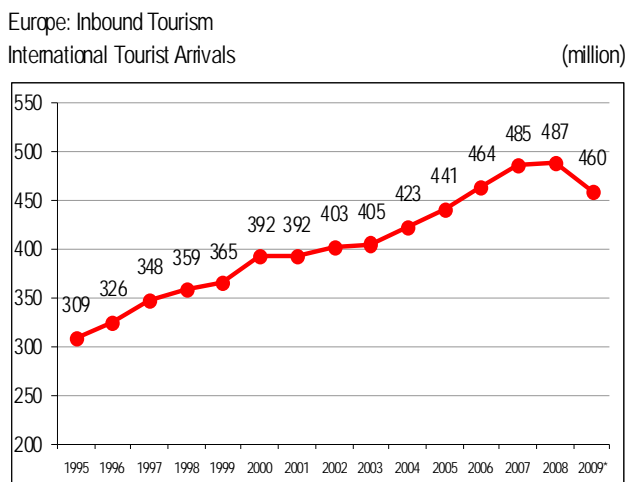
Regions

Europe

Results

Europe has been one of the regions comparatively hardest hit by the crisis, but there is a sense of relief in the industry that the situation is stabilising and, indeed, that recent months have been a little better than had been expected. The latest figures confirm a gradual improvement. Compared with the same periods in 2008, arrivals in Europe as a whole fell by 13% in the first quarter, 8% in the second, 3% in the third and by an estimated 1% in the fourth.

The recent improvement has been concentrated largely in Southern and Mediterranean Europe and in Western Europe, where international arrivals were slightly up in the fourth quarter. In contrast, arrivals have declined even further in Northern Europe (-6%) and Central/Eastern Europe (-5%). But within these averages, there are plenty of variations.



Source: World Tourism Organization (UNWTO) ©

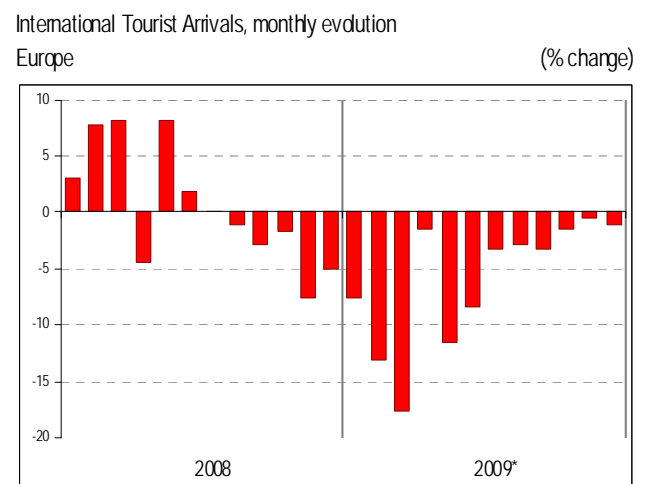
In Northern Europe, where arrivals are estimated to have declined by 8% in the year as a whole, the UK, Sweden and Iceland have largely benefited from cheap currencies. This brought little relief to tourism in the UK (-8%), which is more heavily exposed to long-haul markets and to business tourism. The cheaper pound did bring in more leisure visitors (including shoppers) from the euro-zone, so leisure arrivals were up 4% in the first eleven months of the year. But business visits were down 22%.

In contrast, arrivals in the first ten or eleven months of the year were up 3% in Iceland and 2% in Sweden, compared with substantial declines in countries with stronger currencies – 12% in Ireland, 11% in Finland, 10% in Denmark and 9% in Norway. In all these countries, domestic and neighbouring markets helped to sustain tourism activity, with local peculiarities. In Finland, for instance, Russians from St. Petersburg, reluctant to travel further

afield, are coming to Helsinki and south-eastern Finland, but Lapland is 'too distant' and arrivals there are down roughly 20%. In Denmark, Germans are said to prefer southern Jutland to destinations further north, even though the extra distances involved are not large. Norwegians, although largely unaffected by the recession, are nevertheless following the European trends and tending to take their holidays at home. The British and Irish have stronger economic reasons for doing the same.

In Western Europe, arrivals in 2009 were down less (-5%), but not one destination has reported an increase in arrivals for the year to date. Austria (-3%) and Switzerland (-4%) have been weathering the storm comparatively better. This is even more relevant given that 2009 figures are compared with the good performance of both countries in 2008 induced by the hosting of the European Football Cup. In Germany, an apparent sense of optimism is attributed to the strength of the domestic market, but international arrivals, down 3% for the year through November, had also stabilised by the third quarter.

A deeper decline has been seen in France (-8% in arrivals at accommodation establishments to September), although the Secrétariat d'Etat au Tourisme reports that, after a weak summer season, the decline has moderated in recent months, with further declines in arrivals from the UK but some recovery in those from the USA, Japan and other Asian markets. In France it is said that 'neighbourhood' domestic tourism is doing well, and that visitors from Germany, the UK (in smaller numbers than usual) and some other important European markets are 'trading down', and preferring camping and rented accommodation to hotels.



Source: World Tourism Organization (UNWTO) ©

Many countries in Central and Eastern Europe have been more severely affected by the economic recession and are finding the return to growth more difficult. In general, therefore, their tourism industries have been less able to find support from domestic and neighbouring markets. Overall, arrivals in the subregion are estimated to have fallen by 8%, with declines of over 5% in the last two quarters. But the circumstances of individual countries vary.

International Tourist Arrivals by (sub)region and selected countries and territories of destination

	Full year		Change		Monthly or quarterly data series																
	Series	2008	2009*	08/07	09*/08	(% change over same period of the previous year)															
						Series	2009*										2008				
							YTD	Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4
		(1000)		(%)																	
Europe		487,072	459,678	0.3	-5.6		-5.7	-13.2	-7.7	-3.1	-1.1	-3.2	-2.8	-3.2	-1.6	-0.4	-1.1	6.4	2.0	-1.2	-4.5
Northern Europe		56,982	52,610	-2.0	-7.7		-7.7	-13.2	-6.9	-6.2	-5.7	-5.2	-7.8	-5.5	-7.5	-3.5	-5.6	7.5	0.2	-4.3	-8.9
Denmark	TCE	4,503	..	-5.6	..	NCE(1)	-10.4	-35.8	1.1	-11.0		-6.0	-14.4	-15.7	-6.7	-15.1		25.1	-7.9	-8.8	-1.7
Finland	TF	3,583	..	1.8	..	TCE	-10.9	-10.2	-13.2	-10.4		-9.7	-10.1	-12.2	-7.9			8.9	4.6	-3.9	-2.5
Iceland	TCE	1,102	..	4.6	..	THS(2)	3.0	-3.4	-0.1	8.6		7.7	13.9	-0.2	-8.9	-3.4		1.6	1.5	4.8	9.2
Ireland	TF	8,026	..	-3.7	..	TF	-11.8	-9.1	-11.9	-11.9		-9.1	-13.0	-13.9	-16.7			4.3	1.3	-6.6	-5.2
Norway	TF	4,440	..	1.4	..	THS	-8.8	-9.3	-14.3	-6.5		-8.9	-4.7	-3.4	6.0			-1.3	-0.5	-10.7	-3.9
Sweden	TCE	..	..	..	..	THS	2.1	-9.7	-0.8	9.4		18.1	7.2	-3.3	5.3			10.5	5.0	-7.9	-2.7
United Kingdom	TF	30,142	..	-2.4	..	VF	-8.0	-13.9	-6.0	-7.0		-8.8	-9.3	-1.6	-7.9	-0.8		6.8	-1.2	-2.1	-13.0
Western Europe		152,409	145,845	-0.9	-4.3		-4.6	-13.5	-7.2	-1.1	1.4	-1.3	0.1	-2.6	0.6	2.8	1.2	7.4	-1.4	-3.3	-3.3
Austria	TCE	21,935	..	5.6	..	TCE	-2.7	-8.6	3.7	0.4		-2.9	3.9	-0.1	-6.0	-4.1		13.7	-0.6	2.6	4.3
Belgium	TCE	7,165	..	1.7	..	TCE	-5.5	-8.1	-6.5			-2.6	-0.2					3.2	3.8	0.5	-0.5
France	TF	78,449	..	-3.0	..	TCE	-7.8	-19.6	-10.8	-1.9		-1.3	-0.9	-4.4				6.1	-2.7	-5.6	-5.2
Germany	TCE	24,886	..	1.9	..	TCE	-3.2	-8.9	-6.7	0.0		-0.5	1.6	-1.1	0.5	7.3		5.4	4.3	0.8	-2.1
Liechtenstein	THS	58	..	0.3	..	THS	-10.4	-12.5	-9.0	-13.2		-13.6	-14.1	-12.0	4.1			5.0	-1.8	4.2	-7.6
Luxembourg	TCE	879	..	-4.2	..	THS	-5.5	-4.8										0.4	-4.2	-6.4	-6.2
Monaco	THS	324	..	-1.2	..	THS												-4.7	1.2	2.0	-5.7
Netherlands	TCE	10,104	9,900	-8.2	-2.0	TCE	-2.0	-14.8	2.8	1.0	-0.3	3.8	-0.7	-0.4	-0.3	-0.3	-0.3	0.8	-11.8	-9.0	-10.1
Switzerland	THS	8,608	..	1.9	..	THS	-4.1	-9.7	-6.9	-0.4		-3.1	0.4	2.0	-1.0	6.3		9.2	2.7	0.4	-4.3
Central/Eastern Europe		99,707	91,574	3.2	-8.2		-8.3	-13.7	-10.0	-5.7	-5.2	-5.8	-5.5	-5.8	-5.1	-5.5	-5.0	5.4	5.3	4.0	-3.8
Azerbaijan	TF	1,409	..	39.4	..	TF	0.0	0.0	0.0									34.2	34.2	46.5	46.5
Bulgaria	TF	5,780	..	12.2	..	TF	-0.4	-6.6	-8.3	6.1		5.0	5.6	8.6	2.3	-5.9		15.5	17.9	12.3	-0.1
Czech Rep	TCE	6,649	..	-0.5	..	TCE	-9.9	-17.1	-8.7	-6.6		-6.7	-4.1	-9.4				6.8	-0.4	-0.4	-6.3
Estonia	TF	1,970	..	3.7	..	TCE	-4.6	-8.2	-8.2	-1.8		-0.4	-0.8	-6.1	3.4	-5.9		5.9	5.0	2.5	3.1
Hungary	TF	8,814	..	2.0	..	TF	1.8	0.4	0.8	3.4								4.6	1.4	-1.1	5.9
Kazakhstan	TF	3,447	..	-11.1	..	TF															
Latvia	TF	1,684	..	1.9	..	TCE	-20.8	-15.9	-18.9	-23.9		-29.6	-19.3	-20.9				13.5	13.4	15.0	2.1
Lithuania	TF	1,611	..	8.4	..	TCE	-17.5	-12.1	-17.8	-19.2		-17.8	-19.6	-20.5				10.2	9.2	9.0	-2.1
Poland	TF	12,960	..	-13.5	..	TF	-10.6	-18.6	-12.7	-2.7								-8.6	-11.2	-15.9	-17.3
Romania	TCE	1,466	..	-5.5	..	TCE	-14.6	-17.8	-15.6	-14.5		-16.7	-14.2	-12.5	-5.1			8.1	-2.9	-11.1	-10.1
Russian Federation	TF	..	..	..	..	VF	-11.2	-10.8	-11.5									3.4	6.2	8.8	-6.3
Slovakia	TCE	1,767	..	4.9	..	TCE	-28.5	-28.4	-31.7	-26.2		-28.5	-27.1	-21.6				9.8	16.7	-0.6	-5.5
Ukraine	TF	25,392	..	9.8	..	TF	-19.9	-19.9										12.3	12.3	12.3	1.1
Uzbekistan	TF	1,069	..	18.4	..	TF															
Southern/Mediterr. Eu.		177,974	169,649	0.6	-4.7		-4.7	-12.6	-7.0	-2.5	1.2	-3.1	-2.6	-1.6	0.3	2.2	1.8	5.6	3.7	-1.0	-4.4
Andorra	TF	2,059	..	-5.9	..	TF	-10.7	-20.9	-14.5	1.1		-6.6	-1.2	11.5	9.2	-13.9		-0.2	-10.6	-6.5	-8.0
Bosnia & Herzg	TCE	322	..	4.9	..	TCE	-3.2	-5.0	-7.9	1.8		-2.7	0.5	7.7	-0.8			8.9	11.5	1.0	-1.3
Croatia	TCE	9,415	..	1.2	..	TCE	-0.8	-20.0	-4.2	1.8		-0.6	4.9	-0.9	-4.0	0.2		29.9	0.4	0.6	-0.8
Cyprus	TF	2,404	2,141	-0.5	-10.9	TF	-10.9	-15.2	-9.5	-10.7	-11.8	-11.2	-11.1	-9.6	-14.0	-8.4	-8.2	4.4	2.2	-3.2	-1.3
F.Yug.Rp.Macedonia	TCE	255	..	10.8	..	TCE	3.9	6.7	11.4	2.1		10.5	-2.7	-0.5	-6.3	-8.8		15.5	7.7	12.3	9.1
Greece	TF	15,939	..	-1.4	..	TCE	-20.0	-28.5	-21.4			-19.7	-15.1					7.7	-1.9	0.3	-6.5
Israel	TF	2,572	2,323	24.4	-9.7	TF	-9.7	-21.5	-15.3	-5.7	2.6	-3.2	-2.7	-11.4	6.2	-5.9	8.2	31.5	36.4	18.7	13.6
Italy	TF	42,734	..	-2.1	..	TF	0.4	-5.4	-3.4	5.8		4.3	9.2	3.9	2.8			-2.6	2.6	-3.7	-5.1
Malta	TF	1,291	..	3.8	..	TF	-9.0	-17.8	-11.4	-6.3		-9.2	-3.5	-6.8	-2.1	-1.5		22.0	11.4	0.0	-10.3
Montenegro	TCE	1,031	..	4.8	..	TCE(3)	1.5	-10.1	-2.5	3.8		-3.5	5.9	15.2	-7.4	-14.4		32.4	8.8	2.6	4.2
Portugal	TF	..	..	..	..	TCE	-9.1	-21.3	-8.4	-5.9		-6.8	-4.2	-6.9	-1.6			21.1	3.8	1.4	-8.4
San Marino	THS	..	..	..	..	VF	-12.8	-17.5	-30.9	-1.3		-3.4	-3.1	5.4	-3.9			10.9	-3.6	-4.4	-3.3
Serbia	TCE	646	..	-7.1	..	TCE(3)	0.6	-0.4	11.3	-3.1		8.5	-2.5	-13.9	0.4	-17.0		-3.7	-6.4	-7.0	-10.5
Slovenia	TCE	1,771	..	1.1	..	TCE	-6.2	-10.1	-9.4	-3.4		-6.8	-0.1	-3.9	-1.3	-6.4		5.6	2.2	-0.2	-1.1
Spain	TF	57,190	52,241	-2.5	-8.7	TF	-8.7	-16.2	-8.2	-7.8	-3.8	-6.1	-8.1	-9.5	-3.6	-3.1	-4.8	5.2	1.2	-5.4	-9.0
Turkey	TF	24,994	..	12.3	..	TF	1.6	-4.5	-1.0	3.2		6.1	-1.2	4.9	5.4	11.8		14.6	17.4	9.4	10.0

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO January 2010)

See box at page 2 for explanation of abbreviations and signs used

(1) Including holiday dwellings

(2) Hotels only

Among the most seriously affected have been Estonia, Latvia and Lithuania, with year-to-date declines of 5%, 21% and 17% respectively, and no sign of improvement in the latter two through the third quarter of 2009. These declines are exaggerated a little by the rapid growth these destinations experienced through most of 2008. A feature of the recession in Central Europe has been the withdrawal of many air services, some of which had only recently been introduced. Thus, passenger arrivals on scheduled flights at Tallinn airport in the first 11 months of 2009 were reported to be down 27%. Arrivals in Tallinn by ferry, on the other hand, have been stable, and arrivals from Finland and Russia have continued to grow.

The Czech Republic (-10%), Slovakia (-29%) and Poland (-11%) report similar problems with both international and domestic markets. Hungary reports a 2% increase in international arrivals at frontiers though accommodation results are much less bright at -11%. Further east, the situation seems to be similar, although recent figures are still scarce: arrivals in the Russia Federation were down 11% in the first six months of the year, and those in Ukraine down 20% in the first quarter. To the south, arrivals in Romania continued to fall by around 15% through October. In Bulgaria, arrivals in first ten months of the year are reported to be flat, including increases of 5% or more since July, but overnight volumes through August are reported to be down 11%.

More optimistic reports are coming from Southern and Mediterranean Europe (-5%), and this optimism is generally confirmed by the available figures, which suggest that declines stopped in the last quarter of 2009. Among the most affected in 2009 were destinations within the euro area and with a marked reliance on the UK source market such as Greece (-20% in arrivals to accommodation establishments through August), Cyprus (-11%), Malta, Spain or Portugal (-9% each) which suffered the impact of a historic weak UK pound.

Italy and the Western Balkans, with easy access over land from close-by markets, did better than the subregion's average (-5%). Data for Italy suggests that, with its wide variety of world-class attractions and broader source markets structure, it managed to reverse the decline in arrivals in the third quarter of 2009 and end the first ten months of 2009 just above the line. Croatia posted a slight decrease through November (-1%), but saw encouraging growth in both arrivals and nights from top source markets Germany, Italy, Austria, the Netherlands, Poland and Slovakia. Other destinations in the Western Balkans are seeking to build on much smaller numbers – often with considerable success. Some of this success is based on the normalisation of business and social relationships after the conflicts in the region – and therefore on increases in visits from neighbouring markets. They are also attracting higher-spending visitors from other parts of Europe and further afield looking for fresh destinations. Improved infrastructure, such as new roads and secondary airports catering for low-cost airlines, are helping. Those achieving increases in arrivals in 2009 include FYR Macedonia

The monthly or quarterly statistics included in this issue have been compiled by the UNWTO Secretariat based on preliminary data as disseminated by the institutions (e.g. National Tourism Authorities, Statistics Offices, Central Banks) of the various countries and territories through websites, news releases, and bulletins, or provided through direct contacts with officials or through international organisations such as the Caribbean Tourism Organization (CTO), the European Travel Commission (ETC), Eurostat, the Pacific Asia Travel Association (PATA) or the South Pacific Tourism Organization (SPTO). Information in this issue reflects data available at the time of preparing the *UNWTO World Tourism Barometer*. Whenever necessary, updated data will be included over time as it becomes available and without further notice.

In the tables on International Tourist Arrivals for the various UNWTO regions, series are chosen that can serve as an indicator of trends in tourism development to selected destinations. The monthly series represented do not coincide in all cases with the annual series usually reported for the various countries (e.g. visitor arrivals or nights instead of tourist arrivals) and sometimes only relate to a part of the total tourism flow (e.g. air traffic, specific entry points). Please refer to the notes on page 2 for further explanations. The (sub)regional totals are approximations for the whole (sub)region prepared by UNWTO based on trends in the countries with data available.

The data on International Tourism Receipts offers additional information on the development of inbound tourism, while the data on International Tourism Expenditure serves as an indicator of trends in outbound tourism. Both series correspond to the respective Travel Credit and Travel Debit items in the Services section of the Balance of Payments. And both cover all transactions related to the consumption by international visitors of, for instance, accommodation, food and drinks, fuel, transport in the country of destination, entertainment, shopping, etc. Data includes transactions generated by tourists (overnight/same-day visitors) as well as by same-day visitors (excursionists, including cruise passengers). It does not cover expenditure on international transport contracted outside the traveller's country of residence, which is included in the Balance of Payments under the separate item 'Transportation, passenger services'. The institutions responsible for the Balance of Payments generally estimate travel expenditure from a visitor survey or outbound survey and/or bank records of international transactions (exchange of foreign currencies in and outside the country, credit card payments, transactions between tourism businesses, etc).

So as not to be influenced by exchange rate fluctuations, the percentages included in the tables are based on values in local currencies, except where otherwise indicated.

Countries that are not included in this overview, but which have monthly data at their disposal, are kindly requested to contact the UNWTO Secretariat at barom@unwto.org.

International Tourism Receipts by (sub)region and selected countries and territories of destination

	US\$			Local currencies, current prices (% on previous year)																							
	2007	2008	2009*	Series 07/06 08/07 2009*												2008											
	(million)													YTD	Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4
Europe	435,107	473,433																									
Northern Europe	70,842	69,950																									
Denmark	6,220	6,687	..		2.4	0.7	-2.4	-6.8	0.6	-2.5												7.8	-0.2	-3.0	3.1		
Finland	2,837	3,208	..		9.5	5.4	-4.6	5.8	-9.1	-7.9												-0.3	21.1	-0.8	5.7		
Iceland	596	611	..		13.0	40.7	62.1	70.7	70.7	55.3												17.8	27.9	36.4	85.0		
Ireland	6,066	6,294	..		3.9	-3.3	-18.0	-13.4	-12.2	-24.5												-0.3	1.0	-3.6	-10.6		
Norway	4,522	4,633	..		9.5	-1.4	-6.0	-7.7	-7.6	-3.1												6.7	8.2	0.2	3.7		
Sweden	11,999	12,490	..		21.0	1.5	12.8	14.6	18.5	7.0												-1.6	-10.8	8.7	10.8		
United Kingdom	38,602	36,028	..	sa	2.6	1.6	-2.9	-3.9	-4.4	-0.1												2.5	9.5	-1.8	-3.4		
Western Europe	149,602	161,982																									
Austria	18,885	21,783	..		4.0	7.5	-6.2	-10.6	0.9	-3.1												14.7	1.0	3.0	4.6		
Belgium	10,898	12,355	..		-3.0	5.6	-25.0	-11.1	-20.3	-36.4	-28.7	-48.5	-26.5									1.9	16.8	4.6	-2.4		
France	54,273	55,595	..		7.3	-4.6	-6.3	-8.9	-10.1	-4.2	-4.1	-0.6	-8.6	0.0	0.0							1.8	1.4	-11.4	-3.5		
Germany	36,038	40,018	..		0.7	3.5	-10.1	-8.1	-10.3	-10.5	-11.9	-10.9	-8.5	-11.1	-11.6							2.1	3.8	2.5	5.5		
Luxembourg	4,022	4,482	..		1.5	3.8	-5.8	-0.6	-8.7	-7.3												8.6	5.1	3.8	-1.3		
Netherlands	13,305	13,342	..		7.4	-6.6	-4.5	-19.9	4.7	1.6												11.2	-11.5	-9.2	-13.1		
Switzerland	12,181	14,408	..		8.0	6.7	-3.7	-6.1	-3.1	-2.0												11.7	6.3	6.5	2.3		
Central/Eastern Europe	48,548	58,116																									
Armenia	305	331	..	\$	12.5	8.6																19.6	12.7	6.6	1.8		
Azerbaijan	178	190	..	\$	52.0	7.0	64.9	67.1	62.9													5.0	9.4	5.7	8.0		
Belarus	325	365	..	\$	13.5	12.5	-4.0	-2.1	-5.5													16.2	11.4	15.8	7.0		
Bulgaria	3,130	3,804	..		9.8	13.7	1.5	-9.0	-7.5	8.3	7.9	7.2	11.0	6.3								12.8	13.6	11.7	-0.1		
Czech Rep	6,632	7,722	..		7.5	-2.0	-7.6	-7.3	-9.5	-5.9												15.2	1.7	-7.5	-0.5		
Estonia	1,035	1,212	..		-7.3	9.5	-4.6	-8.5	0.8	-6.8												32.4	6.9	4.0	2.7		
Georgia	384	447	..	\$	22.7	16.4	-11.9	-9.2	-13.7													33.7	46.9	-2.5	2.3		
Hungary	4,728	6,032	..	€	2.3	18.9	1.3	10.9	4.1	-5.1												10.4	12.9	25.2	23.0		
Kazakhstan	1,013	1,012	..	\$	20.9	-0.2	-16.8	-5.7	-10.6	-28.7												4.8	5.1	-2.1	-6.7		
Kyrgyzstan	346	515	..	\$	107.2	48.7	27.8	37.0	22.2													59.5	64.8	20.8	64.7		
Latvia	671	803	..		28.3	11.9	0.1	13.2	2.1	-8.3												24.8	8.9	7.1	13.7		
Lithuania	1,153	1,338	..		1.8	8.4	-16.8	-14.7	-17.2	-17.4												12.4	7.9	9.9	0.9		
Poland	10,599	11,771	..		30.6	-3.3	4.6	3.1	6.8	3.7												-6.3	3.1	-8.9	-0.6		
Rep Moldova	167	212	..	\$	45.3	26.6	-28.9	-13.9	-34.1	-34.7												28.6	44.9	36.4	0.8		
Romania	1,610	1,997	..	€	13.6	15.6	-32.9	-29.7	-25.9	-31.3	-6.0	-36.4	-44.3	-56.4								24.9	15.7	7.6	17.8		
Russian Federation	9,607	11,944	..	\$	25.9	24.3	-23.9	-24.1	-25.5	-22.4												45.6	32.0	25.1	1.1		
Slovakia	2,013	2,584	..		10.6	11.0	-3.6	-16.1	0.7	2.6	6.3	4.7	-4.1									8.8	10.5	6.3	17.6		
Ukraine	4,597	5,768	..	\$	31.9	25.5	-39.3	-32.4	-39.2	-41.0												36.9	37.8	28.2	-8.9		
Uzbekistan	51	64	..																								
Southern/Medit. Eu.	166,114	183,385																									
Albania	1,373	1,720	..	€	24.5	16.8	22.9	-4.3	19.8	40.4	33.9	66.2	23.0									29.7	11.8	7.4	26.1		
Bosnia & Herzg	728	816	..		10.4	4.7	-14.9	-8.6	-15.6	-17.4												9.4	6.0	3.0	2.1		
Croatia	9,254	10,971	..	€	7.3	10.5	-15.2	-2.3	-15.9	-15.7												17.3	15.8	6.9	19.9		
Cyprus	2,685	2,737	..		3.9	-4.8	-16.7	-12.8	-16.6	-16.4	-14.8	-15.6	-19.1	-21.3	-15.7							1.8	-1.3	-6.8	-0.9		
F.Yug.Rp.Macedonia	185	228	..	€	31.8	15.6	3.7	23.0	6.7	-9.0	-2.2	-7.9	-19.2									25.0	15.8	18.2	3.5		
Greece	15,513	17,114	..		-0.3	2.8	-11.4	-17.0	-12.2	-10.9	-16.7	-10.7	-2.9	-8.5								7.8	8.5	1.5	-4.7		
Israel	3,095	4,057	..	\$	12.4	31.1	-10.3	-15.2	-11.3	-5.0												33.3	42.9	31.6	17.3		
Italy	42,651	45,727	..		2.5	-0.1	-7.8	-8.9	-10.7	-5.5	-4.9	-4.6	-7.3	-5.9								1.8	1.2	2.0	-7.7		
Malta	910	950	..		8.7	-2.7	-10.2	-18.8	-5.7	-10.1												4.7	-1.1	-2.0	-11.1		
Montenegro	630	758	..		69.3	12.1	-6.7	-15.5	-8.0	-6.1												91.2	4.6	10.5	42.9		
Portugal	10,145	10,943	..		10.9	0.5	-8.0	-15.0	-8.7	-4.3	-5.8	-2.0	-5.6	-7.0								8.7	1.2	-0.7	-4.2		
Serbia	531	944	..	\$	33.5	77.7	-9.9	-26.1	-16.6	-3.1	-3.1	-3.1	-3.2	4.4	14.4							103.0	89.4	92.0	36.5		
Slovenia	2,283	2,841	..		7.1	16.0	-6.5	-7.9	-10.2	-2.0	-6.5	1.3	-0.8	-8.3	-10.5							16.2	18.6	12.5	18.9		
Spain	57,645	61,628	..		3.3	-0.4	-9.6	-14.3	-8.0	-9.0	-8.3	-8.8	-10.0	-6.5								5.4	1.3	0.2	-8.0		
Turkey	18,487	21,951	..	\$	9.7	18.7	-4.0	-11.1	-9.6	-4.6	-4.8	-4.5	-4.5	10.8	10.9							28.4	25.9	14.4	16.3		

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO January 2010)

See box at page 2 for explanation of abbreviations and signs used

(+4%), Serbia (+1% and even more in terms of nights) and Montenegro (+1%). Bosnia & Herzegovina (-3%) kept declines to modest levels, while Slovenia was down 6%. The most dramatic increases are reported by Albania: a year-to-date figure is not available, but the Ministry of Tourism reports an increase of one third for the last four months, compared with the same period in 2008.

Turkey (+2%) did comparatively well due among other factors to value-for-money competitiveness in the euro area source markets as well as in the UK. There were already occasional monthly increases in the second quarter of 2009, but from the third quarter these increases became more consistent, rising to 12% in November – building on strong increases throughout 2008.

Trends that were reported earlier in the year have been confirmed by a great many respondents: people have not only been travelling less often, but they have been spending less, taking shorter trips and ‘trading down’. In particular, they have been delaying their bookings until the last moment, searching the internet for discounts and special offers available from an industry in some distress. On the other hand, the decline in inbound arrivals has been partly compensated, in many but not all destinations, by an increase in domestic visitation.

Prospects

The UNWTO’s European Panel of Experts’ Confidence Index for the last four months has improved, but is still in negative territory: it rose from its all-time low of 50 points in May to 70 in September and 80 now; the index for the next four months has increased from 80 to 92 in the last four months. It is clear from the textual responses from the panel that the sense of optimism that the worst is over is relative to the despair felt earlier in 2009. If any increases in tourism activity are expected in the next four months, they are attributed to the prospects for the winter sports season (which has begun well) or other special factors. In general, few respondents hope for a significant improvement until the second half of 2010 at the earliest.

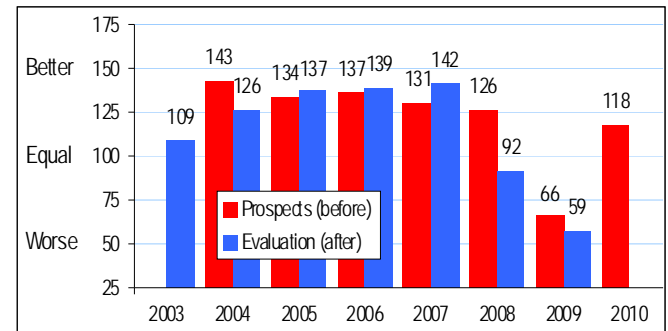
Reasons given for expecting a slow recovery are based mainly on the weak and uncertain economic prospects within Europe: rising unemployment (though the rise is turning out to be more gradual than expected), lack of growth in average earnings, possible increases in taxation, and the imminent withdrawal of the fiscal and monetary support measures introduced during the financial crisis. There are also some special factors, like the sharp increases in Air Passenger Duty (APD) introduced by the UK government, that will increase the cost of travelling abroad, particularly to long-haul destinations. As a result, the recent changes in consumer behaviour – the tendencies to stay closer to home, to spend less, to book late, to search for bargains – are expected to persist, or at least to fade only gradually.

Special events in Europe this year are mostly low-key, and may be overshadowed by the major events pro-

grammed elsewhere. Estonia is holding the European Figure Skating Championships in January, Oberammergau in Germany will stage its decennial Passion Play from May through October, and Istanbul shares the honour of being 2010’s European Capital of Culture with Essen (Germany, on behalf of the Ruhr Valley) and Pécs (Hungary).

UNWTO Panel of Tourism Experts

Europe

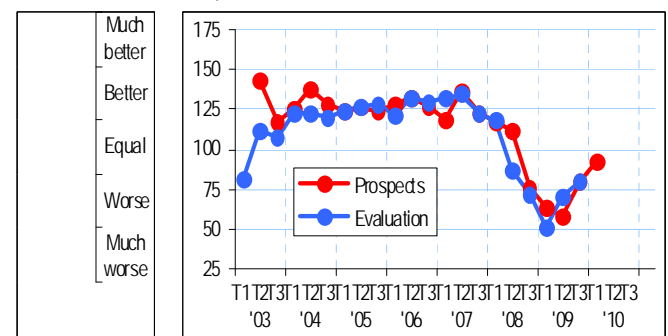


Source: World Tourism Organization (UNWTO) ©

A common factor is the intense competition generated by the recession. Particularly in the countries where numbers have been dropping more persistently, many operators have resorted to big discounts to keep them from falling even more heavily, putting them at a disadvantage in negotiating more profitable prices in 2010. There are still risks of survival for a number of European airlines and operators which are important to local tourism industries. National Tourism Organisations (NTOs) and other promotional agencies have stepped up their marketing to the extent that they have been able to afford it. But others are seeing budget cuts in 2010. And few will be able to count on increasing financial support from the private sector this year.

UNWTO Panel of Tourism Experts

Europe



Source: World Tourism Organization (UNWTO) ©

Long-haul markets are scarcely mentioned in the survey for the present Barometer. The prosperity among ‘emerging markets’ might be an argument for shifting marketing attention towards them – but the Asians remain focused very largely on intra-regional travel and the Latin American, African and Middle Eastern markets are, by comparison, small (and not all parts of these markets are

prospering). The US and Canadian markets, however, are worth watching, but forecasts suggest the US market will not recover until 2011.

Many experts believe that the intense competition and shake-out in the industry will lead to improvements in professionalism, industry structures and product development, with increased attention on diversification, branding and sustainability strategies. Indeed many NTOs emphasise the importance of a positive attitude to the competitive situation.

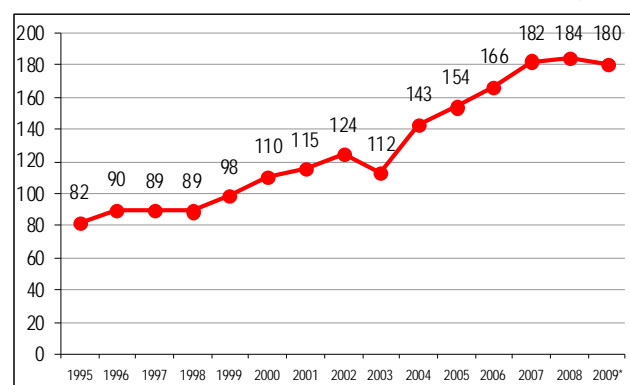
Asia and the Pacific

Results

Emerging economies, and Asia in particular, are leading the world out of the economic downturn and, given the dramatic turn around in the results of the region in the second half of 2009, it can also be said to be leading the tourism industry out of the downturn. But the focus remains very much on travel within the region, and the spin-off for the rest of the world has been limited.

Asia and the Pacific: Inbound Tourism
International Tourist Arrivals

(million)



Source: World Tourism Organization (UNWTO) ©

Arrivals in Asia Pacific fell by nearly 7% in the first half of 2009, stabilised in the third quarter and rose by an estimated 5% in the last quarter; overall they are estimated to have fallen by 2% in 2009. But results for individual countries, and even subregions, have varied. South-East Asia has done best by a wide margin, with an amazing 11% increase in the fourth quarter, bringing the total for the year marginally into positive territory (+0.4%). In North-East Asia, arrivals rose only 2% in the last three months of the year, but the total for the year was still down 3%. In South Asia, they were up 6% in Q4, and the total for the year was -3%. In Oceania, arrivals in Q4 increased 3% (more than making up for the decline in Q4 2008, which was not the case for North-East Asia), bringing the decline for year down to less than 2%. Given the size of the declines experienced in the first half of the year, the outcomes for 2009 as a whole are reassuring.

Common factors throughout much of the region have been a recovery in export business (always a good sign for international business travel) and intensive efforts by governments to encourage consumer spending, as a counterweight to the earlier collapse in exports (efforts which bolstered leisure travel both directly and indirectly, by maintaining consumer confidence, employment and earnings). Whereas in many 'western' countries governments have been facing the pressing issue of supporting their financial sectors, in Asia they have been freer to support their economies more directly, including (in some cases) increased support for tourism promotion. Another common factor in the fourth quarter of 2009 was a sudden

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International Tourist Arrivals by (sub)region and selected countries and territories of destination

	Full year			Change		Monthly or quarterly data series																	
	Series	2008	2009*	08/07	09*/08	(% change over same period of the previous year)														2008			
						Series	2009*	YTD	Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct	Nov	Dec					
		(1000)			(%)																		
Asia and the Pacific		184,064	180,480	1.1	-1.9		-1.9	-7.3	-6.1	0.5	5.2	-5.5	3.3	4.4	3.4	6.6	5.7	8.0	3.4	-2.1	-4.2		
North-East Asia		100,967	97,586	-0.1	-3.3		-3.3	-7.5	-7.3	-0.7	2.2	-6.9	5.8	-0.7	1.6	3.6	1.6	9.7	1.7	-4.6	-5.5		
China	TF	53,049	50,500	-3.1	-4.8	TF	-4.8	-11.3	-5.1	-0.1	-2.5	-1.8	5.0	-3.6	-1.6	-0.7	-5.4	9.6	-3.0	-9.3	-7.7		
Hong Kong (China)	TF	17,320	16,930	1.0	-2.2	TF	-2.2	0.6	-11.6	-4.7	5.6	-16.6	3.9	-0.4	5.0	5.9	6.0	5.3	4.1	-2.2	-2.3		
Japan	VF	8,351	..	0.0	..	VF	-21.4	-27.2	-30.1	-16.3		-23.3	-8.4	-16.5	-11.3	2.1		10.6	9.3	-2.0	-16.0		
Korea, Republic of	VF	6,891	7,818	6.9	13.4	VF	13.4	24.3	6.8	14.2	9.4	7.2	19.8	15.5	13.4	11.0	4.0	12.0	6.3	4.0	5.9		
Macao (China)	TF	10,605	..			TF	-3.2	-8.3	-11.8	1.7		-14.4	11.0	11.1	11.9	9.1		17.3	16.7	7.4	1.0		
Mongolia	TF	446	..	-1.3	..	VF																	
Taiwan (pr. of China)	VF	3,845	4,395	3.5	14.3	VF	14.3	2.2	18.6	13.9	22.1	12.8	17.9	10.8	12.6	25.4	27.8	8.3	2.9	4.2	-0.8		
South-East Asia		61,739	62,015	3.5	0.4		0.4	-6.5	-5.4	3.4	10.7	-3.6	1.4	14.5	6.6	13.8	11.6	7.3	7.0	2.7	-2.9		
Brunei Darussalam	TF	226	..	26.4	..	VF																	
Cambodia	TF	2,001	..	6.8	..	TF	1.1	-5.5	-0.1	8.8		10.5	8.5	7.4	4.6	5.3		16.2	9.2	7.4	-4.6		
Indonesia	TF	6,234	..	13.2	..	TF(1)	1.3	0.0	4.2	-0.8		4.6	-5.5	-1.4	3.4	1.4		15.7	8.1	13.1	16.2		
Lao P.D.R.	TF	1,295	..	13.4	..	VF	-3.2	15.3	-22.0									4.7	17.1	2.4	4.3		
Malaysia	TF	22,052	23,646	5.1	7.2	TF	7.2	2.2	4.7	12.4	9.5	3.9	10.4	24.9	14.3	11.0	4.0	1.2	3.9	8.2	7.5		
Myanmar	TF	193	..	-22.1	..	TF	17.8	-0.4	22.1	35.2		38.0	34.6	32.9	39.5			-30.6	-27.4	-39.4	24.0		
Philippines	TF	3,139	..	1.5	..	TF												8.5	5.2	-0.8	-6.3		
Singapore	TF	7,778	..	-2.2	..	VF	-5.6	-13.6	-9.3	0.3		-4.4	-0.6	7.2	-0.5	8.4		6.8	-0.2	-4.5	-7.8		
Thailand	TF	14,584	14,091	0.8	-3.4	TF	-3.4	-15.7	-16.5	-2.9	26.2	-14.2	-5.4	16.9	10.5	26.3	40.8	12.9	13.6	-2.0	-18.0		
Vietnam	VF	4,236	3,772	0.2	-10.9	VF	-10.9	-14.1	-24.1	-7.3	5.7	-21.4	-5.0	6.3	-24.6	38.6	5.1	6.4	14.9	-6.5	-13.8		
Oceania		11,102	10,906	-0.9	-1.8		-1.8	-5.8	-3.3	-0.8	2.7	-7.9	-1.0	8.3	4.6	1.7	2.1	1.8	-7.3	-7.9	-2.5		
Australia	VF	5,586	..	-1.0	..	VF	-0.8	-3.5	0.6	-2.6		-12.8	-0.8	9.0	6.5	2.5		0.4	-1.7	-0.4	-2.5		
Cook Is	TF	94	..	-3.0	..	TF	8.1	1.8	10.2	8.9		4.2	13.5	9.8	13.8			0.3	-6.1	-2.8	-2.6		
Fiji	TF	583	..	8.0	..	TF	-9.4	-23.8	-12.4	-0.6		0.4	-6.3	4.5	7.2			21.0	7.1	6.1	1.2		
French Polynesia	TF	196	..	-10.0	..	TF	-21.1	-26.6	-23.4	-14.6		-11.8	-15.0	-17.2				-9.4	-7.2	-8.3	-15.1		
Guam	TF	1,142	1,053	-6.8	-7.8	TF	-7.8	-8.2	-22.2	-0.6	-0.1	-8.6	-1.2	10.6	-9.2	1.7	7.0	-1.6	-1.0	-11.3	-12.8		
Kiribati	TF	3	..	-40.6	..	VF	38.4	38.4										-19.5	-40.5	-4.4	4.9		
Marshall Is	TF	6	..	-16.7	..	TF	-23.9	-21.6	-4.9	-38.3		-25.1	-28.3	-72.2				-26.3	-29.9	14.0	-6.6		
Micronesia (Fed.St.of)	TF	26	..	21.1	..	TF																	
N.Mariana Is	TF	388	..	0.8	..	VF	-7.1	-2.9	-21.5	2.2		-14.1	8.6	14.8				1.0	10.0	-2.5	0.8		
New Caledonia	TF	104	..	0.3	..	TF	-3.0	-11.3	8.7	3.2		19.9	-3.5	-5.7	-4.8	-20.1		3.8	4.6	-5.4	-0.4		
New Zealand	VF	2,459	..	-0.3	..	VF	-0.9	-7.4	2.3	2.8		0.3	-0.9	9.3	7.7	0.3		4.2	-3.6	-2.1	-1.5		
Niue	TF	5	..	37.1	..	TF	25.4	109.7	-17.0									43.3	61.9	34.3	23.0		
Palau	TF	83	..	-10.7	..	TF	-9.3	-11.8	-10.7	-6.3	-7.9	-7.2	-11.3	0.3	-16.2	-6.5	-1.2	2.9	-15.4	-19.7	-9.1		
Papua New Guinea	TF	120	..	15.4	..	TF	2.1	3.0	1.0			2.9						-1.2	15.2	8.8	39.1		
Samoa	TF	122	..	-0.2	..	TF	7.9	7.9	9.5	4.9		3.6	9.3	1.7	13.5			-2.5	0.6	-2.5	3.3		
Solomon Is	TF	18	..	15.5	..	TF	8.1	9.7	6.6									7.0	11.1	35.0	11.3		
Tonga	TF	49	..	7.3	..	TF	6.3	6.3										16.8	3.8	21.6	-5.8		
Tuvalu	TF	2	..	46.1	..	TF	-3.5	4.5	-20.7	1.1		52.4	-43.0	13.9				187	36.3	11.4	16.0		
Vanuatu	TF	91	..	11.4	..	VF	29.6	32.8	41.4	16.5		22.0	-9.6	37.2				15.8	-6.2	24.2	55.4		
South Asia		10,256	9,973	1.1	-2.8		-2.7	-11.7	-0.9	-3.5	5.5	-1.2	-5.7	-3.8	3.4	-0.2	12.9	3.8	4.8	-2.9	-0.6		
Bangladesh	TF	467	..	61.5	..	TF												94.1	46.1	47.4	65.9		
Bhutan	TF	28	23	31.0	-15.0	TF	-15.0	-31.6	14.7	4.1	-30.7	-20.9	-12.0	24.5	-29.8	-36.8	-14.5	41.1	37.6	4.8	37.7		
India	TF	5,283	5,109	4.0	-3.3	TF	-3.3	-13.5	-1.8	-3.8	6.9	0.6	-8.6	-4.1	-0.9	-0.6	21.0	6.2	7.4	9.1	-3.7		
Iran	TF	2,034	..	-8.3	..	TF	0.5	0.5	6.8	-7.9		-6.3	-7.4	-10.2	14.9			-10.2	2.3	-17.3	-2.5		
Maldives	TF	683	..	1.1	..	TF	-4.9	-10.8	-10.0	-2.0		-7.0	1.1	-0.6	10.8	6.9		5.1	2.4	-1.6	-2.1		
Nepal	TF	500	..	-5.0	..	VF(2)	1.1	-16.7	6.3	6.5	8.3	9.7	5.2	5.5	10.8	8.0	4.4	16.0	-3.9	-6.2	8.8		
Pakistan	TF	823	..	-2.0	..	TF	-10.7	-12.8										-5.7	-1.0	-7.0	5.9		
Sri Lanka	TF	438	448	-11.2	2.1	TF	2.1	-21.3	-8.8	30.3	14.7	28.0	34.3	28.6	7.0	20.1	16.2	0.7	-1.5	-26	-15.6		

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO January 2010)

See box at page 2 for explanation of abbreviations and signs used

(1) Foreign arrivals through thirteen selected Ports of Entry

(2) Air arrivals only

fading of concerns in the region about the A(H1N1) flu epidemic.

In China there is a general sense of optimism in the industry, but much related to the rapid growth of the domestic market. Outbound travel demand also increased by about 5% in 2009, in spite of the fears about the flu epidemic, and in spite of a clampdown on business and incentive travel in the public and state-owned sectors. Inbound travel declined for the second year running (-5% in 2009).

In Hong Kong (China), arrivals were down 2%. The figures for May, June and July were dreadful, but were followed by increases ranging up to 5 to 6% between October and December as the effects of the financial crisis (locally described as 'a tsunami') wore off as did the uncertainty related to the A(H1N1) flu, which marked the months that followed the outbreak of the pandemic in late April. In Macao (China) (-3%), the trend was similar, with double digit declines in May, June and July and increases averaging 10% ever since. And arrivals in Taiwan (pr. of

International Tourism Receipts by (sub)region and selected countries and territories of destination

	US\$			Local currencies, current prices (% on previous year)																	
	2007	2008	2009*	Series 07/06 08/07 2009*												2008					
																Q1	Q2	Q3	Q4		
	(million)						YTD	Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4
Asia and the Pacific	186,731	207,263																			
North-East Asia	85,779	96,602																			
China	37,233	40,843	39,000	\$	9.7	9.7	-4.5	-15.4	-9.2	0.6	6.5	-0.7	5.4	-3.0	24.4	3.3	-11.8	13.1	-2.0	-10.5	-8.2
Hong Kong (China)	13,754	15,300	..		18.7	11.0	1.6	8.2	-4.4	0.6								13.9	14.2	14.0	4.0
Japan	9,334	10,821	..		11.6	1.8	-16.8	-20.4	-22.9	-13.0		-20.3	-4.6	-13.1	-12.0	-1.7		10.9	8.3	-1.2	-9.6
Korea, Republic of	6,138	9,774	..	\$	6.1	59.2	-0.8	43.5	6.6	-1.4		5.9	13.8	-17.2	-45.5	-32.6		44.9	37.0	38.5	106.4
Macao (China)	13,612	13,382	..		39.1	-1.9															
Taiwan (pr. of China)	5,213	5,937	..	\$	1.5	13.9	13.8	2.6	18.4	20.4								11.4	13.4	12.7	17.8
South-East Asia	55,282	61,492																			
Brunei Darussalam	233	241	..		-1.3	-2.7															
Cambodia	1,135	1,221	..	\$	17.8	7.6															
Indonesia	5,346	7,375	..	\$	20.2	38.0	-13.9	-14.5	-11.2	-15.7								40.9	31.7	37.8	41.6
Lao P.D.R.	233	276	..	\$	34.7	18.1															
Malaysia	14,047	15,277	..		26.3	5.5	4.6	0.6	3.9	9.4								1.3	4.0	8.2	8.8
Philippines	4,931	4,388	..	\$	40.8	-11.0	-38.2	-39.8	-40.9	-33.2		-40.3	-31.9	-24.2				-0.5	0.7	-18.7	-22.7
Singapore	9,162	10,575	..		15.3	8.4	-8.0	-10.0	-10.2	-3.8								23.7	7.9	5.1	-0.3
Thailand	16,669	18,173	..		13.3	5.2	-20.2	-22.0	-25.3	-12.7								20.7	17.3	6.2	-18.8
Vietnam	3,477	3,926	..	\$	8.7	12.9															
Oceania	31,689	33,733																			
Australia	22,308	24,756	..		12.5	10.7	10.6	10.3	10.6	12.8		7.9	13.4	17.7	9.9	5.8		11.4	13.4	7.8	10.4
Cook Is	107	105	..																		
Fiji	497	544	..		-3.6	8.2	-14.8	-14.8										36.1	22.3	16.7	-22.3
French Polynesia	609	522	..		0.1																
Marshall Is	5	3	..																		
New Caledonia	197	152	..		6.5																
New Zealand	5,400	5,012	..		0.6	-3.0	-1.9	-0.9	-6.6	1.9								-3.1	1.2	-3.3	-6.1
Niue	2	2	..																		
Solomon Is	4	4	..		-14.4	1.6	30.7	40.2	21.4									-4.6	-18.3	34.2	-6.5
Tonga	14	20	..		-11.0	39.7												89.0	22.8	106.9	-9.7
South Asia	13,982	15,436																			
Bangladesh	76	91	..		-4.8	18.6												12.5	25.3		
Bhutan	30	39	..	\$	24.4	30.1	-10.3	-34.7	11.8									37.3	29.0	11.2	36.3
India	10,729	11,832	11,394		13.4	16.0	-0.9	-7.4	6.9	0.0								8.8	21.1	33.9	6.4
Iran	1,677	1,908	..	\$	15.5	13.8	73.9	122										2.2	2.5	2.3	27.9
Maldives	602	636	..	\$	17.6	5.6															
Nepal	198	336	..		41.8	77.9	41.3	24.8	59.0									110.8	90.5	38.7	82.4
Pakistan	276	244	..	\$	8.2	-11.6	1.4	-22.2	-8.2	17.5		10.0	4.8	43.8	60.0	33.3		-7.7	-9.0	-12.3	-18.2
Sri Lanka	385	342	..		0.0	-13.0	-10.9	-16.9	-1.6									-0.1	-3.7	-29.0	-16.0

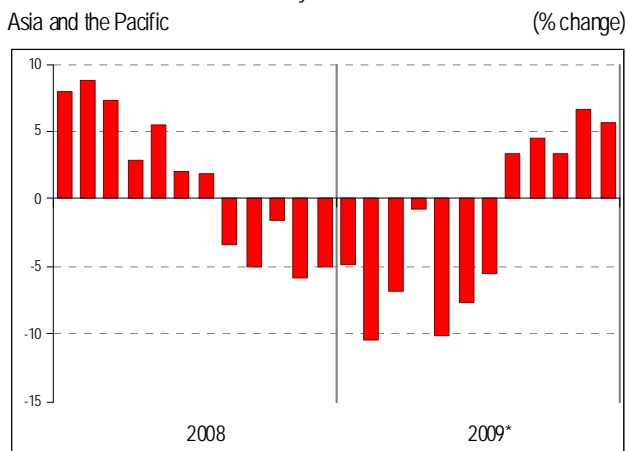
Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO January 2010)

See box at page 2 for explanation of abbreviations and signs used

China) rose by a remarkable 14%, with exponential increases in the second half of the year, due principally to the closer relationships with mainland China.

International Tourist Arrivals, monthly evolution
Asia and the Pacific



Source: World Tourism Organization (UNWTO) ©

Japan was among the most affected destinations in Asia Pacific in 2009. International arrivals fell by 21% in the first 11 months of 2009. Holidaymakers and shoppers from within the region were discouraged by the very high exchange rate of the yen, especially against the Korean won. Outbound travel from Japan was also down (-3%) in spite of the favourable exchange rate. Many Japanese companies restricted business trips in order to reduce their operating costs in a slow economy and in view of the perceived risks involved in the A(H1N1) flu epidemic; leisure travellers were discouraged by declines in disposable incomes, worries about the economy and fears about the flu epidemic. These concerns reinforced what appears to have become a secular trend in Japan: a diminishing interest in overseas leisure travel, in particular long-haul travel.

In contrast to Japan, the Republic of Korea had a dramatically weakened currency to go with the world economic recession. This has been bringing in large numbers of shoppers and holidaymakers from China, Japan and other countries in Asia: arrivals were up 13% (on top of a 7% increase in 2008), with consistently strong figures throughout the year.

The rapid growth of arrivals in South-East Asia in recent months is due more to the circumstances of individual countries than to general trends, although many in the trade stress the optimism generated by the early signs of recovery in the world economy. In Thailand (-3%, but quite strong double-digit increases from September on) it is related to the greater social and political stability in recent months, which is allowing the ground lost last year to be regained. The confidence of potential travellers to the country is returning, hotels and scheduled airlines have reduced their prices and low-cost carriers have increased their services. All this is having positive spill-over effects on travel to Cambodia (+1% in 2009) and Lao P.D.R. because so much travel to these countries is routed through Thailand. Lao's international profile as a destination is

rising and the Southeast Asia Games were held in Vientiane in 2009. But the impact of the economic crisis in Vietnam has been stronger: arrivals were down 11% in 2009, in spite of the few signs of improvement in the last two months of the year.

Indonesia is bidding to become a new 'tiger economy' and arrivals were quite steady through the first eleven months of 2009, rising by 1% overall in spite of the occasional natural or man-made disaster (the earthquake in Java and a series of bombings in Jakarta). Earlier in the year, Malaysia looked vulnerable to the economic downturn and the fears about the A(H1N1) flu epidemic, but arrivals continued to grow and there were large double-digit increases in August to November, so arrivals in 2009 were up 7%, one of the best results in Asia.

As an international financial centre and trade entrepôt, Singapore was more exposed to the crisis. Arrivals fell by 6% through November. The Philippines and Papua New Guinea had to contend with some civil unrest and unusual typhoon patterns, which brought extraordinary volumes of water and strong winds on unpredictable travel paths, resulting in loss of lives, extensive damage to property and infrastructure, cancellations of international flights and damage to the destinations' reputations.

The recent improvement in arrivals in South Asia also appears to be due to the special circumstances of individual countries. Arrivals in Sri Lanka plunged in 2007, 2008 and the first five months of 2009 as the war reached its climax, but rebounded in the second half of the year, with monthly increases ranging up to 35%. Arrivals in the Maldives fell by 5% after a particularly difficult first half of the year (-11%) as the UK, German, Italian and Japanese markets suffered. The trend stabilised in the third quarter and began to rise quite strongly in October and November, with particular emphasis on the Chinese and Middle East markets. Arrivals in Nepal (+1%) have been increasing consistently since April. Overall arrivals in Bhutan were down 15%. No recent figures are available for Pakistan and Bangladesh, but arrivals in Iran are holding up well.

Arrivals in India (which accounts for half of the total in South Asia) show signs of recovery after the impacts of the terrorist attacks which affected the country and the fears about the spread of the A(H1N1) flu epidemic. Arrivals fell sharply in the first quarter, stabilised in Q2, declined again in Q3, only to rebound strongly in the Q4 (+7%). Domestic tourism, on which the Ministry of Tourism has been concentrating much of its promotional efforts, and tourism in the southern states are said to be doing relatively well.

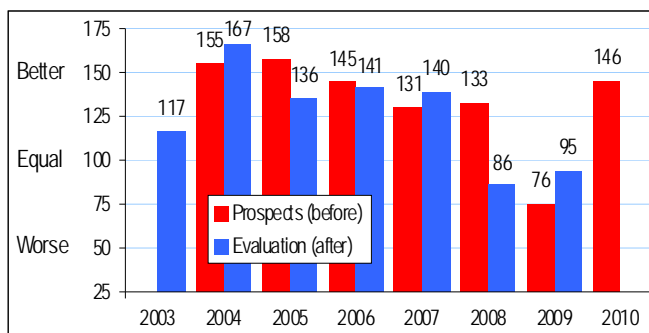
Strong currencies and the damage done to long-haul travel by the global financial crisis have had predictable effects on travel to Australia and New Zealand, but this has been balanced by strong demand for travel between the two countries, both of which report overall declines of just 1% in the first eleven months of 2009, and growth accelerating since September (including a recovery from China and India). Business travel remains down, but leisure, and especially visits to friends and relative (VFR), is rising.

Prospects

The growing economic confidence in Asia is palpable, both long-term and in the aftermath of the global financial crisis. This is paralleled in the tourism industry, which is showing improved confidence in its long term and short-term prospects. The regional Panel of Experts' rating for the last four months rose from 63 in September to almost double (115) in January, reflecting the improved figures described above. Their rating for the next four months rose from 105 to 136.

UNWTO Panel of Tourism Experts

Asia and the Pacific

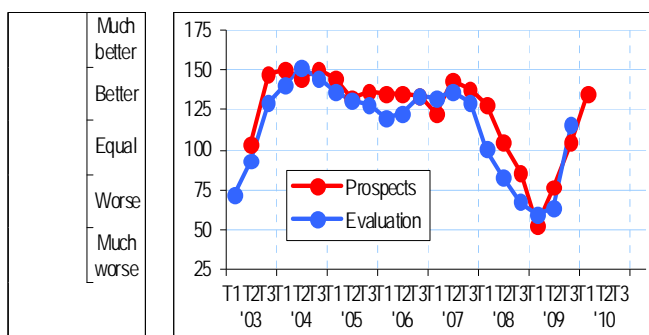


Source: World Tourism Organization (UNWTO) ©

The principal reason given for this improvement is the general recovery in the world economy and in that of Asia in particular, but a good number of respondents warn that the improvement in tourism attributable to this recovery will be modest and gradual. A second reason given is the intense competition within the industry, which is reflected mainly in a reduction in prices, which is presumably affecting revenues and profitability but increasing volume.

UNWTO Panel of Tourism Experts

Asia and the Pacific



Source: World Tourism Organization (UNWTO) ©

A third reason is the extra promotional efforts and investment assistance devoted to the overall economy and to the sector by their governments.

Many countries have added reasons for optimism about 2010. For instance:

- China is staging Shanghai Expo 2010 from May through October and the 16th Asian Games in Guangzhou in November. The government launched a range of

incentives to boost tourism in December. However, the experts believe that outbound travel will remain stronger than inbound and that domestic travel will be even stronger.

- The Macao Government Tourism Office is very optimistic about the resumption of the Special Administrative Region's extraordinary growth, mentioning as positive factors the government's measures, a range of new hotels and products, and the dynamics of multi-destination travel in the Pearl River Delta region (comprising Hong Kong, Guangdong and Macao).
- In Singapore, the Marina Bay Sands and Sentosa Resort World integrated casino resorts will open early in 2010 and the trade expects considerable spill-over effects into the wider industry. They will be followed by the Gardens by the Bay project and the International Cruise Terminal. Singapore aims to position itself as a gateway to mainland China for business travellers, meeting/conference planners and in education.
- India is holding the Commonwealth Games in Delhi in October and is investing in non-traditional, high-value products, including luxury trains in partnership with Thomas Cook and Cox & Kings, new rural and outdoor programmes, medical and wellness facilities, and branded hotel packages for business and leisure travellers. Moreover, the recently introduced visa on arrival scheme for Singapore, Finland, New Zealand, Luxemburg and Japan is also expected to help boost inbound tourism. Infrastructure congestion, however, remains a problem.
- In Sri Lanka, the Ministry of Tourism has plans for re-opening and developing the northern and eastern provinces to tourism (some areas have been closed for 30 years).
- Nepal is making great progress in becoming a preferred destination in East Asian markets, including China, Japan, Singapore, the Republic of Korea and Thailand, with appropriate increases in air links. Low-cost airlines are also establishing services to regional airports in India, tapping into latent ethnic demand for travel to India (India already accounts for a third of arrivals in Nepal).
- The Maldives is also gaining market share in East Asia. The widely reported underwater Cabinet meeting held by the government in October, to publicise the plight of the country if global warming proceeds as expected, helped to raise the profile of the island nation.

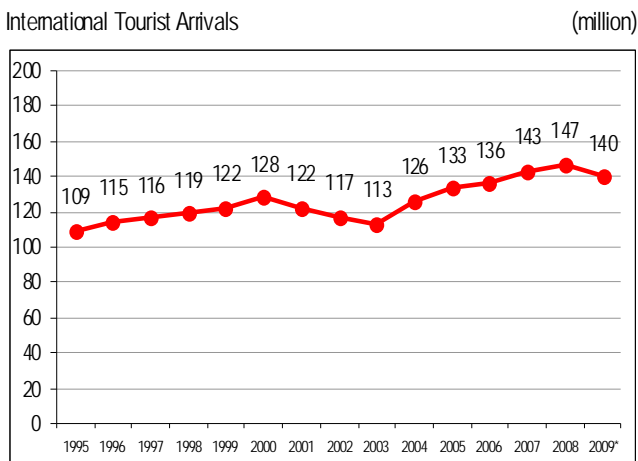
With regard to prospects for the next four months, other optimists in the region include Taiwan (pr. of China), Thailand, Indonesia, Malaysia, the Philippines, Lao P.D.R. and Cambodia. Countries which do not seem to be sharing in the current optimism include Japan, Republic of Korea and Vietnam – although for Japanese outbound travel the Japan Travel Bureau Foundation forecasts an increase of 7% in 2010, suggesting a recovery in the downward trend of the Japanese outbound market.

The Americas

Results

Europe and the Americas are the two regions of the world where the global economic crisis has had the most serious impact, and are the only regions where international tourist arrivals were still not clearly positive in the fourth quarter of 2009. In the Americas, arrivals stagnated in the fourth quarter, a much more moderate result than in the previous quarters, bringing the average decline for the year to 5%. The region, together with Asia and the Pacific, is probably the one where there was a bigger impact of the uncertainties raised by the A (H1N1) influenza outbreak with the months of May, June and July presenting some of the most significant declines in arrivals during 2009.

Americas: Inbound Tourism
International Tourist Arrivals



Source: World Tourism Organization (UNWTO) ©

North America accounts for two thirds of international arrivals in the Americas, which determines very much the average for the Americas (arrivals in North America were down an estimated 1% for Q4 and 6% for the year as a whole). The other subregions differ considerably. The Caribbean (-2%) has done much better, particularly in the latest quarter (+3%). Central America, battered by the recession and by the A(H1N1) influenza epidemic, saw a decline similar to the average for the Americas in the year as a whole (-6%). Arrivals in South America, a subregion which seems to be weathering the recession well, declined by 3%, as a result of the clear deterioration felt in the second half of the year (-5% as compared to -1% in the period January-June). Still at -3%, the subregion's decline is well below that of the region as a whole (-5%)

In the USA, which alone accounts for over 40% of international arrivals in the Americas, arrivals fell by 7% from January to October, but with steady improvements in recent months (+0.5% in October). Arrivals from South America (+8%) were positive most of the year, led by Brazil (+14%), Argentina (+11%). Asia, Western Europe (both -11%) and Canada (-7%) continued showing declines in the second half of the year, while arrivals from Mexico (-5%) and Australia (+3%) were picking up from a very

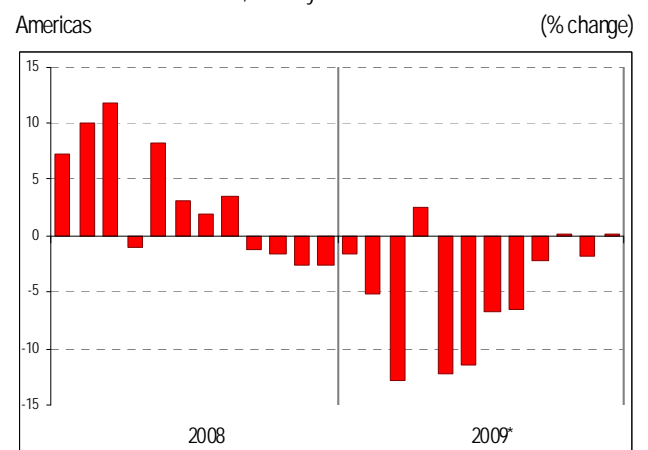
depressed first half of the year. Business travel was hardest hit (-25% across the top 20 markets).

Arrivals in Canada also declined by 8% in the first ten months of 2009, with no appreciable improvement in recent months: there were further declines in arrivals from the USA and almost all other markets except France, Spain, China and India. Arrivals from Mexico, Japan and the Republic of Korea fell by 25-35% in 2009. Even Canadians seemed reluctant to travel except in their immediate neighbourhoods. Factors included the effects of the economic crisis on business travel and on employment (and consequently on consumer confidence and purchasing power), the renewed appreciation of the Canadian dollar, and the implementation of the final phase of the USA's Western Hemisphere Travel Initiative (WHTI). Other factors included US citizens' continued sensitivity to reports of the flu epidemic, new visa requirements for Mexicans and Czechs, and some rough weather in recent months.

Mexico is recovering from the impact of the influenza A(H1N1) epidemic that hit the country last spring. Arrivals increased by 8% in Q1 (a remarkable achievement in view of the trend in world tourism at the time), fell by 19% in Q2 and 8% in Q3.

A subplot is reported by the cruise industry: although cruising out of the USA is booming and Mexico was doing very well in this boom, recent numbers show a sharp decline. In 2008 Mexico received 418 cruise ships, carrying over 800,000 passengers; in 2009 it expected 340 arrivals (i.e. fewer, but larger, ships), but many were cancelled because of the A (H1N1) flu epidemic. The total is now expected to be only 290 ship arrivals with 700,000 passengers.

International Tourist Arrivals, monthly evolution
Americas



Source: World Tourism Organization (UNWTO) ©

The Caribbean performed comparatively well in 2009 and has been back in positive growth since September. After a poor first quarter, there were small declines or small increases in arrivals through the rest of the year, producing an overall decline of just 2%. Some of the larger islands actually achieved increases. Cuba (+3%) has benefited from a relaxation of the rules for Cuban-American visitors, and from continued interest from markets like Spain, Portugal, Argentina, Peru and the

International Tourist Arrivals by (sub)region and selected countries and territories of destination

	Full year		Change		Monthly or quarterly data series																		
	Series	2008	2009*	08/07	09*/08	Series	(% change over same period of the previous year)													2008			
							2009*	YTD	Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct	Nov	Dec					
																			(1000)	(%)			
Americas		147,087	139,572	3.0	-5.1		-5.1	-6.8	-7.3	-5.5	-0.5	-6.8	-6.6	-2.2	0.2	-1.9	0.2	9.6	3.4	1.7	-2.3		
North America		97,809	91,933	2.6	-6.0		-6.0	-7.7	-9.7	-5.5	-0.9	-7.1	-6.4	-2.2	0.4	-2.8	-0.3	9.9	3.6	1.4	-2.8		
Canada	TF	17,142	..	-4.4	..	TF	-7.7	-8.2	-7.4	-7.8		-6.5	-13.0	-1.7	-7.1			-1.8	-4.9	-4.5	-5.6		
Mexico	TF	22,637	..	5.9	..	TF	-6.0	7.7	-19.2	-8.0		-10.9	-5.9	-6.3	5.9	-9.4		5.4	2.9	6.5	9.1		
United States	TF	58,030	..	3.6	..	TF(1)	-7.0	-14.3	-6.6	-3.9		-6.1	-3.7	-1.2	0.5			15.4	7.6	3.2	-6.0		
Caribbean		20,177	19,703	2.1	-2.4		-2.3	-7.6	-2.6	-0.4	2.9	-1.0	-4.0	7.2	4.1	1.7	3.1	8.8	2.6	-1.8	-2.6		
Anguilla	TF	68	..	-12.1	..	TF	-22.6	-25.6	-18.9									-13.0	-13.2	-4.3	-16.8		
Antigua, Barb	TF	266	..	1.5	..	TF(2)	-12.9	-14.3	-13.8	-10.5		-5.6	-17.0	-8.8	-11.0			9.0	7.6	-1.8	-9.2		
Aruba	TF	827	..	7.1	..	TF	-2.7	-9.6	0.7	1.6		6.4	-1.8	0.3				20.6	9.2	2.0	-2.1		
Bahamas	TF	1,463	..	-4.2	..	TF(2)	-13.1	-16.2	-12.1	-10.7		-9.8	-17.1	4.5				3.4	-2.1	-8.9	-11.6		
Barbados	TF	568	..	-1.2	..	TF	-10.8	-8.6	-12.5	-13.8		-12.7	-13.8	-15.4	-3.5			10.8	-11.1	0.4	-4.2		
Bermuda	TF	264	..	-13.7	..	TF	-12.5	-22.8	-14.3	-5.5		-1.8	-13.3	1.1				-8.9	-12.2	-13.7	-19.7		
Br. Virgin Is	TF	346	..	-3.4	..	TF	-17.0	-25.0	-10.2			-9.4						3.6	-3.4	-3.1	-13.3		
Cayman Islands	TF	303	..	3.9	..	TF	-11.8	-14.3	-12.1	-12.7		-14.1	-11.1	-11.8	-11.5	4.5		9.0	9.7	7.1	-11.3		
Cuba	TF	2,316	..	9.3	..	VF	3.3	2.0	3.8	5.1	3.1	6.1	-2.4	15.2	14.5	1.2	-1.3	15.2	14.3	2.9	1.8		
Curaçao	TF	409	..	36.4	..	TF	0.5	-4.2	1.9	4.7		5.3	2.7	6.4				47.8	29.8	16.3	48.1		
Dominica	TF	89	..	0.8	..	TF	-3.5	-1.9	-1.9	-6.2		-9.2	-11.3	10.8				-10.9	-9.0	-1.7	34.6		
Dominican Rp	TF	3,980	3,992	0.0	0.3	TF	0.3	-5.2	-0.5	1.5	8.1	1.7	-1.1	5.3	9.4	6.1	8.9	6.8	3.2	-4.5	-7.3		
Grenada	TF	130	..	0.4	..	TF	-14.4	-15.8	-16.2	-11.3		-9.5	-16.5	-2.4				15.9	-6.7	-1.5	-7.4		
Jamaica	TF	1,767	..	3.9	..	TF	3.9	0.2	6.7	5.7		5.7	7.1	3.5	2.6	2.7		13.3	3.7	-0.4	-1.1		
Martinique	TF	480	..	-4.3	..	TF	-4.8	-11.4	-5.2	3.7		4.5	4.8	0.3				-2.4	-4.3	-7.5	-4.5		
Montserrat	TF	7	..	-5.0	..	TF	-17.4	-12.6	-18.5	-22.2		-27.0	-17.4	-18.2	-15.9			-5.7	-7.9	-2.9	-3.8		
Puerto Rico	TF	3,894	..	5.6	..	THS(3)	-3.5	-9.4	-1.8	2.6		-2.2	-3.2	21.6				-1.4	-4.4	-0.2	-4.4		
Saba	TF	12	..	3.2	..	TF	-3.4	1.9	-1.8			-17.4	-4.5					1.9	10.4	4.4	-4.3		
Saint Lucia	TF	296	..	2.9	..	TF	-8.2	-13.7	-5.2	-6.9		-7.9	-7.9	-3.1	0.2			17.7	0.6	-0.7	-6.6		
St. Eustatius	TF	12	..	1.6	..	TF	-2.6	-5.3										2.3	1.2	9.5	-6.1		
St. Maarten	TF	475	..	1.3	..	TF(2)	-9.7	-16.1	-7.7	-7.2		-8.4	-9.1	-0.5	10.8			7.6	2.2	5.6	-11.2		
St. Vincent, Grenadines	TF	84	..	-6.3	..	TF	-13.1	-11.1	-15.5	-12.8		-16.9	-8.1	-10.7				-16.1	-4.8	-5.3	5.5		
Trinidad Tbg	TF	433	..	-3.8	..	TF	-7.8	-11.2	-3.8									5.4	-2.0	0.7	-11.4		
US. Virgin Is	TF	..	..	..	..	VF(2)	-3.3	-12.5	-3.9	-0.4		-2.1	-5.9	16.4	26.2	12.5		6.4	2.4	-5.8	-11.7
Central America		8,295	7,823	7.0	-5.7		-5.7	-6.2	-8.8	-6.3	-1.5	-9.1	-4.7	-4.4	-6.2	0.5	0.4	14.0	8.6	4.0	1.5		
Belize	TF	244	..	-3.1	..	TF	-6.6	-10.1	-5.7	-2.0		-3.9	-6.4	11.6				1.7	-3.2	-4.5	-6.3		
Costa Rica	TF	2,089	..	5.5	..	TF	-8.9	-12.0	-8.0	-6.6		-9.0	-5.8	-3.6	-10.1	-5.4		18.7	4.7	4.0	-6.7		
El Salvador	TF	1,385	..	3.5	..	TF	-23.8	-18.9	-30.2	-19.1		-28.2	-7.4	-18.2	-31.7			8.8	15.0	-5.6	-1.9		
Guatemala	TF	1,527	..	5.4	..	VF	3.1	3.9	-11.3	3.2	14.7	3.9	1.7	4.7	11.3	19.0	13.6	6.2	3.1	5.8	6.1		
Honduras	TF	899	863	8.2	-4.1	TF	-4.1	-11.8	5.9	-6.4	-2.7	-6.4	-6.7	-6.1	-6.2	-10.6	5.1	17.7	5.4	3.5	5.7		
Nicaragua	TF	858	..	7.2	..	TF	9.4	4.5	15.5	5.1		7.8	4.3	2.2	15.9	16.6		9.0	6.5	4.2	9.4		
Panama	TF	1,293	..	17.2	..	TF	-5.0	3.3	-9.2	-12.9		-18.2	-14.0	-5.4	-4.3	3.5		27.0	23.8	16.7	7.8		
South America		20,806	20,113	3.7	-3.3		-3.3	-3.5	2.4	-9.8	-1.5	-10.3	-11.3	-7.5	-1.4	-2.0	-1.2	8.0	1.7	6.3	-1.4		
Argentina	TF	4,670	..	2.4	..	TF	-13.1	-10.7	-6.9	-21.4								5.2	3.1	5.8	-4.2		
Bolivia	TF	594	..	3.7	..	THS																	
Brazil	TF	5,050	..	0.5	..	TF												4.9	-4.4	2.5	-4.1		
Chile	TF	2,699	..	7.7	..	TF	0.8	0.5	11.9	-9.8		-15.6	-9.1	-3.9	1.9	4.2		14.7	-1.5	6.9	5.6		
Colombia	VF	1,223	..	2.3	..	VF	9.3	7.5	13.2	6.9		9.5	3.6	7.8	8.2	12.5		3.4	2.6	6.9	-3.5		
Ecuador	VF	1,005	..	7.2	..	VF	-4.3	-3.6	2.8	-6.8		-3.8	-7.8	-9.9	-14.7	-7.8		7.0	4.2	8.5	8.9		
Guyana	TF	133	..	1.0	..	TF	5.7	-7.1	12.8	10.2		20.9	4.3	0.3				6.0	-15.9	-2.9	23.3		
Paraguay	TF	428	439	3.0	2.5	TF	2.5	3.7	2.8	-5.7	12.1	-9.5	-9.3	4.0	7.8	13.7	14.7	-12.0	1.4	17.1	2.4		
Peru	TF	2,058	..	7.4	..	TF	0.1	0.2	-0.1									12.5	13.2	9.1	-4.4		
Uruguay	TF	1,921	2,056	9.7	7.0	TF	7.0	1.4	20.0	-6.0	15.8	-11.0	-16.7	12.9	29.1	10.8	11.2	18.0	3.3	12.9	2.0		
Venezuela	TF	744	..	-3.5	..	TF	-17.5	-19.3	-15.2									2.3	-10.5	2.1	-8.5		

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO January 2010)

See box at page 2 for explanation of abbreviations and signs used

(1) Excluding Mexican visitors not travelling beyond the 25 miles U.S. border zone

(2) Non-resident air arrivals only

(3) Non-resident hotel registrations only

International Tourism Receipts by (sub)region and selected countries and territories of destination

	US\$			Local currencies, current prices (% on previous year)																		
	2007	2008	2009*	Series 07/06 08/07 2009*												2008						
								YTD	Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4
	(million)																					
Americas	171,301	188,041																				
North America	125,235	138,485																				
Canada	15,333	15,106	..		-0.8	-2.1	-7.2	-0.8	-7.9	-9.9							0.8	-3.4	-3.5	-0.6		
Mexico	12,852	13,289	..	\$	5.5	3.4	-16.2	-8.5	-27.1	-19.0	-20.9	-22.0	-11.9	-10.0	-7.9		5.7	6.8	4.8	-3.8		
United States	97,050	110,090	..	sa	13.1	13.4	-15.1	-13.2	-18.5	-17.2	-20.0	-17.9	-13.3	-11.7	-5.7		24.2	21.7	13.9	-2.8		
Caribbean	23,273	23,896																				
Anguilla	115	109	..		6.7	-4.8											-4.0	-13.3	2.6	-10.5		
Antigua, Barb	338	334	..		3.4	-1.1											8.6	4.7	-2.3	-4.6		
Aruba	1,255	1,412	..		16.3	12.5	-9.9	-10.4	-9.2								23.1	20.0	9.6	-1.2		
Bahamas	2,187	2,153	..		6.4	-1.6	-10.0	-10.0	-10.0								4.9	-4.0	-2.4	-5.0		
Barbados	1,199	1,192	..		13.5	-0.6											7.4	7.4	-5.7	-11.5		
Bermuda	568	431	..				-26.2	-40.3	-20.3								-15.1	-20.0	-28.1	-29.8		
Bonaire	110	121	..		20.5	10.5	-14.1	-8.9	-21.7								30.6	9.1	-2.7	2.3		
Cayman Islands	479	353	..																			
Cuba	2,141	2,267	..	\$ *	0.7	5.9	-11.7	-13.7	-11.6	-8.3							23.6	14.5	7.2	-5.0		
Curaçao	327	378	..		18.1	15.6	-8.2	-11.1	-4.1								33.6	18.7	19.0	-3.0		
Dominica	66	69	..		-7.5	3.8											10.4	-0.6	5.5	-68.7		
Dominican Rp	4,064	4,176	..	\$	3.8	2.8	-5.8	-7.9	-6.0	-2.6							3.3	6.3	1.8	-1.0		
Grenada	108	110	..		15.1	1.5											5.5	-12.3	-8.4	7.5		
Haiti	193	279	..		35.4	53.4																
Jamaica	1,910	1,984	..	\$	2.1	3.9	-4.4	-11.2	0.1		0.6	1.2					18.7	2.9	-3.2	-1.6		
Montserrat	7	7	..		-3.9	-5.4											-5.8	-9.6	-4.5	-4.5		
Puerto Rico	3,414	3,644	..	\$	1.3	6.8																
Saint Lucia	302	311	..		2.6	3.1											15.6	4.9	2.8	-5.0		
St. Kitts-Nevis	126	108	..		-4.2	-14.3											17.1	3.6	-6.8	-8.0		
St. Maarten	662	663	..		1.6	0.3	-6.7	-2.8	-12.2								4.8	-4.3	3.6	-3.3		
St. Vincent, Grenadines	110	96	..		-2.9	-12.7											-33.3	-34.3	-22.3	124.8		
Trinidad Tobago	463	397	..	\$	21.2	-14.3																
Central America	5,848	6,364																				
Belize	289	281	..		11.0	-2.6	-8.9	-8.9									-3.3	-2.9	71.5	-30.3		
Costa Rica	2,026	2,285	..	\$	18.7	12.8	-10.4	-13.7	-10.2	-6.1							27.8	14.5	12.5	-4.1		
El Salvador	482	425	..	\$	26.4	-12.0	-28.9	-26.4	-39.8	-18.7							5.0	5.7	-27.7	-25.3		
Guatemala	1,055	1,068	..	\$	14.8	1.3	-21.8	-16.4	-23.0	-26.1							1.9	-2.8	2.4	3.4		
Honduras	557	621	..	\$	8.0	11.5	5.6	2.1	9.6								23.9	-1.1	18.9	4.9		
Nicaragua	255	276	..	\$	10.6	8.3	22.8	23.7	38.0	9.0							16.9	6.0	5.0	5.2		
Panama	1,185	1,408	..		23.4	18.8	1.6	7.2	-1.1	-1.5							17.0	22.6	21.3	15.3		
South America	16,946	19,295																				
Argentina	4,314	4,633	..	\$	29.0	7.4	-21.3	-15.7	-15.3	-33.6							2.9	17.2	27.3	-4.9		
Bolivia	292	275	..	\$	19.6	-5.9	-5.8	-8.8	-2.2								14.9	-3.5	-15.1	-15.1		
Brazil	4,953	5,785	..	\$	14.8	16.8	-8.9	-11.5	-11.4	-9.3	-4.9	-8.8	-14.4	-6.1	5.7		20.7	17.0	22.4	7.9		
Chile	1,478	1,757	..	\$	21.8	18.9	-13.8	-0.9	-15.5	-32.2							33.6	33.9	11.9	3.8		
Colombia	1,669	1,844	..	\$	7.4	10.5	8.7	5.7	12.7	8.1							10.1	10.0	16.7	5.5		
Ecuador	623	742	..	\$	27.3	19.0	-9.8	-0.7	-15.2	-12.3							22.0	20.1	15.9	18.7		
Guyana	50	59	..		36.6	18.8																
Paraguay	102	109	..	\$	11.3	7.1	-9.4	-9.8	2.0	-18.3							7.7	7.5	7.4	7.4		
Peru	1,723	1,991	..	\$	9.7	15.6	1.6	3.5	3.1	-1.2							20.1	18.6	15.3	9.1		
Suriname	67	77	..		-29.4	14.9																
Uruguay	809	1,051	..	\$	35.3	30.0	23.2	25.4	65.5	-5.3							26.8	4.9	48.3	36.4		
Venezuela	817	917	..	\$	6.4	12.2	-26.0	-20.4	-32.8								18.9	7.4	24.8	-1.7		

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO January 2010)

See box at page 2 for explanation of abbreviations and signs used

* Receipts of tourism entities

Czech Republic (but arrivals from Russia were down). Jamaica also achieved an increase of 4%, and the Dominican Republic showed a marginal increase of 0.3%: its tourism industry continues to prosper, helped by an increase in airline services to secondary airports.

However, many of the other Caribbean islands suffered much larger declines, including Anguilla (-23%), Montserrat (-17%), Grenada (-14%), Antigua and Barbuda, the Bahamas, Bermuda and St. Vincent (all four at -13%), the Cayman Islands (-12%) and Barbados (-11%). But Curaçao did well, with an increase of 0.5% coming on top of last year's surge of 36%. In some cases, such as the Bahamas, the available figures do not go beyond August or September, and there are reports of some improvement in later months, especially where it has been possible to restore some of the lost airlift capacity.

Like Mexico, Central America has been particularly affected by the world economic recession and by the A(H1N1) flu epidemic. As a result leisure visits from the USA and business visits from neighbouring countries (by far the most important markets) have suffered and where leisure visits have held up, they are very often of the visiting friends and relatives (VFR) or back-packing variety. Beyond these generalisations, however, the individual countries had varying experiences. In different ways and to different extents, El Salvador (-24%), Panama (-5%), Honduras (-4%), Guatemala (+3%) and Nicaragua (+9%) have all experienced widely varying results in terms of arrivals. Costa Rica, the most consolidated tourism destination in the subregion, suffered a decline in arrivals of 9%, related mainly to the economic downturn. Overall in the subregion, arrivals are estimated to be down just 6%, but with little improvement in the last months of the year.

South America is the only subregion in the world outside Africa where arrivals did not fall significantly in the first half of 2009. It is regarded as a part of the world which is now relatively prosperous, economically and as a tourism destination. However, there was a significant deterioration in the second half partially provoked by the uncertainty around the A(H1N1) pandemic.

There are no available figures for international arrivals in the leading destination, Brazil, but the domestic market, which is much bigger than the international market, is said to be booming. Still, the hotel association of São Paulo reports a strong trend in international business arrivals and events as the world economy picks up and investors become aware of Brazil's continued prosperity.

By contrast, the prolonged surge in arrivals in the second most important destination, Argentina, has ended. Its problems this year were compounded by the outbreak of A(H1N1), which led to a travel advisory and a sharp fall in arrivals from its most important source market, Brazil, in the third quarter. Arrivals in the first three quarters of 2009 were down 13%.

Arrivals in Uruguay fell sharply in July-August, but have otherwise been rising strongly, with large double-digit increases in most months. Arrivals from Brazil have been rising steadily, and those from Argentina have been

recovering after the dramatic shortfalls in the previous five years. Overall, arrivals were up 7% in 2009, and receipts even more.

Chile's tourism industry, which has prospered in recent years, managed to hold arrivals at the same level as 2008 in spite of the challenging economic environment. Still, it faced increased difficulties due to the hardship in attracting long-haul visitors to such a distant destination in the current world economic climate, and to the weakness of some neighbouring markets, including Argentina, Peru and Bolivia. A strong currency did not help to foster growth either.

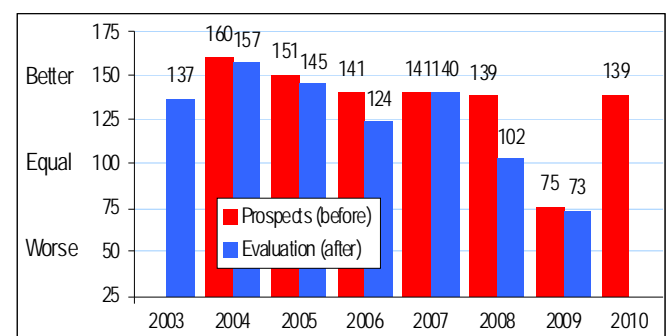
Colombia (+9%), Guyana (+6%) and Paraguay (+3%) also performed well. Meanwhile, Peru also managed to keep arrivals from declining in 2009 and might have grown as no figures are yet available for the second half of the year. In Venezuela, the recovery in oil revenues is supporting domestic and outbound tourism, but inbound tourism continues to suffer. Arrivals declined by over 17% in the first half of 2009.

Prospects

The general sense of optimism in the Americas that the worst of the economic recession is over is shared by the tourism industry: the UNWTO's Panel of Expert's rating for the outlook in the next four months has moved into positive territory (114, compared with 99 four months ago). But the recovery in tourism is expected to be gradual and – for reasons which vary in each country – fragile.

UNWTO Panel of Tourism Experts

Americas



Source: World Tourism Organization (UNWTO) ©

For the USA itself, the figures for the first four months of 2009 were so depressed that modest percentage increases can be expected in the first four months of 2010. A stronger recovery seems unlikely, given the rise in long-haul airfares, the cost-consciousness, when it comes to travel, of international business in the wake of the recession, and the continuing preference in most markets for holidaying at home or close to home. The US Department of Commerce expects a 3% increase in inbound travel in 2010 (and just 1% excluding arrivals from Canada and Mexico).

However, the USA is also working to re-establish a properly funded national tourism promotion programme, although it will be some time before the effects start to be felt. The Travel Promotion Act has been provisionally passed by both the Senate and the House of Representatives with strong bipartisan support. The scheme will be funded by a US\$ 10 fee paid by overseas visitors to the USA (except those needing visas) and matching funds from the travel industry and, in time, is expected to yield millions of new visitors and 40,000 new jobs, reversing the decline in international travel to the USA which set in after 9/11.

Most other countries in the Americas are also hoping for a recovery in tourist arrivals as the economic crisis recedes, but they expect that any such recovery will be very gradual. One reason is the continued weakness of the US outbound travel market – the most important source for the region as a whole, albeit not necessarily for each individual destination. The lack of consumer confidence in the USA is related to rising unemployment (even if that rise is not as rapid as had been expected, it is still distressing) and uncertainties about earnings, future interest rates, availability of credit, the housing market and other asset prices.

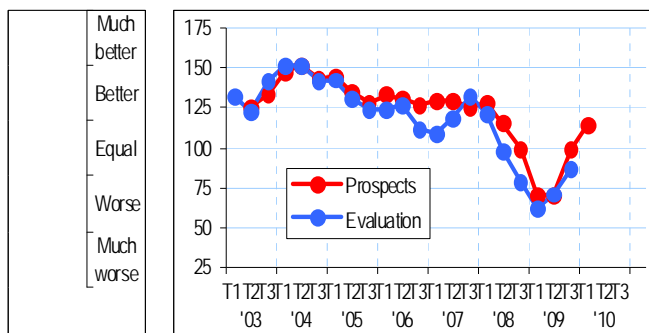
which is based on the distance of travel from London to Washington, the capital of the USA.

Mexico and Central America were particularly badly affected by the economic downturn and the A(H1N1) epidemic. Because the steepest declines are often followed by the strongest recoveries, they can expect some recovery in 2010. Mexico, in particular, is spending heavily on promotion.

In South America, the boom in Brazil's domestic tourism market looks set to continue, but with such a strong currency there is little prospect for more than slight growth in international leisure arrivals, from neighbouring or from long-haul markets. Longer term, it is already gearing up, in terms of infrastructure investment and image building, for the 2014 Football World Cup and the 2016 Olympics. The high profile these events will bring to the country may encourage other tourists both before and after the events. Argentina will be celebrating the 200th anniversary of the May Revolution in 2010, which will do a great deal for domestic tourism and will also bring home some of the Argentine Diaspora. The Colon opera house in Buenos Aires also reopens in 2010.

UNWTO Panel of Tourism Experts

Americas



Source: World Tourism Organization (UNWTO) ©

The Canadian tourism industry is looking forward to the Winter Olympics and Paralympics in Vancouver in February-March 2010, with related promotional spin-offs, but beyond that it expects only a very slow recovery. In addition to the general factors mentioned above, it notes the strength of the Canadian currency, the continuing impacts of the WHTI and new visa requirements, and the effect of the new harmonised sales tax in raising prices for tourists in some regions of Canada. The new Approved Destination Status (ADS) agreement with China will not produce immediate results, but it lifts confidence within the inbound travel trade.

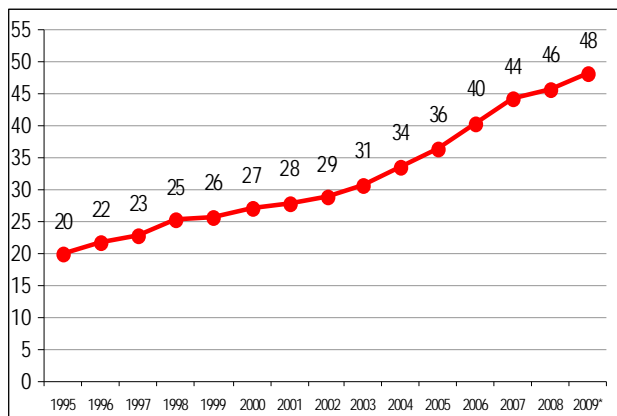
For Caribbean destinations the sharp increases in Air Passenger Duty (APD) introduced by the UK government is a point of worry, as it is notably affecting the cost of travel to mid- and long-haul destinations. In addition, the Caribbean is being unfairly penalised as the APD for the region is set at a higher band level than for the Hawaiian Islands, which are much further away, but the APD for

Africa and the Middle East

Results

Africa remained the star performer among world regions throughout 2009, achieving above trend growth of 5%, according to preliminary estimates. International tourist arrivals declined in only one month (-3% in March, due most likely to the effect of Easter falling in April last year) and were flat in another (August, with North Africa held back by Ramadan, with people travelling less during, but more before or after). Sub-Saharan Africa performed even more impressively (+6%), but the regional average was brought down slightly by the results for Tunisia (-3%), which had a comparatively mixed year in terms of monthly trends, though still better than most competitors in the Mediterranean. Morocco, on the other hand, maintained momentum and in fact was one of the top performers in 2009 supported by a state-of-the-art product development and active and imaginative promotion. Tourist arrivals increased by 7% through the first 11 months, with strong double-digit growth from September through November (after a 13% drop in August during Ramadan). The growth in arrivals has come from Moroccan expatriates (+13%) as well as from the source markets of Belgium, the Netherlands, Spain and Italy, all with double-digit increases year-to-November, while its more established top market France still grew by 5%.

Africa: Inbound Tourism
International Tourist Arrivals (million)

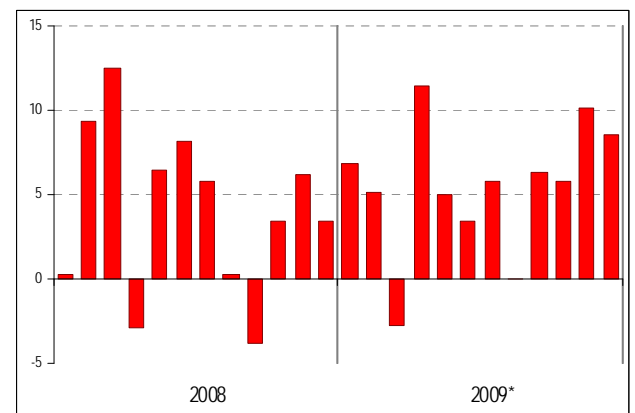


Source: World Tourism Organization (UNWTO) ©

Despite huge gaps in coverage that will inevitably distort final trends, provisional results confirm that a number of countries in Sub-Saharan Africa far outperformed the world average in 2009. Kenya sustained its recovery, achieving an impressive 37% increase through October, Swaziland recorded 11% growth in the first eight months, South Africa was up 5% from January through September, and Rwanda's arrivals rose 9% in the first half of the year. But there were also some disappointing results for other destinations, such as a 9% drop in arrivals for Mauritius (to October), a 1% decline for the Seychelles and a 7% fall in

the first three quarters for Mozambique, much due to the importance European source markets have to these African destinations.

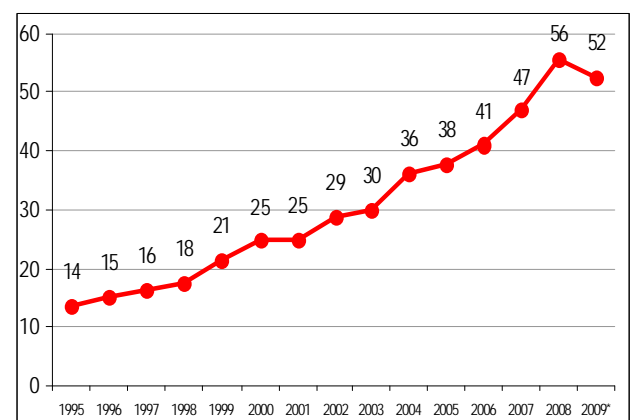
International Tourist Arrivals, monthly evolution
Africa (% change)



Source: World Tourism Organization (UNWTO) ©

Although the final data is still not available, anecdotal evidence suggests that Swaziland continued to perform well over the remainder of 2009. Reports from the Panel of Experts in the country point to declines in only two months: March, as a result of Easter holidays; and June, following South Africa's hosting of the Confederations Cup. The period August through November 2009 reportedly saw significant growth of 21% in visitor arrivals, thanks to increases in regional visitors from markets such as South Africa and Mozambique, which accounts for more than 60% of international arrivals. Arrivals from Europe recorded an impressive growth of 23% over the same period, led by France (+20%), the Netherlands (+40%), the UK (+25%), Italy (+11%) and – what is an emerging market for Swaziland – Portugal (36%). Other major source markets such as USA also performed reasonably well.

Middle East: Inbound Tourism
International Tourist Arrivals (million)



Source: World Tourism Organization (UNWTO) ©

Despite an estimated 6% overall decline in international arrivals in 2009, the Middle East showed positive growth from June, with the exception of August

which coincided with Ramadan. Indeed, the last half of the year was also positive (+5%).

Largely as a result of the quick and effective stimulus measures from the government, such as financial support

for airlines to keep them flying to the country, Egypt has been able to contain its drop in arrivals to around 3% (estimated at end-November and following a double-digit of 16% increase in 2008). Since monthly trends have been

International Tourist Arrivals by (sub)region and selected countries and territories of destination

	Full year			Change		Monthly or quarterly data series															
	Series	2008	2009*	08/07	09*/08	(% change over same period of the previous year)															
						Series	2009*										2008				
		(1000)			(%)		YTD	Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4
Africa		45,734	48,047	3.8	5.1		5.1	2.4	6.2	3.8	8.0	5.5	-0.1	6.4	5.6	9.9	8.5	4.4	3.3	-0.1	3.5
North Africa		17,156	17,651	4.9	2.9		2.9	2.2	7.2	-1.9	7.2	4.7	-13.5	5.4	1.7	12.0	8.9	9.6	8.0	0.6	6.1
Algeria	VF	1,771	..	1.6	..	VF												1.9	12.5	-1.2	-3.1
Morocco	TF	7,879	..	6.4	..	TF	7.0	4.4	13.3	0.9		5.9	-12.7	13.4	10.7	23.8		14.4	10.5	1.2	5.4
Tunisia	TF	7,049	..	4.2	..	TF	-2.6	-0.9	1.3	-4.9		2.8	-14.3	-0.5	-5.7	-4.3		6.2	4.8	0.6	9.5
Subsaharan Africa		28,578	30,396	3.2	6.4		6.4	2.5	5.6	8.9	8.3	6.5	13.5	6.9	7.7	9.0	8.3	2.4	0.5	-0.8	2.4
Angola	TF	294	..	51.0	..	TF												77.4	30.1	59.7	39.3
Botswana	TF	1,500	..	3.1	..	TF															
Burkina Faso	THS	226	..	-21.8	..	THS												-16.5	-16.2	-26.9	-28.0
Cape Verde	TF	285	..	6.7	..	TF															
Ethiopia	TF	330	..	5.8	..	TF												-4.7	21.2	8.3	0.9
Gambia	TF	147	..	2.9	..	TF	-23.8	-32.4	3.8			17.7						32.2	-8.6	-8.6	-22.8
Ghana	TF	698	..	19.0	..	TF															
Guinea-Bissau	TF	38	..	26.4	..	TF												65.8	43.9	10.2	-13.8
Kenya	TF	..	..	..	..	VF(1)	36.8	65.5	35.4	26.1		31.6	32.0	13.2	16.4			-49.2	-33.2	-28.6	-13.5
Lesotho	TF	285	..	-2.5	..	VF												-5.8	-16.1	-15.6	28.5
Madagascar	TF	375	..	9.0	..	TF												12.5	9.1	7.7	7.8
Malawi	TF	742	..	1.0	..	TF												21.8	2.5	5.8	-27.1
Mali	TF	190	..	15.9	..	THS															
Mauritius	TF	930	..	2.6	..	TF	-9.1	-10.9	-7.0	-10.5		-11.5	-11.5	-8.4	-4.0			7.2	3.2	2.7	-2.2
Mozambique	TF	..	..	..	..	THS	-7.0	-10.0	-7.2	-4.1		-10.3	-4.0	2.0				-7.1	4.1	3.0	-0.4
Reunion	TF	396	..	4.2	..	TF												15.6	-5.6	1.8	3.9
Rwanda	VF	981	..	18.7	..	TF	8.7	24.5	-5.0									0.9	5.6	23.9	42.2
Senegal	TF	..	..	..	..	TF*	-6.4	-8.1	-3.0	-7.8		-4.5	-8.7	-12.0				0.7	-0.6	-3.5	-0.8
Seychelles	TF	159	158	-1.4	-0.9	TF	-0.9	-14.2	3.1	1.1	8.2	-3.3	0.4	7.2	6.5	11.4	7.0	7.0	2.3	-4.1	-9.7
Sierra Leone	TF	36	..	12.5	..	TF												8.4	30.9	-12.8	17.7
South Africa	TF	9,592	..	5.5	..	VF	4.5	-2.2	5.3	10.9		5.2	19.0	9.1				12.0	3.8	1.1	5.7
Swaziland	THS	754	..	-13.3	..	VF	11.2	-0.8	14.5			22.6	25.4					-3.7	-8.0	-4.4	1.7
Tanzania	TF	750	..	8.4	..	VF												18.4	13.7	-3.7	5.4
Togo	THS	74	..	-14.0	..	THS															
Uganda	TF	844	..	31.5	..	TF												25.7	23.3	32.5	43.7
Zambia	TF	812	..	-9.5	..	TF												-12.9	6.5	-10.0	-19.3
Middle East		55,626	52,489	18.2	-5.6		-5.6	-21.5	-11.2	1.1	9.8	5.6	-5.5	3.8	19.0	4.3	6.6	21.0	33.3	3.0	16.6
Bahrain	TF	..	..	..	..	VF	4.3	12.8	-3.7									10.5	77.5	3.5	1.2
Egypt	TF	12,296	..	15.9	..	VF	-3.4	-13.4	-4.0	0.7		-2.1	-4.7	10.8	2.5	7.3		25.1	22.6	15.1	3.7
Jordan	TF	3,729	..	8.7	..	TF	1.6	-0.5	4.4	0.6		9.0	-13.6	14.8	-7.8	15.2		-14.9	2.4	19.1	26.3
Lebanon	TF	1,333	1,851	31.0	38.9	TF	38.9	53.6	65.7	32.8	18.2	49.7	1.9	57.0	18.2	18.2	18.2	7.3	20.9	43.8	39.4
Oman	THS	1,273	..	13.3	..	THS															
Palestine	THS	387	..	46.6	..	THS	-3.1	-12.3	-24.8	32.2		94.6	28.1	1.4				78.9	79.8	1.4	53.7
Saudi Arabia	TF	14,757	..	28.0	..	TF	-29.2	-60.1	-43.9	-13.4		8.7	7.7	-48.7	139	22.4		53.6	75.1	-21.8	27.0
Syrian Arab Republic	TF	5,430	..	30.6	..	VF	10.4	2.1	17.5	11.5		17.5	7.8	7.8	4.4			11.2	23.6	41.7	29.2
Utd Arab Emirates	THS	..	..	..	..	THS(2)	-1.3	3.0	-1.5	-5.7								5.7	9.7	2.2	14.5
Yemen	THS	404	..	6.6	..	THS												10.2	-13.2	7.6	22.3

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO January 2010)

See box at page 2 for explanation of abbreviations and signs used

(1) Tourist arrivals in the International Airports of Jomo Kenyatta, Mobassa and Moi, as well as by Cruise Ships

(2) Dubai only

positive since September, the loss could be even lower by year-end.

Jordan has succeeded in bucking the negative trend (+2% to November), with 4.5% growth from both European and Arab markets (as against -6% from both the Americas and Asia Pacific). Even source markets that were

underperforming in the first half of the year, such as the UK and Russia, have since picked up, and new markets like India are showing promise. One event that certainly put Jordan in the news was the Pope's visit to the Holy Land in May, which also boosted demand for Israel and Palestine.

International Tourism Receipts by (sub)region and selected countries and territories of destination

	US\$			Local currencies, current prices (% on previous year)																	
	2007	2008	2009*	Series 07/06 08/07 2009*												2008					
																Q1	Q2	Q3	Q4		
	(million)						YTD	Q1	Q2	Q3	Q4	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4
Africa	29,488	30,869																			
North Africa	10,237	10,830																			
Algeria	219	325	..	\$	1.9	48.4															
Morocco	7,181	7,221	..		11.8	-4.9	-5.7	-23.4	-7.8	-2.5		-4.1	-7.9	14.1	8.9	33.0		-0.8	9.5	-8.3	-17.1
Sudan	262	331	..	\$	3.7	26.3	15.4	15.4										8.6	22.5	67.4	12.0
Tunisia	2,575	2,953	..		9.0	10.3	3.4	2.9	5.7	2.2								16.3	5.8	10.2	11.4
Subsaharan Africa	19,251	20,038																			
Angola	225	285	..	\$	200.3	26.7															
Botswana	546	553	..		6.9	12.6															
Burundi	1	1	..		5.2	9.6															
Cameroon	226	154	..		14.4	-36.3															
Cape Verde	303	350	..		21.6	8.0	-13.1	-24.5	-16.8	5.6								18.7	18.3	4.6	-7.1
Côte d'Ivoire	103	114	..		0.7	3.4															
Djibouti	7	8	..		-30.6	14.8															
Ethiopia	176	377	..	\$	8.8	113.7	12.3	12.3										87.1	211.7	193.5	35.6
Gambia	84	83	..	\$	11.4	-1.2															
Ghana	908	919	..	\$	5.5	1.2															
Guinea	0	2	..																		
Kenya	917	752	..	\$	33.3	-17.9	-24.7	-5.2	-40.9	-23.7								-34.2	-19.2	-3.2	-11.2
Lesotho	43	34	..		23.5	-7.3															
Liberia	135	158	..		15.0																
Madagascar	269	333	..		1.3	13.1															
Mauritius	1,299	1,449	..		27.4	1.3	-15.4	-14.1	-21.9	-13.8		-17.4	-14.8	-9.0	-3.5			10.7	14.0	-0.2	-15.2
Mozambique	163	190	..	\$	17.0	16.3	-14.0	-14.0										39.3	33.7	38.8	-26.8
Namibia	434	378	..		17.6	2.1	8.7	1.7	4.7	20.1								-15.0	9.2	19.1	1.0
Niger	41	45	..		4.6	2.1															
Nigeria	215	232	..	\$	227.8	7.9															
Reunion	447	505	..	€	22.1	5.4												6.1	6.1		
Rwanda	66	202	..	\$	15.0	204.5															
Seychelles	285	258	..		51.7	28.1												96.7	49.0	14.5	-5.1
Sierra Leone	22	65	..		-3.6	195.0															
South Africa	8,754	7,925	..	sa	12.2	6.2	-0.7	3.2	-3.1	-2.1								7.8	7.0	6.6	3.5
Middle East	35,355	46,506																			
Bahrain	1,105	1,166	..		5.5	5.5															
Egypt	9,303	10,985	..	\$	22.6	18.1	-6.4	-17.2	-1.6	-1.6								39.3	42.6	15.2	-10.0
Jordan	2,311	2,943	..		12.2	27.5	-0.6	2.5	1.6	-3.5								-3.9	19.1	41.2	49.4
Kuwait	222	257	..		6.8	9.5															
Lebanon	5,466	7,192	..	\$	9.7	31.6															
Libyan Arab Jamahiriya	74	74	..		-62.6	-3.1															
Oman	648	804	..		19.1	24.1															
Saudi Arabia	5,228	9,720	..		5.4	86.1	-30.2	-39.9	-30.5	-3.4		33.8	-7.9	-33.0				34.1	169.7	29.8	275.2
Untd Arab Emirates	6,072	7,162	..		22.1	17.9															
Yemen	425	886	..	\$	134.8	108.5															

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO January 2010)

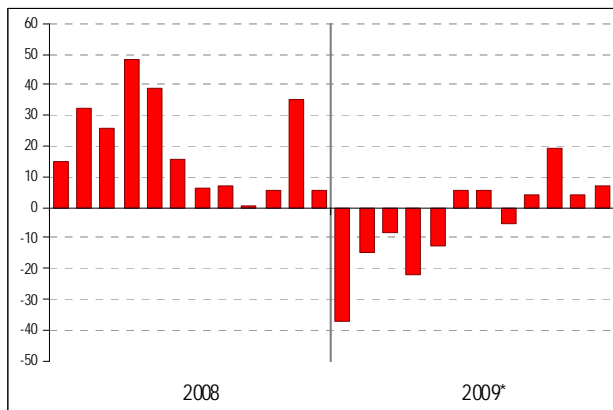
See box at page 2 for explanation of abbreviations and signs used

Meanwhile, neighbouring Lebanon (+39%) has been recovering strongly from the impact of political instability and terrorism over the past years, topping a historic record number of 1.85 million tourists. Lebanon is growing fast in popularity, benefiting in particular from rising intra-regional demand, as well as from a loyal Diaspora. It is also very popular with expatriates in the Gulf looking for short-break holidays. And, since hotel and other ground prices are quoted in US dollars, Lebanon is increasingly attractive to eurozone inhabitants travelling with a strong currency.

International Tourist Arrivals, monthly evolution

Middle East

(% change)

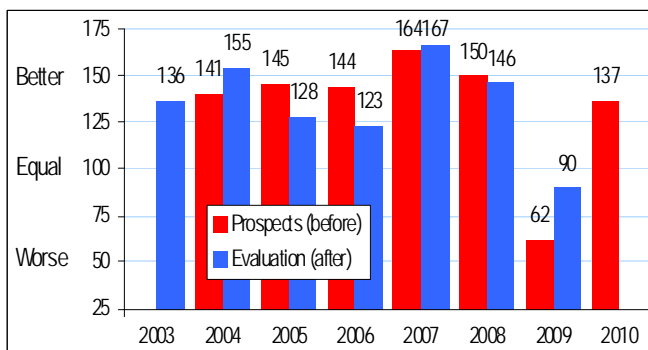


Source: World Tourism Organization (UNWTO) ©

Among those destinations in the Middle East recording negative results for 2009, Dubai suffered only a 1% drop in the first three quarters of the year, and Palestine -3% through September, but Israel (included in UNWTO's regional classification in Europe) suffered a 10% decline and Saudi Arabia was down 29% to November. Experts in both Saudi Arabia and the Gulf attribute their declining arrivals in large part to the fear of the A(H1N1) virus, which they say unnecessarily discouraged travel to the region.

UNWTO Panel of Tourism Experts

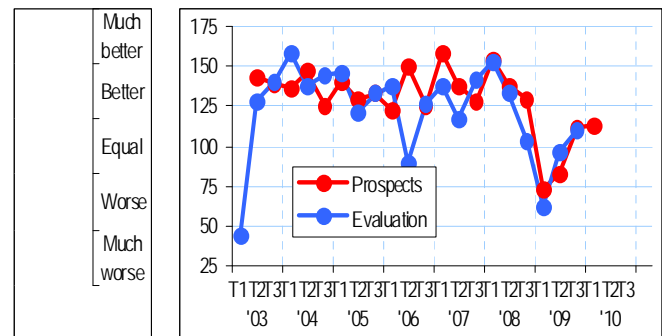
Middle East



Source: World Tourism Organization (UNWTO) ©

UNWTO Panel of Tourism Experts

Middle East



Source: World Tourism Organization (UNWTO) ©

Prospects

Arguably, the most anticipated event of 2010, the FIFA World Cup will focus most of the world's eyes on South Africa in June. And, according to the Minister of Tourism, Marthinus van Schalkwyk, the country is ready to host the world. Its stadiums are on track, its roads have been upgraded, first-class hotels and other accommodation are in place, and visitors can look forward to safe and easy access to the event. Highlights of the country's new developments include:

- Six new soccer stadiums completed or in the final stages of completion and four others been upgraded. These ten stadiums will seat more than 570,000 people.
- The Department of Tourism has provided US\$ 26.6 million to assist with the grading of small, medium and micro-enterprise accommodation.
- US\$ 14.2 billion has been invested to upgrade public roads from 2005 to 2009.
- Over 2,000 train carriages have been/are being refurbished.
- US\$ 1.16 billion is being spent on the revamping of all the major airports in South Africa and the launch of a new airport in April 2010 in Durban.

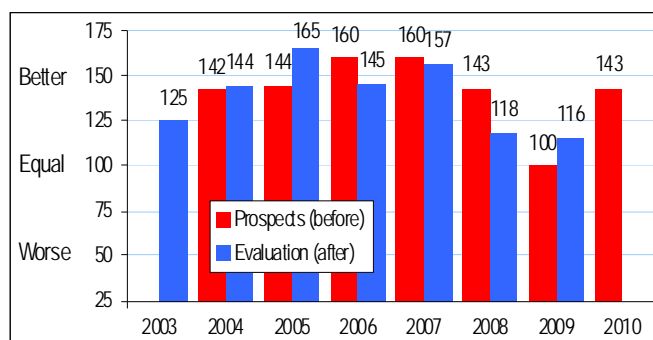
As a reflection of the importance of major sporting, business and cultural events to the tourism activity, UNWTO and the South African Government are organising the world's first international Tourism, Sport and Mega-events Summit in Sandton, South Africa from 24-26 February 2010, immediately following the first G20 Tourism Ministers' meeting, known as the T20. (for more information www.unwto.org/sasummit.php?lang=E).

Meanwhile, other countries in Southern Africa, such as Swaziland, Zimbabwe, Botswana, and even Mozambique, are aiming to leverage the Football World Cup to boost their own tourism, hosting football teams needing venues for acclimatisation and training prior to the event and organising tour packages around the matches.

And, after benefiting from the Millennium Celebrations in 2008-2009, Ethiopia is counting on the upcoming national elections in March to help communicate the country's political stability to attract tourists.

UNWTO Panel of Tourism Experts

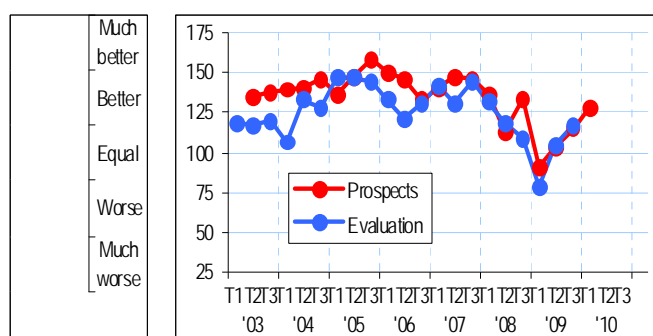
Africa



Source: World Tourism Organization (UNWTO) ©

UNWTO Panel of Tourism Experts

Africa



Source: World Tourism Organization (UNWTO) ©

Confidence in the Middle East is fairly high with regard to 2010's tourism prospects, but there are negative undertones. One positive move is Jordan's government plan to give reciprocal open skies to Amman's Queen Alia International Airport. The UAE, perhaps not surprisingly, is adopting a short-term view until the emirate's financial situation improves – and this will likely involve flexibility in pricing.

Forthcoming events

Winning Together

UNWTO/South Africa International Summit on
Tourism, Sport and Mega-Events

24 - 26 February 2010
Johannesburg, South Africa



Tourism, Sport & Mega Events
International Summit

The United Nations World Tourism Organization (UNWTO) in collaboration with the Ministry of Tourism in South Africa is organizing the International Summit on Tourism, Sport and Mega-Events in Johannesburg, South Africa from 24 to 26 February 2010.

The Summit will provide a forum to consider the impact of mega events - particularly sport, culture, exhibitions and entertainment - from a tourism perspective.

The Summit will be held parallel to the annual Meetings Africa hosted by South Africa Tourism:
www.unwto.org/sasummit.php?lang=E

In focus

Industry trends

This section covers issues related to different clusters of the tourism sector such as transport and accommodation. For that purpose, the *UNWTO World Tourism Barometer* counts on the regular collaboration of UNWTO's Affiliate Members. Comprising private sector representatives, educational institutions, tourism associations and local tourism authorities, the Affiliate Members are key players in the promotion of public-private partnerships that support UNWTO's overall aims – promoting responsible, sustainable and universally accessible tourism and contributing to economic development and international understanding, with particular attention paid to the interests of developing countries (for further information see the UNWTO website at www.unwto.org/afiliados).

The Secretariat is also pleased to count on the participation of Deloitte in the section dedicated to the hospitality industry. The objective for future editions is to broaden the scope of the *In focus* section and expand the collaboration to other organisations and sectors, such as the meetings industry, the cruise sector, etc.

UNWTO Affiliate Members

Mmatšatši Marobe

Chief Executive Officer (CEO) of the Tourism Business Council of South Africa (TBCSA)

< www.tbcsa.travel >



The Tourism Business Council of South Africa, TBCSA, is the official umbrella body for organised business in the South African Travel and Tourism industry. Our core mandate is to provide a voice for organised business, and thus to grow the tourism economy to the benefit of all South Africans.

Since its inception in 1996, this member-based organisation has successfully helped to lobby and guide the growth and development of the South African travel and tourism private sector through a period of unprecedented growth.

1. What sectors have been most affected by the global economic crisis over the past year in South Africa?

Overall the global economic crisis had an impact across all sectors of the South African economy – in our view the most affected sectors have been manufacturing, the motor industry, mining and tourism.

In the tourism sector, the outbound travel market came under a lot of pressure in 2009. In some months it was reported that airline sales were down by about 30% as compared to previous years. Closely linked to this was the corporate travel market, which saw a drastic decline in sales, as corporate clients relied more on technological advances to communicate and downscaled or even cut back completely on travel expenditure.

Accommodation, car rental and other related businesses were also affected – although the domestic tourism market provided a bit of a buffer for the most part. Many of the employers found it difficult to retain staff, specifically the emerging entrepreneurs and smaller businesses.

2. What measures has the TBCSA taken to support its members at this time? Which measures are proving to be most effective?

- The TBCSA has endeavoured to keep members informed about emerging trends and new industry developments around issues that are likely to affect them.
- Given that the TBCSA is mainly made up of industry associations operating in the various spheres of tourism, its role has been to strengthen the relationship between the private sector and government. This is a

UNWTO is the only UN agency which groups the public and private sector among its Members. The Affiliate Members provide:

- Unique networking with ministers and senior decision-makers.
- Specialised events dealing with priority areas of today presented by leading industry experts.
- Extensive and unique documents and research reports free of charge for our Affiliates through our world-class e-library.
- Valuable intangible benefits associated with the UNWTO brand as a hallmark of quality and ethics in tourism.
- Value for money: membership at € 2,400 per year.

Business Council | Destinations Council | Education Council

Expand your business
Improve competitiveness
Develop your knowledge



critical element to finding solutions to the economic challenges the industry faces. For several years, the TBCSA has been working with other stakeholders to lobby for a government ministry, solely dedicated to tourism issues in South Africa. This goal was realised after the national general elections in 2009. The establishment of a National Department of Tourism could not have come at a better time, considering the difficult economic climate. Since the establishment of the ministry, the mood within the industry has been one of optimism about government's renewed commitment to tackling some of the challenges.

Individual issues affecting specific sectors have been largely handled by the different tourism associations, e.g. the Association of South African Travel Agencies (ASATA) has focused on reducing risk to members by introducing products that protect members from internal and external fraud.

- c. Annually the TBCSA hosts the Hospitality Investment Conference Africa (HICA), a platform for dialogue on investment opportunities in the hospitality sector throughout the African continent. Since its inception in 2007, the conference has been growing from strength to strength in terms of the number of delegates who attend and the quality of information shared. The main objectives of this conference include promoting some of the members' projects and role players, to build a platform for networking between emerging local, regional and international players as well as to profile Africa as a viable investment destination.
- d. Although an indirect benefit to the members, the TBCSA has continued to support the marketing efforts of destination South Africa through the administering of the Tourism Marketing Levy. TOMSA (Tourism Marketing Levy South Africa) is an initiative set up to provide additional funding to market destination South Africa internationally. The funds are used by South African Tourism (SAT) – the country's official marketing agency.

All the above-mentioned measures have merit and will continue to be in place in the future as they form part of the core functions of the TBCSA. However, one measure that stands out is the continued strengthening of links between the public and the private sector.

3. Looking ahead to the 2010 World Cup to be hosted in South Africa, what steps are your members taking to make the most of the expected rise in visitor numbers?

Members are definitely raising the bar in terms of the level of quality in their service offering, ahead of the 2010 World Cup. Many hotel establishments are currently concluding upgrading and refurbishment programmes ahead of the soccer event. New hotels have been built. Car rental companies and tour operators have been reviewing their processes and ensuring that all safety and other legal fleet requirements are adhered to ahead of the event.

There is definitely a trend towards increasing capacity and intensifying staff training in-house and through industry associations.

The various industry associations under the TBCSA banner are representing industry on various steering committees which are tasked with facilitating the impact the World Cup will have on the industry at large.

4. What do you hope will be the longer-lasting impact of the World Cup for tourism in South Africa?

Even in the face of a recession, the World Cup has given the industry a reason to be positive about the future. We hope the longer-lasting impact of the World Cup will be sustainable tourism growth beyond 2010. Hosting the event affords South Africa a unique opportunity not only to showcase the beautiful landscape and warmth of the people but also to position destination South Africa as a top destination to visit for business and/or pleasure.

Continued investment in transport, communications and other structures is important for economic growth and the World Cup will certainly help to strengthen the country's prospects as a viable investment destination beyond the tournament.

In the past, South Africa has successfully hosted a number of major international events such as the Rugby World Cup in 1995, the African Cup of Nations in 1996 and the Cricket World Cup in 2003. The soccer World Cup is the second biggest event in the world after the Olympics and is widely followed by millions of people across the world. Henceforth we look forward to seeing South Africa being counted among the top host destinations for mega-events.

5. What would you identify as important areas for collaboration between TBCSA and UNWTO in the coming years?

We hope to see more collaboration between the two organisations in the areas of research and information sharing.

The TBCSA in partnership with some of its members and government is involved in several industry focused projects such as the Tourism Service Excellence Initiative (focusing on improving the standards of customer service), the Hospitality Investment Conference Africa – as previously mentioned, Tourism Career Guidance Workshops, to name a few. In reference to these and other projects in which we are involved, the UNWTO's ability to act as a sounding board and advisor of best practice will also be most valuable to the TBCSA.

Transport

ICAO domestic and international passenger traffic

2009 proved to be another very challenging year for the world's airlines. Scheduled passenger traffic on airlines of Member States of the International Civil Aviation Organization (ICAO) declined by 3.1% overall in 2009 compared with 2008, according to preliminary estimates. The decline is the largest on record for the industry and reflects the 1% drop in the worldwide GDP, the first negative growth of the global economy since the great depression of 1929. In 2001, passenger traffic fell by 2.9%, due in part to the terrorist attacks of 11 September.

Passenger traffic, preliminary data full year 2009

Growth and market shares (passenger kilometers performed - PKP)

	Total		International		Domestic	
	change	share	change	share	change	share
	(%)	(%)	(%)	(%)	(%)	(%)
World	-3.1	100	-3.9	100	-1.8	100
North America	-5.5	31	-5.5	16	-5.5	54
Latin America & Caribbean	-0.7	5	-2.9	4	1.9	5
Europe	-4.8	28	-4.0	41	-10.5	8
Asia and Pacific	-1.2	27	-7.1	25	7.6	31
Middle East	10.0	7	10.0	11	10.3	1
Africa	-9.6	2	-8.9	3	-13.4	1

Source: International Civil Aviation Organization (ICAO)

International passenger traffic fell by about 3.9% last year while domestic traffic was down 1.8%, ICAO says. Total (international and domestic) traffic declined in all regions except for the Middle East, where carriers posted a strong 10% growth.

The double-digit domestic traffic growth in the emerging markets of Asia and Latin America, and the relative strong performance of low-cost carriers (LCCs) in North America, Europe and Asia Pacific, helped curtail the severity of the decline in total traffic. Capacity offered by airlines, expressed in available seat kilometres (ASKs), fell by 3.1%, in response to the declining traffic.

Cargo traffic, meanwhile, plummeted by 15% last year in terms of total freight tonne kilometres (FTK), significantly worse than the 6.2% drop in 2001. The magnitude of the decline is also indicative of the huge decrease in world trade volumes in 2009 due to the global economic downturn.

In line with the improving economic situation in many parts of the world, ICAO expects a moderate recovery in 2010 with a 3.3% passenger traffic growth forecast. The momentum is expected to continue in 2011, on the way to full recovery and traditional growth trends of 5.5% per annum.

Air transport data

The air transport data presented here refers to traffic on airlines of Member States of the International Civil Aviation Organization (ICAO), to IATA members' scheduled international passenger traffic, according to region of airline registration, as well as to the traffic of the member airlines of the major regional airline associations broken down by routes operated. For IATA and the regional associations it should be taken into account that their data reflects the majority of, but not all air traffic, as the member carriers included are mostly full-service airlines and the traffic operated by charter and low-cost airlines is only reflected to a rather limited extent.

Airline data is a particularly good indicator of short-term trends in medium- and long-haul traffic. For short-haul traffic, however, air transport is in competition with alternative modes of transport (in particular land-based, but also over water), and might be subject to shifts between different means of transport (depending on relative price, perception of safety, etc.). Furthermore, traffic is not expressed here in numbers of passengers carried, but rather measured in terms of revenue passenger-kilometres (RPK), with one RPK representing one paying passenger transported over one kilometre. This means that each long-haul passenger contributes more to total traffic measured in RPK than each short-haul passenger does.

Airports

The weakness of air travel in 2009 is confirmed by statistics from the world airports' body, Airports Council International (ACI), but ACI says that the steady improvement of traffic at airports through the latter months of the year indicates that losses may be softer than originally expected. In the first quarter of 2009 airports registered an alarming downward spiral. Yet, since mid-year, demand has returned – first for domestic and now for international travel.

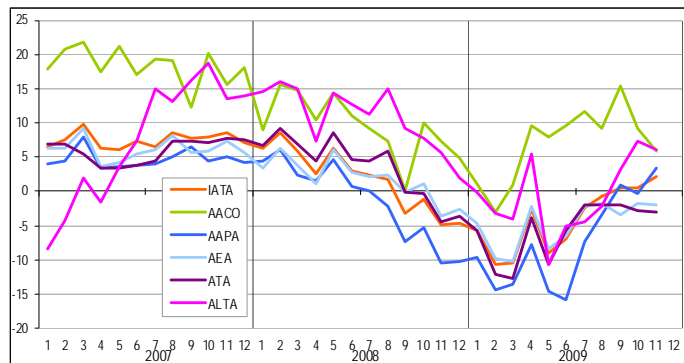
November 2009 was the first month since March 2008 during which all regions registered positive passenger traffic growth. As December is expected to have shown further growth across all regions, the global year-end decline may possibly be less than 3%, ACI says. Admittedly, the November result must be seen against November 2008, the month which had the biggest traffic losses last year. Nevertheless, positive passenger growth in all categories – global, international and domestic – indicates that the industry remains on track for a rebound.

China, India and Brazil continue to lead domestic passenger traffic recovery, but Europe and North America have also shown moderate domestic growth for the first time in 2009, says ACI. International traffic growth was dominated by the Middle East and Asia Pacific regions (Singapore +10%, Kuala Lumpur +21%, Bangkok +35% and Dubai +13%).

IATA's Monthly International Statistics (MIS)

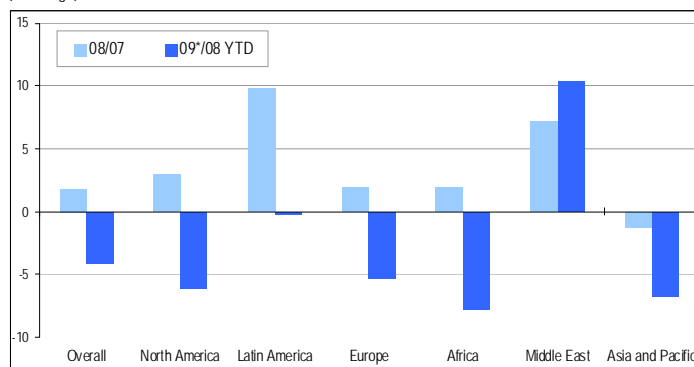
Traffic results for the first 11 months of 2009 released by the International Air Transport Association (IATA) point to year-on-year decline of 4.2% in the members' international scheduled airline services (expressed in revenue passenger-km, or RPK) – as against a growth of 1.8% for the full year of 2008. Average passenger load factor fell by 0.5 percentage points to 75.4%.

Air traffic on international routes by month (RPKs)
(% change over same month previous year)



Source: compiled by UNWTO from IATA, AACO, AAPA, AEA, ATA and ALTA

International traffic of IATA reporting carriers by region of airline registration
(% change)



Source: compiled by UNWTO from IATA

The Middle East was the only region to record positive growth (+10%). Latin America turned in the second best performance, showing no change over 2008, but all other regions recorded declines – ranging from -5% for Europe to -6% for North America, -7% for Asia Pacific and -8% for Africa.

Since September, however, IATA's overall monthly traffic growth has been positive (or flat), culminating in a 2.1% rise in November. And freight demand recorded a 9.5% improvement. Passenger load factors remain at pre-crisis levels of 75.4% while freight load factors stood at 56.6%.

The improved trends for both passenger and freight are being exaggerated by the sharp fall in demand experienced in the second half of 2008. The following alternative measurements provide better perspective:

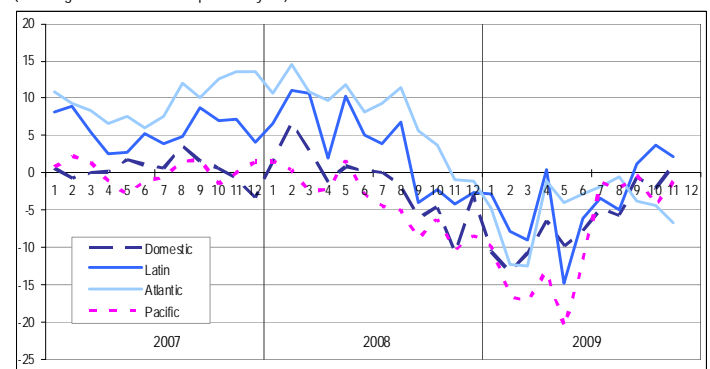
- Passenger demand is 6% better than the low point reached in the first quarter of 2009, but still 6% below the peak levels seen in early 2008. Compared with

October (adjusting for seasonality), passenger demand in November actually fell by 0.7%, primarily due to continued weakness in North America and Europe.

- Freight demand is 20% better than the low point in December 2008, but still 10% below the peak levels of early 2008. Compared with October (adjusting for seasonality), freight demand grew by 5%, largely on the strength of markets connected to Asia and the Pacific.
- Business travel continues to be closely correlated with moves in world trade – largely the trade in goods by the large developed economies. Both world trade and premium travel growth bottomed out in May and continued improving up to November. Premium paying passenger numbers were around 5% above their May low point by November. This is a reasonable rebound but weaker than previous post-recession recoveries and there is still over 20% to go before early 2008 levels are regained.

“Demand continues to improve, but we still have a lot of ground still to recover,” said Giovanni Bisignani, IATA's Director General and CEO. “We cannot anticipate any significant improvement in yields in the coming months. So, conserving cash, controlling costs and carefully matching capacity to demand remain the keys to survival.”

ATA: Air traffic on selected routes by month (RPKs)
(% change over same month previous year)



Source: compiled by UNWTO from ALTA

North America

The Air Transport Association of America (ATA), the industry trade organisation for the leading US airlines, reports that passenger revenue, based on a sample group of carriers, fell by 7% in November 2009 against the same month in 2008. This marks the 13th consecutive month in which passenger revenue has declined from the prior year, fuelled primarily by the 12th consecutive month of ticket price declines. Approximately 1% fewer passengers travelled on US airlines in November, while the average price to fly one mile fell 6.4%. Passenger revenue fell most sharply in transatlantic and transpacific markets. This was in spite of the fact that traffic expressed in revenue passenger-km (RPK) stabilised finally in November 2009 after 14 consecutive months of declines.

“While it's good to see the number of passengers beginning to stabilise after several months of pronounced

Preliminary Air Transport Statistics

Summary Air Transport Statistics																		
Revenue Passenger-Km (RPK)												Capacity		Load factor		Passengers		
2008	07/06	08/07	09*/08 Monthly data									08/07	09*/08	08/07	09*/08	08/07	09*/08	
			YTD	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		YTD		YTD		YTD
(billion)		(%)	(% on previous year)										(%)		(%)		(%)	

International Air Transport Association (IATA), Monthly International Statistics (MIS)

Scheduled international traffic of IATA reporting carriers by region of airline registration

Overall	2,436 ¹	7.5	1.8	-4.2	-2.6	-9.0	-7.0	-2.3	-0.8	0.5	0.6	2.1	3.7	-3.2	75.9	75.4	1.6	¹
North America	430	5.5	2.9	-6.1	-4.1	-11.2	-6.8	-3.2	-2.4	-2.5	-2.6	-3.0	4.1	-5.4	79.9	79.4	1.0	
Latin America	101	8.1	9.8	-0.3	7.1	-10.6	-3.7	-3.7	-2.3	3.8	9.0	8.2	9.1	1.7	74.2	72.8	9.8	
Europe	857	6.8	1.9	-5.3	-2.3	-8.8	-6.7	-2.5	-2.2	-4.0	-3.0	-3.0	3.5	-4.4	76.9	76.5	1.4	
Africa (incl. Egypt)	73	9.9	1.9	-7.8	-5.1	-6.0	-4.0	-2.2	-1.3	1.5	-0.1	-2.1	0.9	-3.6	71.7	69.7	4.2	
Middle East (incl. Israel, Iran)	240	18.0	7.1	10.4	11.5	9.6	12.6	12.6	10.8	18.2	13.5	16.5	8.7	13.5	74.9	73.1	9.3	
Asia and Pacific	735	6.8	-1.3	-6.8	-7.6	-13.8	-14.5	-6.5	-2.0	2.0	1.5	5.1	2.0	-6.7	73.4	73.5	-2.2	

Air Transport Association of America (ATA) - Scheduled Passenger Traffic Statistics ATA US Member Airlines

Scheduled mainline service	1,142	2.1	0.6	-6.2	-5.5	-10.0	-7.1	-3.9	-4.4	-1.0	-2.3	-0.2	1.0	-7.1	80.2	81.0	-0.2	-7.2
Domestic (incl. USA-Canada)	777	0.5	-1.0	-6.5	-6.3	-9.7	-7.8	-4.8	-5.6	-0.6	-2.1	1.1	-0.8	-8.2	80.5	82.0	-0.7	-7.5
International	365	5.9	4.2	-5.6	-3.7	-10.7	-5.8	-2.0	-1.9	-2.0	-2.8	-3.0	5.0	-4.7	79.5	79.0	2.8	-5.0
Atlantic	181	9.7	8.5	-4.4	-1.0	-4.0	-2.7	-1.8	-0.5	-3.8	-4.3	-6.7	10.0	-4.9	79.3	79.9	6.3	-5.0
Latin	90	5.6	4.5	-4.2	0.4	-14.7	-6.1	-3.3	-4.9	1.3	3.6	2.1	2.4	-2.0	79.0	77.6	3.1	-3.8
Pacific	94	0.2	-3.5	-9.1	-13.1	-20.7	-11.9	-1.3	-2.1	-0.3	-4.4	-1.1	-1.3	-6.9	80.5	78.7	-4.4	-8.3

Asociación Latinoamericana de Transporte Aéreo (ALTA) - Member Airlines Traffic Data

Total	169	7.8	9.1	2.1	3.3	-12.2	-2.7	2.2	2.6	8.4	13.2	11.3	8.6	3.7	71.2	70.2	6.0	2.6
Domestic	66	8.1	5.6	7.0	0.1	-14.2	0.9	13.7	10.2	16.0	21.6	18.4	7.3	7.5	67.4	67.3	3.1	5.1
International	102	7.6	11.5	-1.3	5.6	-10.7	-5.1	-4.5	-2.1	3.2	7.3	6.2	9.5	0.8	73.9	72.5	12.0	-2.3
Latin America	39	22.2	15.5	-3.1	-13.0	-13.3	-4.9	-12.9	-8.7	-2.2	8.0	10.8	15.0	1.6	71.8	68.6	15.7	0.1
Extra Latin America	63	0.6	9.3	-0.1	20.6	-9.1	-5.3	0.6	1.8	6.8	6.9	3.4	6.4	0.3	75.3	75.2	6.8	-5.8
North America	34	6.2	3.1	3.8	39.8	-8.5	-3.8	-0.4	9.5	3.2	13.6	5.2	-0.4	3.2	74.1	74.6	3.0	-3.2
Europe	23	-6.3	19.5	0.8	4.7	-4.0	1.4	9.1	-6.1	15.1	2.6	7.6	17.3	1.2	76.1	75.9	23.0	5.5
Asia and the Pacific	3	26.4	10.2	-11.2	-0.7	-18.6	-19.3	-6.0	-3.9	-6.1	-9.9	-6.0	14.6	-7.6	78.7	76.0	7.9	-7.8
Charter	3	-26.8	11.3	-39.6	-27.0	-63.7	-57.9	-21.9	-23.8	-16.7	-25.6	-55.4	6.7	-34.4	79.9	73.8	9.4	-37.8

Association of European Airlines (AEA) - Passenger Traffic of AEA Member Airlines

Total scheduled	794	5.8	1.1	-4.9	-2.6	-8.3	-6.5	-2.3	-1.8	-3.4	-2.0	-1.8	3.0	-4.3	76.2	76.0	-1.6	-6.3
Domestic	57	1.4	-7.3	-7.1	-8.5	-7.9	-6.4	-2.6	-1.9	-3.5	-4.0	0.9	-4.5	-6.9	66.2	66.0	-7.8	-8.5
Total International	737	6.1	1.9	-4.7	-2.1	-8.3	-6.5	-2.2	-1.8	-3.4	-1.8	-2.0	3.7	-4.1	77.1	76.8	1.2	-5.5
Intra Europe (cross-border)	185	7.3	2.0	-5.6	-1.2	-7.9	-6.2	-3.3	-3.9	-4.8	-2.4	-1.9	3.4	-5.4	68.7	69.0	0.5	-6.5
North Africa	9	8.3	5.4	3.9	9.3	1.3	8.6	13.8	6.4	13.0	5.2	10.5	3.7	7.6	70.6	68.5	3.7	2.9
Middle East	29	10.8	7.8	5.9	13.3	2.9	4.5	12.3	13.4	9.2	8.0	4.7	9.3	12.9	73.7	69.5	11.4	7.7
Total long-haul among which:	514	5.5	1.4	-5.1	-3.6	-9.3	-7.5	-2.9	-2.0	-3.7	-2.3	-2.7	3.6	-4.8	81.0	80.8	1.4	-5.2
North Atlantic	199	5.5	0.1	-5.8	-4.0	-8.8	-7.0	-4.3	-2.8	-3.6	-1.9	-2.7	1.1	-6.8	81.4	82.3	-0.5	-6.0
Mid Atlantic	51	0.7	2.1	-5.7	-2.9	-14.8	-7.1	-2.9	-2.0	-7.1	-6.1	-4.1	3.2	-3.5	83.4	81.9	3.2	-6.9
South Atlantic	52	16.1	8.1	-5.0	-3.4	-12.5	-7.0	-2.9	-6.1	-5.6	0.9	1.2	13.6	-3.2	81.1	79.7	6.6	-6.3
Far East/Australasia	155	4.0	0.7	-6.3	-5.9	-10.2	-11.0	-3.9	-2.4	-3.7	-4.3	-4.6	3.7	-5.5	80.9	80.4	1.3	-6.5
Sub Saharan Africa	56	5.9	2.9	1.2	3.8	-0.1	0.2	5.4	6.0	0.5	2.2	0.0	4.9	1.7	77.8	77.5	3.6	2.4

Association of Asia Pacific Airlines (AAPA) - Consolidated Passenger Traffic

International operations	592	4.2	-1.4	-7.7	-7.7	-14.6	-15.8	-7.3	-3.4	0.9	-0.2	3.5	1.4	-6.5	75.0	74.2	-2.1	-6.9
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Arab Air Carriers Organization (AACO) - AACO members' scheduled operations

Total	272	27.1	11.2	7.2	9.6	8.0	9.6	11.6	9.1	15.4	9.2	5.9	10.7	14.7	72.2	70.3	11.1	2.6
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Source: compiled by UNWTO from IATA, ATA, ALTA, AEA, AAPA and AACO

¹ All IATA carriers

declines, revenue remains depressed. Hopefully this is an indication that a gradual recovery is underway,” said ATA President and CEO James C May.

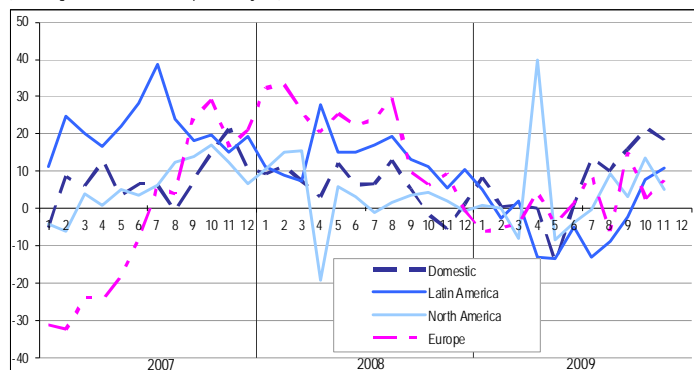
For the first 11 months of 2009, total scheduled traffic was down 6.2% (domestic at -6.5% and international services at -5.6%). Transpacific services showed the biggest decline in traffic last year (-9.1%), while, capacity was down by 7.2% for the same period.

Latin America

Members of the Association of Latin American Airlines (Asociación Latinoamericana de Transporte Aéreo – ALTA), which also includes the Caribbean carriers, has announced that its member airlines carried 10.9 million passengers in November, up 10.6% from last year. Traffic (measured in RPKs) grew 11.3% and capacity increased by 5.8%. The average seat load factor climbed to 73.2%, 3.6 percentage points higher than in the previous year.

The number of passengers carried for the year to date (from January through November 2009) increased by 2.6% over the same period in 2008. During the same 11-month period, traffic rose 2.1%, capacity increased 3.7%, and the average passenger load factor reached 70.2%, 1.1 percentage points lower than the previous full year.

ALTA: Air traffic on selected routes by month (RPKs)
(% change over same month previous year)



Source: compiled by UNWTO from ALTA

Europe

With eleven months of hard data now in place, the Association of European Airlines (AEA) reports that the year-end total for passenger traffic will be between 4-5% down on 2008.

The latest monthly figures gathered by AEA, for November, continue to show a decrease in passenger-kilometres, of 1.8%, marking a 13-month cycle of traffic losses. In November, the Far East/Australasia was hardest hit (-4.6%), followed by the relatively small mid-Atlantic market (-4.1%).

A notable feature of the November figures was a 4.3% reduction in capacity, following a 5.5% cut in October. October was the last month of the summer slot waiver, allowing airlines to withdraw capacity without jeopardising airport-slot entitlements. The outcome has been effective in

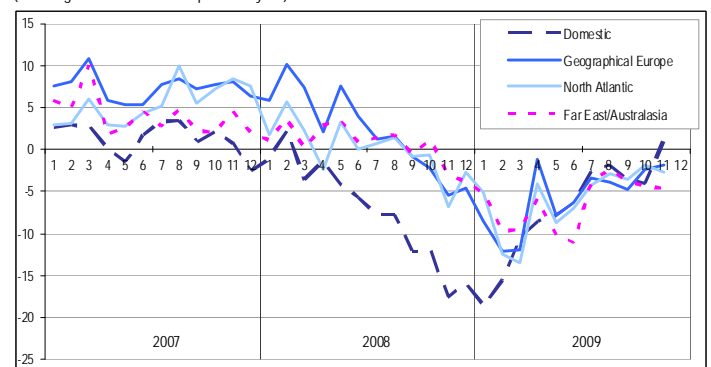
mitigating some of the worst effects of the traffic downturn, reducing the number of empty seats in the market by an estimated 6.5 million, and in the process saving some 3.6 million tonnes of CO2 emissions.

Weekly reports show that, by end-November, AEA traffic for the year to date stood at 4.9% below the 2008 level, a figure which is unlikely to change more than marginally when the yearly counts are compiled.

“2009 has been a disastrous year for European airlines,” said AEA Secretary General Ulrich Schulte-Strathaus, “but the traffic and capacity figures tell less than half the story. The real damage has been inflicted by the collapse in revenues, to which falling ticket prices, particularly in the premium-travel segment, have contributed far more than depressed traffic levels.

The marginal traffic increases AEA is beginning to see will scarcely impact its revenue base, according to Schulte-Strathaus, as long as yields continue to wallow around 15% below last year’s levels. The only effective source of relief is in mitigating costs, and a number of service providers have already been putting up their tariffs for 2010.

AEA: Air traffic on selected routes by month (RPKs)
(% change over same month previous year)



Source: compiled by UNWTO from AACCO

Asia and the Pacific

Preliminary figures from the Association of Asia Pacific Airlines (AAPA) provide further evidence of a modest recovery in air traffic demand. A total of 11.1 million international passengers were carried by AAPA member airlines in November, 4.5% more than in the same month the previous year. International passenger traffic, measured in revenue passenger kilometres (RPKs), grew 3.5%.

With available seat capacity cut by 3.1%, the average AAPA international passenger load factor for the month reached 76.3%, 4.9 percentage points up on the same month in 2008. For the period January-November capacity is down 6.5%, against a still positive growth in 2008 (+1.4%).

According to Andrew Herdman, AAPA Director General: “After a difficult year, in which AAPA international passenger traffic fell 8%, and international air cargo traffic registered a 14% decline, the November traffic figures are mildly encouraging, in line with the broader economic recovery underway being led by the Asia Pacific region.” However, Herdman cautioned: “In

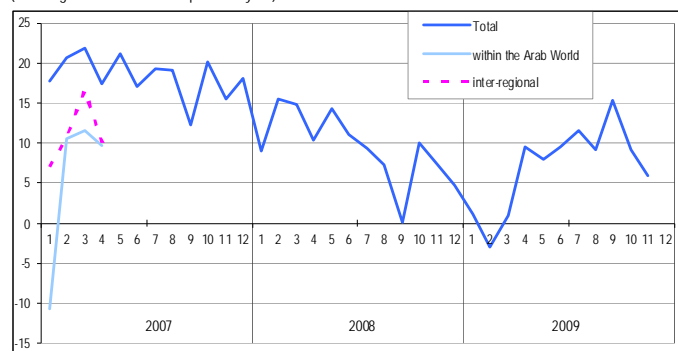
absolute terms, demand remains well below pre-recession levels. In addition, the aviation industry is still wrestling with the problem of low yields and continuing oil price volatility, so a recovery in airline profitability is still some way off. Overall, market conditions remain extremely challenging.

Middle East and North Africa

Statistical trends from the Arab Air Carriers Organization (AACO) through November 2009, indicate that international passenger traffic in the Arab world grew by 6.8% from January to September last year – well above the world average, but at little more than half the growth recorded in the previous year over the same period.

Seat capacity rose by an astonishing 15.0%, with the result that average seat load factor fell by 1.7 percentage points to 70.5%.

AACO: Air traffic on selected routes by month (RPKs)
(% change over same month previous year)



Source: compiled by UNWTO from AACO

Prospects for 2010

The International Air Transport Association (IATA) has revised its financial outlook for 2010 to an expected US\$ 5.6 billion global net loss, larger than the previously forecast loss of US\$ 3.8 billion. For 2009, it maintains its earlier forecast of a US\$ 11 billion net loss.

Between 2000 and 2009, airlines lost US\$ 49 billion, or an average of US\$ 5 billion per year. While the worst is likely over, prospects remain uncertain. For 2010, some key statistics are moving in the right direction, IATA says. Demand will likely continue to improve and airlines are expected to drive down non-fuel unit costs by 1.3%. But fuel costs are rising and yields are a continuing disaster. Airlines will remain firmly in the red in 2010 with an expected US\$ 5.6 billion in losses.

The forecast, which are in most cases more positive now than in September, include:

- **Passenger demand:** Following a decline of 4.1% in 2009, passenger traffic is expected to grow by 4.5% in 2010 (stronger than the previously forecast 3.2% in September). A total of 2.3 billion people are expected to fly in 2010, bringing total passenger numbers back in line with the peak recorded in 2007.

- **Cargo demand:** Cargo demand is expected to grow by 7% to 37.7 million tonnes in 2010 (stronger than the previously forecast 5% in September), following a 13% decline in 2009. Total freight volumes will remain 10% below the 41.8 million tonne peak recorded in 2007. Cargo demand is rising faster than world trade as depleted inventories are rebuilt. Once the inventory cycle completes, growth is expected to fall back in line with world trade.
- **Regions:** While all regions except Africa will see an improvement in 2010, performance will vary greatly. North American carriers will see losses reduced from US\$ 2.9 billion in 2009 to US\$ 2 billion in 2010. The relative improvement is largely the result of pricing power and cost reductions gained through capacity adjustments. European carriers will generate the largest losses of any region at US\$ 2.5 billion. This is an improvement over the expected US\$ 3.5 billion loss in 2009.
- **Revenues:** Industry revenues are expected to rise by 4.9% to US\$ 478 billion in 2010, compared with 2009. However, revenues remain US\$ 57 billion (-11%) below the peak of US\$ 535 billion in 2008 and US\$ 30 billion below 2007, when passenger traffic was at similar levels to what is expected in 2010.
- **Yields:** In 2009, passenger and cargo yields plummeted by 12% and 15%, respectively. Cargo yields are expected to improve by 0.9% in 2010. But passenger yields are not expected to improve from their extraordinary low level. This is being driven by two factors: excess capacity and reduced corporate travel budgets. Capacity adjustments in 2009 were made at the expense of lower aircraft utilisation (down 6%). An additional 1,300 aircraft due for delivery in 2010 will contribute to 2.8% global capacity growth, putting continuing pressure on yields. On top of this, corporate travel buyers have adjusted their budgets to reflect lower premium fare levels.
- **Fuel:** An average oil price of US\$ 75 per barrel (Brent) is expected in 2010, up considerably from the US\$ 61.8 average expected for 2009. Fuel will be 26% of operating costs in 2010. This is considerably lower than the 32% of operating costs that fuel comprised in 2008, but twice the 13% it represented in 2001-2002.
- **Cash:** Over 2009, the industry raised at least US\$ 38 billion in cash (US\$ 25 billion from capital markets and US\$ 13 billion from aircraft sale and leasebacks). The ratio of cash to revenues improved for European and North American airlines, but was flat for Asia Pacific carriers. This will provide a cash cushion for the approaching first quarter's seasonally weak traffic lows. "The number of travellers will be back to the peak levels of 2007, but with US\$ 30 billion less in revenues," said IATA's Bisignani. "The US\$ 38 billion cash cushion built up throughout 2009 will help airlines survive through the low season, but there is no recovery in sight for 2010. Tough times continue."

Hospitality



Asia Pacific leads recovery in hotel performance

The past year has been one of extreme turbulence for countries around the world as the economic crisis took its toll. With the world facing one of the most severe recessions since the Second World War, the tourism industry – resilient to many disease or war adversities other than in the short term – was seriously impacted. However, many economies have now exited the recession and consumer confidence is rebounding, impacting hotel performance in a positive way in many parts of the world. Occupancy has started to post growth in some key destinations which is a sign that the recovery has begun.

Central and South America

Hotels in Central and South America saw revPAR fall 15% to US\$ 67 year-to-November, the least severe declines of all global regions. This decline was led by a 6.6 percentage point decrease in occupancy to 60.3% while average room rates fell 6% to US\$ 112. The Brazilian Ministry of Tourism and Brazil's Tourism Board unveiled plans at the tail end of 2009 to boost tourism spending by 304% over the next ten years. Brazil will host two prestigious events over the next decade, including the 2014 FIFA World Cup and the 2016 Olympic Games which the country hopes will be a permanent boost to its tourism industry. Year-to-November results saw Rio de Janeiro post the only revPAR growth in the region, up 5% to BRL 194. Much of this growth was led by a 3.7 percentage point increase in occupancy to 67.8% while average room rates rose marginally. Neighbouring São Paulo was among only three cities in the region which saw year-to-November average room rate growth up 6% over the same period last year. However, unlike Rio de Janeiro, this did not enable the city to post revPAR growth as occupancy fell 5.4 percentage points to 59.4%. At the back of the pack, with double-digit

revPAR declines for the period were Buenos Aires and Mexico City, each reporting falls in excess of 16%.

Middle East

The Middle East takes second place behind Central and South America, reporting revPAR declines of 18% to US\$ 125 for the year-to-November 2009. This performance was driven almost equally by declines in occupancy, down seven percentage points to 61.9% and a US\$ 20 drop in average room rates to US\$ 202. Despite these falls however, the Middle East continues to post the highest average room rates and revPAR in the world, and shares first place with Europe with the highest occupancy. Beirut remains the best performer in the region with a 74% leap in revPAR to US\$ 144 as political stability strengthens in the city. On the flip side, with the largest drop in revPAR in the region was Dubai, seeing revPAR slide 32% to US\$ 163. The emirate has hit the headlines with a mixed bag of news over the past few months, including a request from Dubai World for a six-month extension from creditors, which sent global markets tumbling at the tail end of 2009 – a reconfirmation that the world's regions are indeed interconnected. However, the start of 2010 saw the opening of the tallest building in the world in Dubai, the newly named Burj Kahlifa, with some seeing this as proof of the UAE's robust economy, able to confront any challenges. Despite the significant falls in performance, Dubai continues to achieve some of the highest average room rates and revPAR in the region even as new supply continues to flood the market which is good news for hoteliers. Neighbouring emirate Abu Dhabi, although seeing revPAR fall almost 10% year-to-November, stole the top spot in average room rates (US\$ 286) and revPAR (US\$ 209) in the Middle East. After successfully hosting the Abu Dhabi Grand Prix in October 2009, these strong results are not surprising; however in the year ahead the emirate will need to absorb this new supply to continue to achieve these outstanding results.

Hotel performance by region

	Occupancy (%)			Average Room Rate - US\$			RevPAR - US\$		
	Year-to-November			Year-to-November			Year-to-November		
	2009*	2008	Change (%p)	2009*	2008	Change (%)	2009*	2008	Change (%)
Europe	61.9	66.5	-4.6	132	159	-17.1	82	106	-22.8
Europe (in euros)	61.9	66.5	-4.6	94	107	-11.9	58	71	-17.9
Northern Africa	67.1	75.9	-8.8	86	87	-0.5	58	66	-12.0
Southern Africa	59.8	68.5	-8.7	123	123	0.3	74	84	-12.5
Middle East	61.9	68.9	-7.0	202	222	-8.7	125	153	-17.9
Asia and the Pacific	60.6	66.0	-5.4	119	140	-14.5	72	92	-21.5
North America	56.2	61.9	-5.7	98	108	-9.3	55	67	-17.6
Central and South America	60.3	66.9	-6.6	112	119	-6.2	67	80	-15.4

Source: STR (North America) and STR Global. © 2009 STR and STR Global. All rights reserved; (%p: percentage points)

North America

Year-to-November revPAR in North America fell 18% to US\$ 55. This decline was a result of occupancy falling 5.7 percentage points to 56.2% and US\$ 10 being stripped off average room rates to settle at US\$ 98. These results unfortunately put North America at the bottom of the global league table in all three performance indicators. Of the top 25 markets covered by Smith Travel Research, all but two markets in North America reported double-digit revPAR declines year-to-November 2009. Washington DC continues to be one of the stronger performing cities, witnessing a revPAR decline of just 8% to US\$ 97. At the other end of the spectrum, Chicago, New York and Phoenix all reported revPAR declines in excess of 24% year-to-November 2009. In New York, it was average room rates that drove the decline, falling a staggering 23% to US\$ 211. Although occupancy dropped 5.5 percentage points, it still posted the highest occupancy in North America at 76.9%.

Asia Pacific

Year-to-November revPAR in Asia Pacific fell 22% to US\$ 72. Average room rates fell US\$ 21, while occupancy dropped 5.4 percentage points over the same period in 2008. Despite year-to-November revPAR still reporting double-digit declines in the region, hotel performance here has been picking up over the last few months, with occupancy increasing 1.4 percentage points in November alone to 68%. This is good news for the region and confirms that Asia Pacific is on the road to recovery. Historically, occupancy is the first to recover after a downturn before average room rates pick up. When measured in local currency, the Republic of Korea's capital Seoul was the only city in Asia Pacific to see an increase in both occupancy and average room rates in the year-to-November, rising 3.3 percentage points and 4% respectively. This gave the city the opportunity to steal first place across the region in terms of revPAR growth, rising 9%, and also achieve the highest occupancy at 80.7% year-to-November. Bali was the only other city in Asia Pacific to post revPAR growth, up 3%. This was driven by double-digit average room rate growth of 14%. There was a substantial growth in tourist arrivals during 2009, with 1.67 million reported as of October – a 13% increase over the same period last year. The Bali Tourism Board has set an ambitious target to attract 2.1 million foreign tourists in 2010. Meanwhile, cities in China, India and Thailand continue suffering, with many reporting revPAR declines of more than 20% year-to-November 2009 in local currency. Beijing reported the largest declines in revPAR, down 46% as the city is still suffering from a post-Olympic slump, followed closely by New Delhi and Mumbai in India, down 37% and 33% respectively.

Hotel performance by region (year-to-November)

		Occupancy (%)		
		2009*	2008	Change (%p)
Middle East		61.9	68.9	-7.0
Egypt	Cairo	65.5	75.6	-10.1
	Sharm El-Sheikh	74.2	81.2	-7.0
Jordan	Amman	58.2	68.4	-10.2
Lebanon	Beirut	71.2	53.4	17.7
Kuwait	Kuwait City	53.6	57.0	-3.4
Qatar	Doha	57.3	72.2	-14.8
Untd Arab Emirates	Dubai	69.0	77.9	-8.9
	Abu Dhabi	72.0	81.8	-9.7
Saudi Arabia	Riyadh	58.9	73.4	-14.5
Oman	Muscat	53.0	68.3	-15.3
Southern Africa		59.8	68.5	-8.7
Kenya	Nairobi	68.6	56.7	11.9
South Africa	Greater Cape Town	59.4	67.2	-7.8
	Greater Johannesburg	62.4	71.8	-9.4
North America		56.2	61.9	-5.7
Canada	Montreal	58.3	63.4	-5.1
	Toronto	62.7	68.8	-6.1
	Vancouver	64.5	70.7	-6.1
United States	Atlanta	53.7	60.2	-6.5
	Boston	63.7	68.3	-4.6
	Chicago	57.7	65.0	-7.4
	Dallas	52.3	60.2	-7.8
	Denver	59.4	65.0	-5.7
	Houston	56.9	68.2	-11.3
	Los Angeles	65.1	72.6	-7.5
	Miami	65.0	72.0	-7.0
	New Orleans	58.1	64.2	-6.1
	New York	76.9	82.4	-5.5
	Orlando	60.7	66.3	-5.6
	Philadelphia	62.8	67.0	-4.2
	Phoenix	53.2	60.8	-7.7
	San Diego	64.6	71.6	-6.9
Mexico	San Francisco	72.7	76.4	-3.7
	Seattle	63.0	69.8	-6.8
	St Louis	55.9	60.3	-4.4
	Washington DC	66.6	69.0	-2.3
	Cancun	51.0	61.1	-10.1
	Mexico City	51.0	62.8	-11.8
Central and Southern America		60.3	66.9	-6.6
Costa Rica	San Jose	49.6	61.7	-12.0
Peru	Lima	58.0	64.0	-6.0
Brazil	Rio de Janeiro	67.8	64.1	3.7
	Sao Paulo	59.4	64.8	-5.4
Argentina	Buenos Aires	55.1	68.2	-13.0
Chile	Santiago	61.3	74.7	-13.4

Source: STR Global

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Europe

When measured in US dollars, Europe remained the worst performer year-to-November with revPAR down 23% to US\$ 82. However, this decline is less extreme when reported in euro, falling 18% to euro 58 – on a par with the Middle East. Double-digit drops in average room rates led much of the decline, dropping 12% to euro 94, while occupancy fell 4.6 percentage points to 61.9% – securing joint first place with the Middle East. All cities across Europe reported a decline in revPAR year-to-November 2009, with Athens, Dusseldorf, Madrid and Moscow some of the weakest performers, each reporting drops in excess of 25%. A number of cities in the UK however, started to post growth in occupancy year-to-November – albeit marginal – including London, Edinburgh and Glasgow, a sign that hotel performance is now on the road to recovery. The three cities also secured the top three occupancy spots in Europe at 80.8%, 76.4% and 75.9% respectively. The picture is looking less bleak than at the beginning of 2009 though it remains clouded in uncertainty and hoteliers across Europe face an uphill struggle to return to the strong performance growth seen in recent years, but the region at least appears to be moving in the right direction.

Outlook

Although year-to-November results for all world regions are still posting double-digit revPAR declines, the rate of revPAR decline has been decelerating in Asia, North America and Europe since September 2009 which is good news for hoteliers. This trend is likely to continue into 2010 as the comparables will be weak and some form of recovery takes places in each market. Although the beginning of 2010 will be a challenging time for hoteliers around the world as they pull themselves out of the downturn, it will also be an exciting time as many have taken the opportunity to fundamentally review the way their businesses operate so that as the recovery takes hold profitability should be strong.

Analysis has been provided by Deloitte & Touche LLP using data from STR Global and Smith Travel Research. This commentary has been written by Marvin Rust – Global Managing Partner of Hospitality at Deloitte and Jessica Jahns – Manager in the Tourism, Hospitality and Leisure team at Deloitte.

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Hotel performance by region (year-to-November)

		Occupancy (%)		Change (%p)
		2009*	2008	
Asia and the Pacific		60.6	66.0	-5.4
China	Beijing	51.3	56.8	-5.5
	Shanghai	49.9	54.9	-5.0
Hong Kong (China)	Hong Kong	72.6	81.1	-8.5
Taiwan (pr. of China)	Taipei	69.6	70.5	-0.9
Japan	Osaka	73.5	79.3	-5.8
	Tokyo	69.8	75.6	-5.8
Korea, Republic of	Seoul	80.7	77.4	3.3
Vietnam	Hanoi	56.9	63.5	-6.6
Thailand	Bangkok	54.0	68.0	-14.0
	Phuket	54.5	64.8	-10.2
Malaysia	Kuala Lumpur	63.9	68.8	-4.9
Singapore	Singapore	72.7	77.9	-5.3
Indonesia	Jakarta	61.8	68.5	-6.7
	Bali Island	70.3	78.5	-8.2
Philippines	Manila	67.0	73.0	-6.0
India	Mumbai	56.7	65.4	-8.7
	New Delhi	63.6	72.2	-8.5
Australia	Sydney	78.1	78.5	-0.4
New Zealand	Auckland	66.7	70.8	-4.2
Europe		61.9	66.5	-4.6
Iceland	Reykjavik	59.3	61.9	-2.6
Norway	Oslo	63.9	69.3	-5.5
Sweden	Stockholm	68.4	71.3	-2.9
Denmark	Copenhagen	63.3	69.4	-6.1
Ireland	Dublin	64.5	68.7	-4.1
United Kingdom	London	80.8	80.4	0.4
Netherlands	Amsterdam	67.3	74.8	-7.5
Belgium	Brussels	63.7	69.8	-6.1
Luxembourg	Luxembourg	64.2	71.1	-6.9
Germany	Frankfurt am Main	58.6	61.7	-3.1
	Berlin	68.5	69.9	-1.4
France	Paris	73.8	77.7	-3.9
Austria	Vienna	65.5	71.2	-5.6
	Zurich	68.5	72.9	-4.4
Switzerland	Geneva	59.8	69.2	-9.4
Czech Rep	Prague	57.0	64.5	-7.4
Slovakia	Bratislava	43.4	60.6	-17.2
Hungary	Budapest	54.1	64.4	-10.3
Poland	Warsaw	60.9	67.7	-6.7
Russian Federation	Moscow	58.7	65.5	-6.8
Portugal	Lisbon	59.8	65.0	-5.1
Spain	Madrid	57.6	65.1	-7.5
	Barcelona	63.9	69.1	-5.2
Italy	Milan	57.7	64.0	-6.3
	Rome	62.9	65.9	-3.0
Greece	Athens	61.9	68.1	-6.1
Turkey	Istanbul	64.9	71.8	-6.8
Israel	Tel Aviv	64.6	77.5	-12.9

Source: STR Global

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Data for North America sourced STR

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The economic environment

Signs of recovery after the worst global recession in over 60 years

In 2009, the world faced the deepest recession since World War II. A global depression like that in the 1930s was only avoided by wide-ranging public intervention which has supported demand, reduced uncertainty and systemic risk in financial markets, and fostered a rebound in global activity.

In a recent press conference on 14 January 2010 by International Monetary Fund (IMF) Managing Director, Dominique Strauss-Kahn stated that global recovery is occurring “significantly” faster than expected. After contracting by about 1% in 2009, in 2010 world GDP is likely to grow faster than the 3.1% estimated in IMF’s most recent *World Economic Outlook* of last October.

Breaking down what had happened during the past two years of crisis and looking ahead to 2010, Strauss-Kahn said this year must be a year of transformation, to complete the reshaping of the global financial and regulatory system.

- 2008 was a year of humility: “our confidence in markets, institutions, and the status quo turned out to be complacency; we learned how fallible, fragile, and interconnected we are.”
- 2009 was a year of unity: “the world pulled together to respond to a profound economic – and potentially human – calamity, and redeemed the promise of international cooperation.”
- 2010 must be a year of transformation—“we must complete the global project to address the failings in regulation, economic policy, and governance that lay behind the crisis.”

On the global economy, Strauss-Kahn said he expected to see countries around the world recovering at different speeds in the various regions. While emerging market economies – especially in Asia – were leading the recovery, most advanced economies were still sluggish, with private demand weak and joblessness continuing to rise.

Governments were urged not to relax stimulus measures too early in the mistaken belief that a strong recovery had taken hold, and suggested that they could shift stimulus measures toward projects that would create additional jobs.

The UN Department of Economic and Social Affairs in turn warned in its December 2009 Monthly Briefing on the *World Economic Situation and Prospects* that “the recovery, led by the Asian countries, remains uneven across the regions, and conditions for sustained growth remain fragile. (...) As private sector demand remains sluggish, they will need to sustain fiscal stimulus despite already strongly widening fiscal deficits and mounting public indebtedness (...) until the global recovery becomes more solid and need to do so in an internationally coordinated fashion in order to avoid a double-dip recession.”

This section of the *UNWTO World Tourism Barometer* includes a synopsis of IMF latest comprehensive global analysis of the *World Economic Outlook* of October 2009

(www.imf.org/external/pubs/ft/weo/2009/02/index.htm), as well as several of IMF’s Regional Economic Outlook Reports

(www.imf.org/external/pubs/ft/reo/reorepts.aspx).

The statements of IMF Managing Director, Dominique Strauss-Kahn are based on:

www.imf.org/external/pubs/ft/survey/so/2010/new011410A.htm and www.imf.org/external/np/tr/2010/tr101410.htm.

This section includes also information based on an article by John Lipsky, First Deputy Managing Director of the IMF on 2010 Outlook:

New Year, New Decade, New Challenges (<http://blog-imfdirect.imf.org/2010/01/04/2010-outlook-new-year-new-decade-new-challenges>).

Furthermore information is included from the World Economic Situation and Prospects 2010 of the United Nations Department of Economic and Social Affairs (www.un.org/esa/policy/wess/wesp.html) and of its December 2009 Monthly Briefing World Economic Situation and Prospects

(www.un.org/esa/policy/publications/dpad_wespmbn.html).

Cautious optimism

The year 2010 has started with generalised – but cautious – optimism about the global economic and financial outlook. The unprecedented scale and scope of the anti-crisis measures taken during the past year appear to have succeeded in averting the worst. Global recovery continues, with an increasing number of countries reporting positive figures for GDP, international trade and industrial production.

Nevertheless, the recovery is still delicate and expected to be slow and for quite some time, jobless. Though financial conditions have improved, they are far from normal and economic and financial fragilities remain. The debt debacle in Dubai, which seems to have been contained, provides a reminder that the financial sector is still exposed to high risks. Major advanced economies in particular remain fragile and dependent on public support. On the household side, weak financial positions and unemployment threaten to damp down consumption for some time while large public deficits add to vulnerabilities.

Based on the latest available comprehensive assessment of the *World Economic Outlook* of last October, IMF projections for the global economy in 2010 are summarised below. Given the recent statements, data is likely to be on the conservative side. The IMF is scheduled to release an update on the global outlook on 26 January.

- World GDP to grow by 3.1% in 2010 following a decline of about 1% in 2009;
- Advanced economies to be only modestly positive, with GDP rising by 1.3% after a contraction of 3.4% in 2009: High unemployment, weak income growth and damaged household balance sheets are restraining spending. Financial conditions have improved, but in many ways remain far from normal. Credit losses are

still mounting in some sectors, especially commercial real estate. In the advanced economies, the combination of output levels far below potential, the cautious attitudes of businesses and households, and the reticence of bankers in lending, add up to a notable absence of inflationary pressures. In turn, the combination of large output gaps, low inflation and the prospects for only moderate increases in output underscore the contention that it is premature to begin withdrawing the support for growth currently being supplied by accommodating budgetary and monetary policies.

- Emerging and developing economies' GDP to grow by 5% in 2010, up from 1.7% in 2009: This upbeat growth outlook in many emerging market economies, especially in Asia, reflects improving demand for exports plus resilient domestic demand – the latter in many cases buoyed by policy support. With the spectre of a sustained advanced economy downturn receding, and with global interest rates low, capital once again is flowing strongly to the best-performing emerging markets, reversing the sudden stop experienced in the latter part of 2008.

Although the global economy is showing positive signs, many downside risks remain:

- Governments, under budgetary and public pressures, might exit from monetary and fiscal policies prematurely, as the policy-induced rebound might be mistaken for the beginning of a strong recovery;
- Progress in repairing balance sheets could be undercut by rising unemployment, greater-than-expected increases in delinquencies on residential mortgages and commercial real estate, and more corporate bankruptcies. With banks only weakly capitalised, this could lead to even tighter financial conditions.

Thus, the key policy requirements are still to restore financial sector health while maintaining supportive macro-economic policies until the recovery is on a firm footing. At the same time, policymakers need to begin preparing for an orderly unwinding of extraordinary levels of public intervention. Policies also need to facilitate a rebalancing of global demand. Rising unemployment and setbacks to progress in poverty reduction pose social challenges that must also be addressed.

With regard to the sources of future growth, the IMF stressed that the old model under which households in the USA and elsewhere in the rich world propelled the global economy with their voracious appetite for consumption, is dead – or at least on its last legs.

“If we are to have sustained global growth, somebody else needs to step into the breach. The leading candidates are the surplus countries,” said the IMF’s Executive Director, Dominique Strauss-Kahn, noting that China and other emerging Asian economies are shifting from exports toward domestic demand, aided by expansionary fiscal policy. But they have some way to go. This shift would be helped by stronger social security systems and higher spending on health and education, as well as reforms to boost access to credit. An appreciation of China’s exchange rate, along with some other Asian currencies, will also need to be part of the package. Noting that the financial sector in the advanced economies brought down the whole global economy, Strauss-Kahn called for progress on reforms to make the financial sector a safer, more stable place, without discouraging financial innovation.

Looking forward to the new decade, there are five key challenges, according to the IMF:

- To secure the recovery by ensuring that policies among the key economies remain appropriately supportive of the expansion, as well as globally consistent. In particular, advanced economy fiscal stimulus planned for 2010 should be implemented fully, even while countries lay out credible medium-term frameworks for limiting spending and debt to sustainable levels. Moving beyond the next several quarters, ensuring a robust global economy will require new growth patterns, including a rebalancing of the sources of growth among and within most large economies.
- To protect the poorest and most vulnerable from the impact of the downturn and to restore growth in low-income countries. In 2003-2006, Sub-Saharan Africa achieved the fastest sustained economic expansion since the IMF was created, but, while raising and sustaining growth in advanced economies would make a substantial contribution to the low-income countries’ growth prospects, it is also important to provide expanded direct support.

Overview of the economic growth projections by the International Monetary Fund (IMF), World Economic Outlook, October 2009

	GDP US\$ bn	Growth of Gross Domestic Product (GDP), constant prices																
		Change over previous year (%)							Current projections						Trend ¹		Average (%)	
		2008	2003	2004	2005	2006	2007	2008	2009*	2010*	2011*	2012*	2013*	2014*	08-07	09*-08		10*-09*	1995-2008
World (purchasing power parity (PPP) weighted)	60,917	3.6	4.9	4.5	5.1	5.2	3.0	-1.1	3.1	4.2	4.4	4.6	4.5	--	--	++	4.2	
Memorandum: at market exchange rates		2.7	4.0	3.4	3.9	3.8	1.8	-2.3	2.3	3.4	3.6	3.7	3.7	--	--	++	3.3	
of which:																		
Advanced economies	42,231	1.9	3.2	2.6	3.0	2.7	0.6	-3.4	1.3	2.5	2.6	2.5	2.4	--	--	++	2.8	
Emerging market and developing countries	18,686	6.2	7.5	7.1	7.9	8.3	6.0	1.7	5.1	6.1	6.4	6.6	6.6	--	--	++	6.1	

Source: Compiled by UNWTO from International Monetary Fund, World Economic Outlook (www.imf.org/external/pubs/ft/weo/weorepts.htm)

¹ Percentage points change to previous year: -- < -1; - [-1,-0.2]; = [-0.2,0.2]; + [0.2,1]; ++ > 1

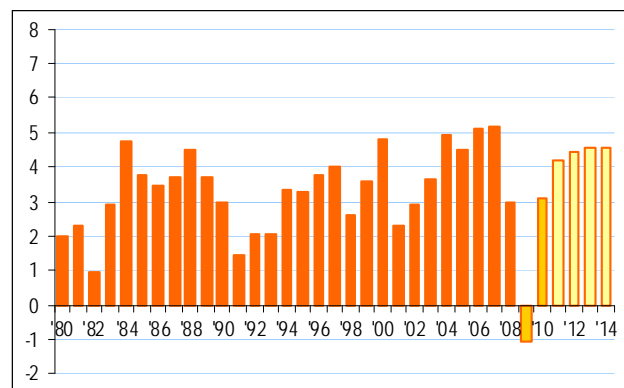
- The reform of the financial sector, with the triple goals of making the sector more effective, of reducing the risks of future instability, and of rethinking how the potential costs of financial crises might be borne.
- The restructuring and reform of the governance and mandate of the key international financial institutions. The creation of the G-20 leaders' process was a potentially pivotal step in this regard.
- There is a fifth challenge, the IMF says, and it will be the source of intense debate in the coming quarters, perhaps years. The economic success of the Great Moderation of the 1980s and 1990s encouraged policymakers and scholars alike to think that the prevailing framework of rule-based policies would prove to be durable. However, the crisis has called into question not just institutions, but also the intellectual underpinnings for prevailing views on economic and financial policies.

GDP growth measurement, methodological note

IMF estimates world aggregated growth rates of Gross Domestic Product (GDP) on the basis of GDP in purchasing power parity (PPP). This is done because the purchasing power of a US dollar varies from one economy to another. As a US dollar usually buys quite a lot more goods and services in emerging economies, their GDP is more strongly weighted in the aggregate, in general resulting in a higher growth rate as emerging economies tend to grow faster. For instance, at market value the weight of the USA is 25% and of China 6%, while at PPP their weights are respectively 21% and 11%

World

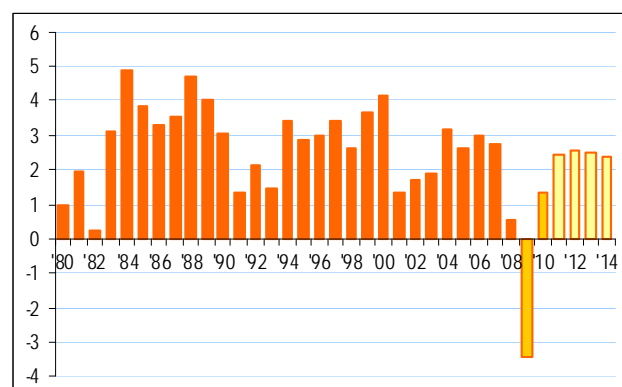
Growth of Gross Domestic Product (GDP), constant prices (%)



Source: International Monetary Fund

Advanced economies

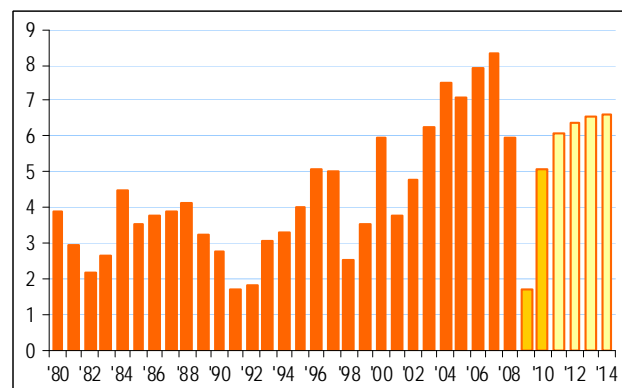
Growth of Gross Domestic Product (GDP), constant prices (%)



Source: International Monetary Fund

Emerging market and developing countries

Growth of Gross Domestic Product (GDP), constant prices (%)



Source: International Monetary Fund

Regional and country outlook

USA – mild recovery

Although significant wealth has been destroyed and unemployment has surged, the US economy is stabilising. According to the IMF's projections, the US economy will contract by 2.7% in 2009, mainly because of the sharp decline suffered during the first half of the year. Growth is expected to return this year, reaching 1.5%.

Data for the USA confirm the mildness of the recovery. According to the ISM manufacturing index, the recovery in the sector continued in November, but at a slower pace than in previous months. The unemployment rate unexpectedly declined in November to 10%, from 10.2% a month earlier. Although the number of initial jobless claims has been declining from its peak in early 2009, the number is still much higher than before the start of the crisis, which suggests that the unemployment rate will remain high for some time.

Consumer spending (and therefore imports) will be dampened by high unemployment, the crisis-driven hit to households' net worth and tight financial conditions. These financial conditions are likely to weigh on the housing market in particular, given stringent lending standards, while the high rate of foreclosures poses downside risks. On the positive side, the rapid pace of destocking suggests some recovery in production, although the strength of both domestic and foreign demand remains in question. The outlook is thus for a gradual recovery of US growth, with weak employment and imports.

Looking to the medium term, three legacies of the crisis are apt to restrain US growth:

- Financial conditions are likely to remain more stringent than normal for some time, as banks work to repair their balance sheets. In addition, the welcome and needed steps to enhance regulation, including capital and liquidity requirements, will moderate credit growth and limit the extent of pro-cyclical credit conditions in the upswing of the cycle.
- A sizeable underlying fiscal imbalance, along with growing entitlement costs in the absence of reforms, will boost the federal public debt. In the near term, higher private savings may help contain the impact on interest rates. But over the medium term, Treasury interest rates are likely to rise.
- Households will face a prolonged process of rebuilding balance sheets, given the extent of the crisis-related damage. Accordingly, private consumption (the main component of aggregate demand, at about 70% of GDP) will likely be sluggish, as the saving rate is likely to rise further. Over the medium term, this will support a reduction in the current account deficit.

As for Canada, the crisis has brought on a serious recession, reflecting the country's tight linkages with the US economy and financial system (about three quarters of Canadian exports are bound for the USA, and about a

quarter of Canadian corporate finance is sourced there). Hit by triple shocks – contracting global demand, financial volatility, and collapsing commodity export prices – Canada's economic activity declined significantly in late 2008 and continued to shrink in the first half of 2009.

The IMF forecasts a contraction of 2.5% in 2009 (the worst since 1982). Unemployment has already reached an 11-year high, and motor vehicle production in 2009 is expected to have been to be the weakest in more than 30 years. However, the contraction is expected to be short lived. Economic activity is already rebounding, with signs of life in retail spending and housing markets. Given these positive developments, the IMF expects the Canadian economy to grow by 2.1% in 2010, as the full effects of the monetary and fiscal stimulus are felt and the drag from the external shocks fades away.

Still, some downside risks remain. For instance, a stronger Canadian dollar and difficulties in restructuring key industrial sectors could act as a significant drag on growth. Overall, however, the impression is one of resilience, given the size of the shocks. This resilience reflects several factors: Canada enjoys a sound macroeconomic framework with decade-long fiscal surpluses and low debt levels, which left room for a large fiscal stimulus. Similarly, Canada's inflation-targeting framework has provided price stability, and the Bank of Canada's aggressive cuts in policy rates and other extraordinary liquidity measures have provided needed monetary support. In addition, the Canadian housing market did not experience the large overvaluation experienced elsewhere. More importantly, Canada's strong regulatory framework, along with conservative banking practices, has preserved financial stability, with no banks receiving public capital injections or public guarantees.

Europe – multispeed recovery

European countries will recover from the global economic crisis at varying speeds during 2010, with the jobs market only picking up gradually. As 2009 drew to a close it became clear that the extent to which countries were hit by the decline in trade and capital flows was determined by the openness of their economies and the quality of policies and institutions rather than by the East-West geographical divide. And these different points of departure will make for a multispeed recovery, says the IMF.

Helped by rebounding confidence and a tentative pick-up in global trade, the contraction in Europe appears to have ended in mid-2009 and is expected to give way to a moderate recovery in 2010 and more solid growth later. "We are now in the middle of a recovery but it is not very robust, although clearly the situation is improving," said Marek Belka, Director of the IMF's European Department. In the advanced economies of Europe this should result in an average decline of 4% in 2009 and growth of 0.5% in 2010. In emerging Europe, activity is expected to have contracted by -6.6% in 2009, but growth should return to

most countries this year, with GDP increasing by an average of 1.7%.

2010 will be dominated by the challenge of how to strike a balance between continuing to support the economy and gradually phasing out unconventional measures – i.e. financial and monetary measures rather than fiscal stimulus. Macroeconomic policies need to sustain the upswing while preparing for an exit. The fragility of the recovery will require fiscal policy to continue with planned stimuli, allowing automatic stabilisers to work, but sustainability concerns demand a strong consolidation effort once the recovery has firmed up. And monetary policy will need to remain supportive although, once financial conditions normalise and the recovery is confirmed, attention needs to be given to exiting the unprecedented market interventions forced by the crisis. Clear communication of this exit strategy will be essential, and getting its timing and pace right will require careful judgment.

Unemployment is a critical lagging indicator. The turnaround in the labour market will only happen after business activity has recovered. This means that the labour market in Europe will start improving in late 2010 and into 2011. But the situation is very uneven. While the unemployment rate has barely moved in countries such as Germany and the Netherlands, in others, including Spain, Ireland and a number of countries in emerging Europe, unemployment has soared.

In the financial sector, there is no sign of a pick-up of inflation even close to the 2% that is described by the European Central Bank (ECB) as price stability.

Asia – leading the rebound

After being hit hard by the slump in world trade, economic activity in Asia is rebounding rapidly and is outpacing other regions of the world, with the ‘green shoots’ of recovery appearing earlier and taking firmer root than elsewhere. According to the IMF, Asia’s growth is forecast to accelerate to 5.75% in 2010 from 2.75% in 2009 – both higher than previously projected.

Asia’s recovery has taken the form of a progressive return towards normalcy after the abrupt collapse in global trade and finance at the end of 2008. Just as the US downturn triggered an outsized fall in Asia’s GDP because international trade and finance froze, now their normalisation is generating an outsized Asian upturn. This confirms that Asia has not decoupled from the rest of the world.

One of the key drivers of Asia’s recovery has been the region’s rapid and forceful policy response. This was made possible by Asia’s strong initial conditions: fiscal positions were sounder, monetary policies more credible, and corporate and bank balance sheets sturdier than in the past. These conditions have given policymakers the space to cut interest rates sharply and adopt large fiscal packages, helping to sustain overall domestic demand. In the wake of

the global downturn, Asian authorities swiftly deployed packages to boost government spending, reduce interest rates, and stabilise financial markets. These measures were much larger than in previous crises, and in the case of the fiscal programmes even larger, on average, than those introduced by the Group of 20 industrialised and emerging market countries.

Private demand remains weak and the world outlook is far from certain. So Asian policymakers will “need to manage a balancing act”, sustaining support for some time so as to nurture the recovery, while ensuring that stimulus is not maintained so long that it ignites asset bubbles, inflationary pressures, or threatens fiscal sustainability.

Over the longer term, Asia’s future prospects will depend on the region’s success in allowing domestic sources to play a more important role in promoting growth. “For Asia to retain its strong growth momentum, it needs to shift the drivers of recovery from an export engine much more into domestic demand,” the IMF notes, highlighting also the need for better social safety nets to reduce precautionary savings and structural reforms to boost productivity and improve the allocation of resources across the economy.

Latin America and the Caribbean – growth to return to the region in 2010

Latin American and Caribbean countries are recovering from the global crisis, but at different rates, and growth is expected to return to the region as a whole in 2010. Countries that took on board the hard lessons of previous global crises were better prepared to deal with this one.

The regional growth forecast for 2009 as a whole is -2.5%, mainly reflecting contractions earlier in the year. But many countries have already started to recover, and the region is expected to post moderate growth of about 3% in 2010. The timing and path of recovery will vary among the region’s economies, depending on the nature of their international linkages, as well as their policy frameworks and track records. One key factor is the recent recovery of commodity prices – good news for the region’s large commodity exporters, but not for the commodity importing countries.

The financially integrated commodity exporting countries had the most room to ease monetary and fiscal policies this year, supporting their recoveries. Some of these countries may now be facing strong capital inflows, which could pose challenges: they may need to withdraw stimulus measures more quickly, while maintaining exchange rate flexibility to limit one-sided bets on domestic currencies.

On the other hand, the recovery for many commodity-importing countries that depend on income from workers’ remittances and tourism will be lukewarm, because those flows are linked to the weak employment conditions in the USA and other advanced economies. Many of these countries faced the crisis with high levels of debt and

limited room for policy manoeuvre. Any room for stimulus should prudently be saved in case the global recovery stalls. The focus for countries with the least policy room should be on maintaining stability and alleviating hardship for the most vulnerable groups.

Some key structural improvements are noteworthy. Flexible exchange rates acted as a shock absorber in several countries. Also, fiscal discipline had brought down public debt levels significantly in many cases. Finally, banks in the region relied on domestic deposits to fund domestic credit and had put in place prudent lending practices. Nevertheless, a revamping of financial regulation to better contain risks will be needed, in light of lessons learned from the advanced economies' financial crises.

Middle East and North Africa – surviving the crisis better

Countries of the Middle East and North Africa have been hit by the global economic crisis, but the region fared better than elsewhere in the world. The use of reserves for counter-cyclical spending by oil exporters mitigated the impact on their own economies and generated positive spillovers for their neighbours. The crisis has also shown the need for continued efforts to strengthen oversight to reduce the vulnerabilities of financial markets in the region, as proven recently by the debt problems in Dubai.

Drawing on substantial reserves built up prior to the crisis, governments responded with expansionary fiscal policies and support to their financial sectors, which in turn helped to contain the impact on the broader economy. These policies have also helped to maintain relatively high levels of imports during the crisis, mitigating the global downturn.

Oil exporters (Algeria, Bahrain, Iran, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, Sudan, United Arab Emirates and Yemen) have been directly hit by the global financial crisis through a sharp decline in oil prices and a sudden drying up of capital inflows. Lower oil production resulted in a 3.5% drop in oil GDP, but non-oil GDP continued to grow, though moderating to 3.2%. In 2010, both oil and non-oil GDP are expected to rise by around 4%.

With higher oil prices and the anticipated re-emergence of global demand, oil revenues are expected to increase, allowing oil exporters to rebuild their international reserve positions by over US\$ 100 billion in 2010. This, in turn, will provide the basis for maintaining public spending.

While more limited in scope, oil-importing countries have also responded through appropriate counter-cyclical policies. Growth for these countries is projected to fall from 5.0% in 2008 to 3.6% in 2009. Looking ahead, growth is projected to remain flat in 2010, mainly because of the slow recovery in advanced economy trading partners and the limited scope for further countercyclical policies. High debt levels limit their space for fiscal stimulus, and the scope for monetary easing will be constrained by an

anticipated increase in global interest rates from current historical lows. Policymakers, therefore, need to focus more on supply-side reforms to boost private sector activity and employment and strengthen competitiveness. In countries without fixed exchange rate regimes, greater exchange rate flexibility will facilitate these goals.

Subsaharan Africa – hit by the crisis but to rise again

The global economic crisis has hit Subsaharan Africa hard, reducing economic growth to just 1% in 2009 after a period of sustained high economic growth. Oil exporters and middle-income countries in the region have been particularly badly affected and most low-income countries somewhat less so. In all countries, however, the crisis will likely slow, if not reverse, progress on poverty reduction. Unemployment and under-employment, already endemic, have probably risen across the region. But playing off the global economic recovery, the IMF expects growth in Subsaharan Africa to rise to 4% in 2010 and 5% in 2011.

In many countries the prudent macroeconomic policies pursued in recent years have provided some policy space to counter the effects of the slowdown. Accordingly, most countries have been able to maintain or even raise public spending, allowing fiscal deficits to widen temporarily. Where possible, monetary policy has also played a supportive part. However, as the recovery gains strength, the emphasis of fiscal policy will need to shift from stabilisation to debt sustainability. In countries with binding financing constraints, the room for fiscal policy is more limited and the primary focus will need to remain on reducing macroeconomic imbalances. Financial sectors have been for the most part resilient, but prudential supervision will need to remain vigilant about the impact of the economic slowdown on the quality of banks' portfolios.

Scaled-up financial support from the IMF has buttressed countries' policy response. The doubling of lending limits and more flexible policies have facilitated a rapid response to countries' needs, and new IMF commitments to Subsaharan Africa exceeded US\$ 3 billion in 2009, compared with some US\$ 1.1 billion in 2008. Looking ahead, it will be critical that other development partners support this effort and those of other international financial institutions.

Unemployment – the critical challenge

Despite a pick-up in global economic activity, unemployment remains high in major advanced economies and many workers are still at risk. According to the IMF's October 2009 projections, unemployment rates in advanced economies are expected to have reached 8.2% in 2009, with rates of 9.3% in the USA and 9.9% in the eurozone.

The International Labour Organization (ILO) estimates that global unemployment has increased by something between 39 and 61 million workers relative to 2007, resulting in global unemployment ranging from 219 million to 241 million in 2009 – the highest level ever on record. The ILO points out that, in the 51 countries for which data is available, at least 20 million jobs have been lost since October 2008 when the financial crisis started.

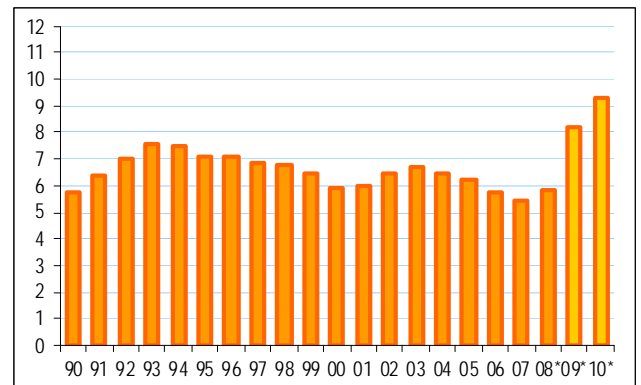
But unemployment is only one dimension of the jobs crisis. As about 5 million workers are at risk of losing jobs now and as enterprises have retained millions more, often through the support of governments, many workers are currently on shorter hours, partial unemployment or involuntarily part time. They are at risk of losing their jobs if firms become unviable, governments withdraw their support, or the economic rebound is not strong enough. Given job retention and usual lags in hiring decisions, the initial stages of the economic rebound will entail little job creation. Moreover, almost 43 million workers are at risk of exclusion from the labour market – because, if the right programmes are not put in place or existing ones are phased out, individuals could shift to long-term joblessness or drop out of the labour market entirely. Experience from earlier crises suggests that this risk is especially acute for low-skilled, migrant and older workers. And new entrants, including youth and women, will face difficulties in obtaining employment.

According to the ILO's *World of Work Report 2009: Global Jobs Crisis and Beyond*, employment in high-GDP-per-capita countries will not return to pre-crisis levels before 2013. In emerging and developing countries, employment levels could start recovering from 2010, but will not reach pre-crisis levels before 2011. The IMF projects unemployment rates in the eurozone to rise to close to 12% in 2010 – with job creation likely to be subdued as widespread reductions in hours worked are reversed – and to retreat only gradually to 9.5% by 2014. By contrast, in the USA, with its more flexible labour market, unemployment is projected to decline from a peak of about 10% in 2010 to 5% by 2014. Unemployment rates tend to rise significantly and for many years after financial shocks, and this time – as indicated by the IMF – will prove no exception.

The prospect of greater long-term joblessness, as well as perceptions of job precariousness, also undermines confidence, thereby affecting consumption and investment decisions. Another pressing issue relates to the loss of

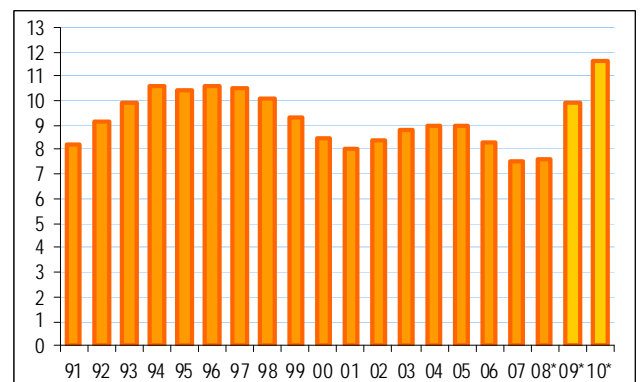
social benefits for those who have been unemployed for some time. It therefore represents a major threat to economic recovery itself. The ILO, together with the other UN system organisations, warns that with regard to stimulus programmes, “it is crucial to avoid premature or ill-conceived exit strategies (...). Such an early exit would also postpone employment recovery and would aggravate the risk of long-term joblessness, labour market exclusion and employment informality.”

Unemployment rate
Advanced economies (%)



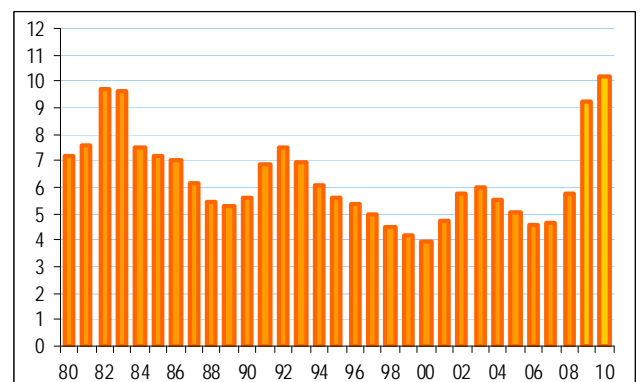
Source: International Monetary Fund

Euro area (%)



Source: International Monetary Fund

United States (%)



Source: International Monetary Fund

Inflation, interest rates, commodities

In a context of weak inflationary pressures and continuous support for economic recovery, policy rates in advanced economies are expected to remain low. In its latest statement (16 December 2009), the Federal Reserve kept rates unchanged (0% to 0.25%) for an “extended period”. In its latest monetary decision (14 January 2010), the European Central Bank (ECB) also decided to leave interest rates unchanged, as the current rates (0.25% to 1.75%) “remain appropriate”. The ECB’s President Jean-Claude Trichet points out that given the ongoing parallel decline in money and credit growth, inflationary pressure over the medium term will remain low, thereby supporting the purchasing power of eurozone households.

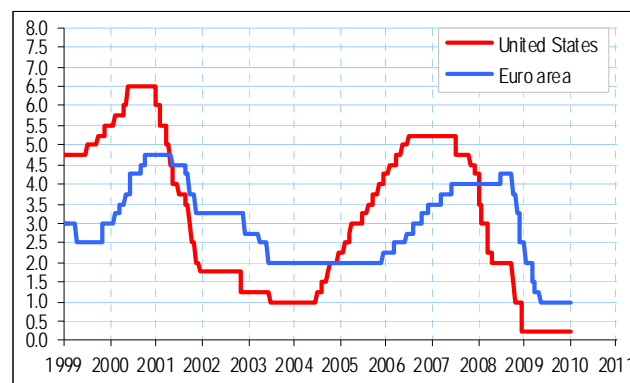
Despite the recent pick-up in commodity prices, the IMF’s latest projections suggest that inflation in advanced economies will be close to zero in 2009, and will accelerate very modestly to about 1% in 2010, largely reflecting rising commodity prices. In emerging economies, inflation is forecast to hover around 5% in 2009-2010, down from 9% in 2008. Only China, some ASEAN countries, and most emerging European economies are projected to see inflation fall appreciably below 5%.

According to the IMF, commodity prices were surprisingly buoyant in 2009 and are expected to increase further in 2010 as world activity expands after the global crisis. The financial crisis led to collapses in the prices of oil and non-oil commodities after the spike of 2008, but these have rebounded since the second quarter of 2009. The IMF points out that the level of price increases in 2009 varied considerably from one commodity to another. Fuel and metal prices rose by much more than the prices of food or agricultural raw materials. In particular, in oil markets, prices were not only supported by recovery expectations, but also by supply cuts by the Organization of Petroleum Exporting Countries (OPEC).

The International Energy Agency (IEA) expects global oil demand to decline slightly (by -1.6%) in 2009 but to return to growth in 2010 (+1.7%) driven by non-OECD countries, notably Asia and the Middle East (December 2009 *Oil Market Report*, www.oilmarketreport.org). Crude oil futures’ prices traded in a higher US\$ 75-80 per barrel range in November 2009, but by early December prices had weakened (to US\$ 70-74) on market fears that the recovery in the global economy would be shallower and slower than expected, especially in the key US market. Looking further ahead, the US Energy Information Administration (EIA) forecasts that the price of West Texas Intermediate (WTI) crude oil, which averaged US\$ 62 per barrel in 2009, will rise to about US\$ 82 by the end of 2010 (January 2010, *Short-Term Energy Outlook*, www.eia.doe.gov).

Interest rate Federal Reserve and ECB

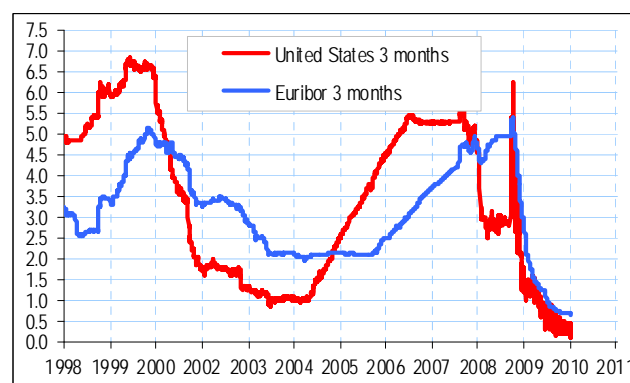
(%)



Source: Federal Reserve and European Central Bank (ECB)

Interest rates on international markets

(%)

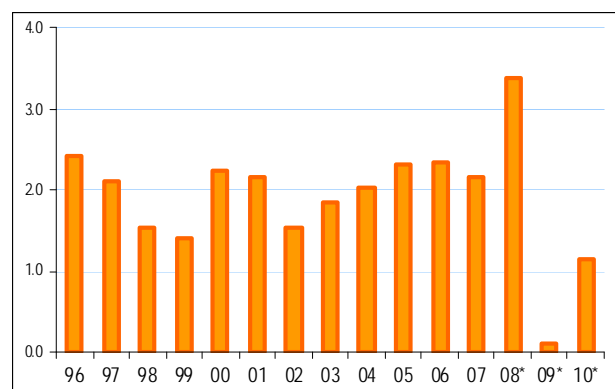


Source: Banco de España based on European Banking Federation and Agencia Reuters

Inflation

Advanced economies

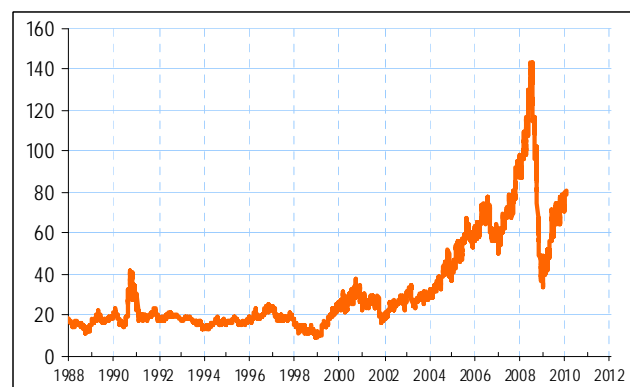
(%)



Source: International Monetary Fund

Crude Oil Spot Price Brent (daily)

(US\$ per barrel)

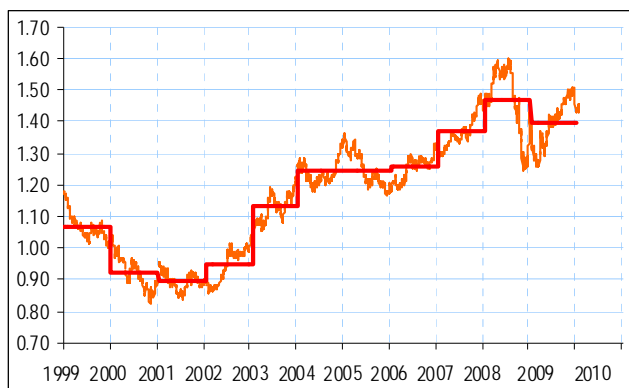


Source: US Department of Energy, Energy Information Administration

Exchange rates

2009 continued to be another year with considerable exchange rate fluctuations. A historic low of around euro 0.63 per dollar was recorded between March and July 2008, and was followed by an upward trend in the second half of that year. In 2009, the trend reversed and the US dollar slid again, with the US dollar exchanging at 0.68 euro in December 2009, down from 0.74 euro in December 2008. However, as the US dollar was even weaker before its rise in the second part of 2008, the 0.68 euro per dollar (1 euro to US\$ 1.47) average for that year was still below the 2009 average of 0.72 euro (1 euro to US\$ 1.39). Thus, on average, the US dollar (and pegged currencies such as from some destinations in the Caribbean or the Middle East) appreciated some 5% against the euro in 2009.

Exchange rate euro to US dollar (US\$ per €)



Source: De Nederlandse Bank

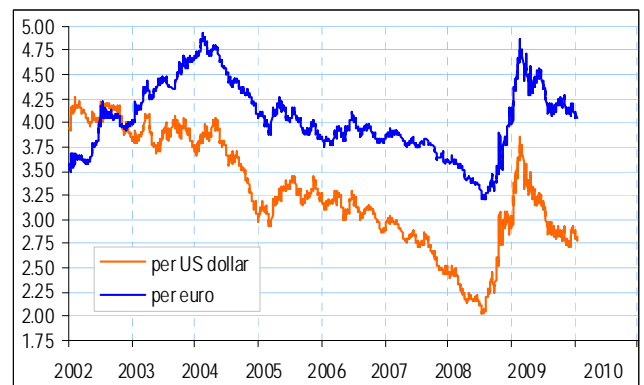
Many currencies that depreciated considerably against the US dollar over the course of 2008, and started 2009 at comparatively weak rates, reversed this trend and recovered part of their previous strength during 2009. However, in most cases the appreciation was not sufficient to make up for the terrain lost and the average rate of exchange of the US dollar against them in 2009 was still well above that of 2008, i.e. Polish zloty (+30%), Russian rouble (+28%), Mexican peso (+22%), Jamaican dollar (+21%), Turkish lira (+20%), Pound sterling (+18%), Argentine peso (+18%), Hungarian forint (+18%), Swedish krona (+16%), Korean won (+16%), Pakistan rupee (+16%), New-Zealand dollar (+12%), Norwegian krone (+12%), Czech koruna (+12%), Indian rupee (+12%), Colombian peso (+10%), Tunisian dinar (+10%), Israeli new shekel (+10%), Brazilian real (+9%), Indonesian rupiah (+8%), Chilean peso (+7%), Australian dollar (+7%), Philippine peso (+7%), Canadian dollar (+7%), Croatian kuna (+7%), Malaysian ringgit (+6%). In these cases, the euro gained as well, but by some 5 percentage points less.

On the other side of the spectrum are a few Asian currencies against which both the euro and US dollar weakened in 2009, most notably the Japanese yen (US\$ -10%, euro -15%) and to a far lesser extent the Chinese yuan (US\$ -2%, euro 7%) and Hong Kong dollar (US\$ -0.5%, euro -6%).

Exchange rate fluctuations in themselves are not expected to greatly influence overall tourism volumes, but might influence destination choice. Destinations with currencies

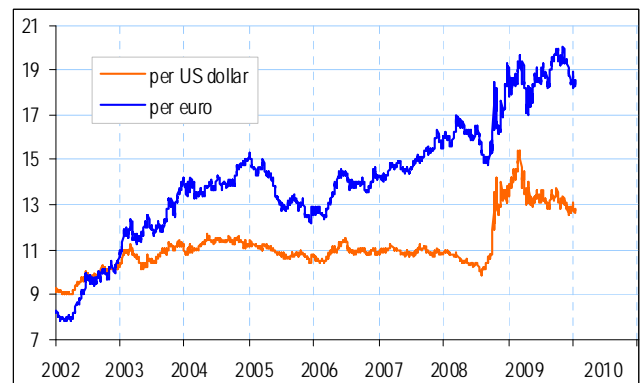
against which a source market's currency appreciates become comparatively more competitive. Thus, a weak pound sterling will benefit the UK as a destination, but make destinations with stronger currencies less attractive for tourists from UK. Of course, it is always necessary to monitor the specific combination of destination and source market. For instance, the Japanese yen strengthened vis-à-vis most currencies while the Korean won weakened, thereby benefiting flows from Japan to the Republic of Korea, but not the reverse. By the same token, some of the European destinations outside the euro area, such as Poland, Russian Federation, Czech Republic, Hungary, UK, Sweden and Norway, became more attractive last year for euro area source markets, while travel in the opposite direction became more costly.

Exchange rate Polish zloty



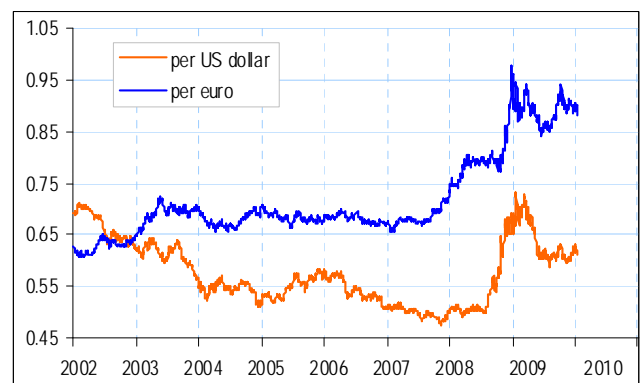
Source: De Nederlandse Bank

Exchange rate Mexican peso



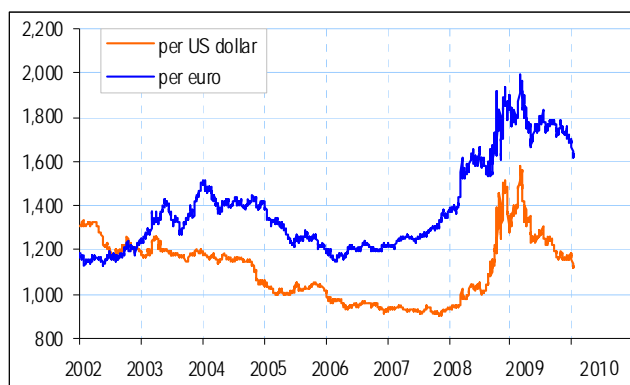
Source: De Nederlandse Bank

Exchange rate British pound



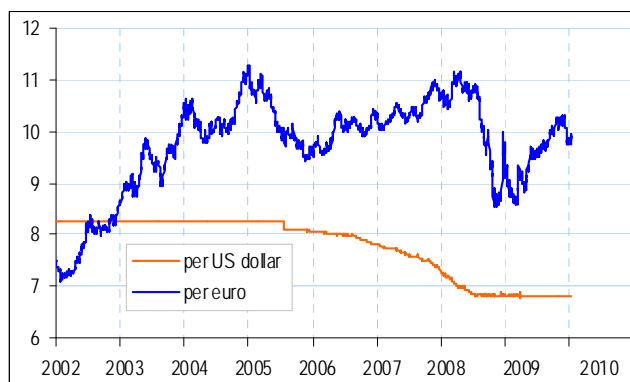
Source: De Nederlandse Bank

Exchange rate Korean won



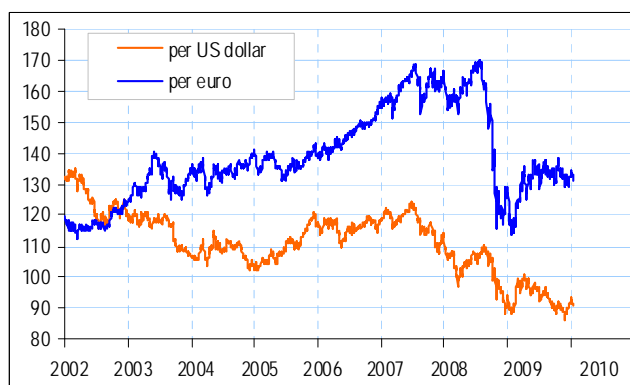
Source: De Nederlandse Bank

Exchange rate Chinese yuan renminbi



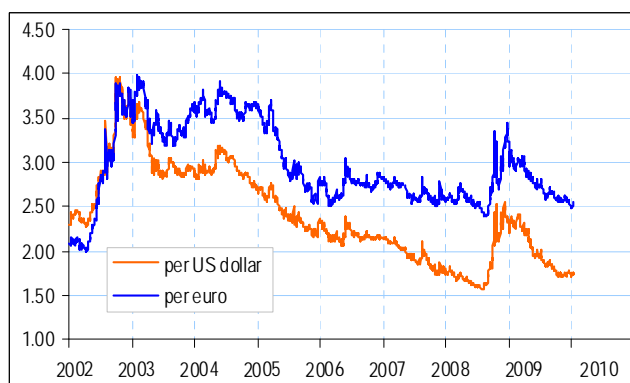
Source: De Nederlandse Bank

Exchange rate Japanese yen (100)



Source: De Nederlandse Bank

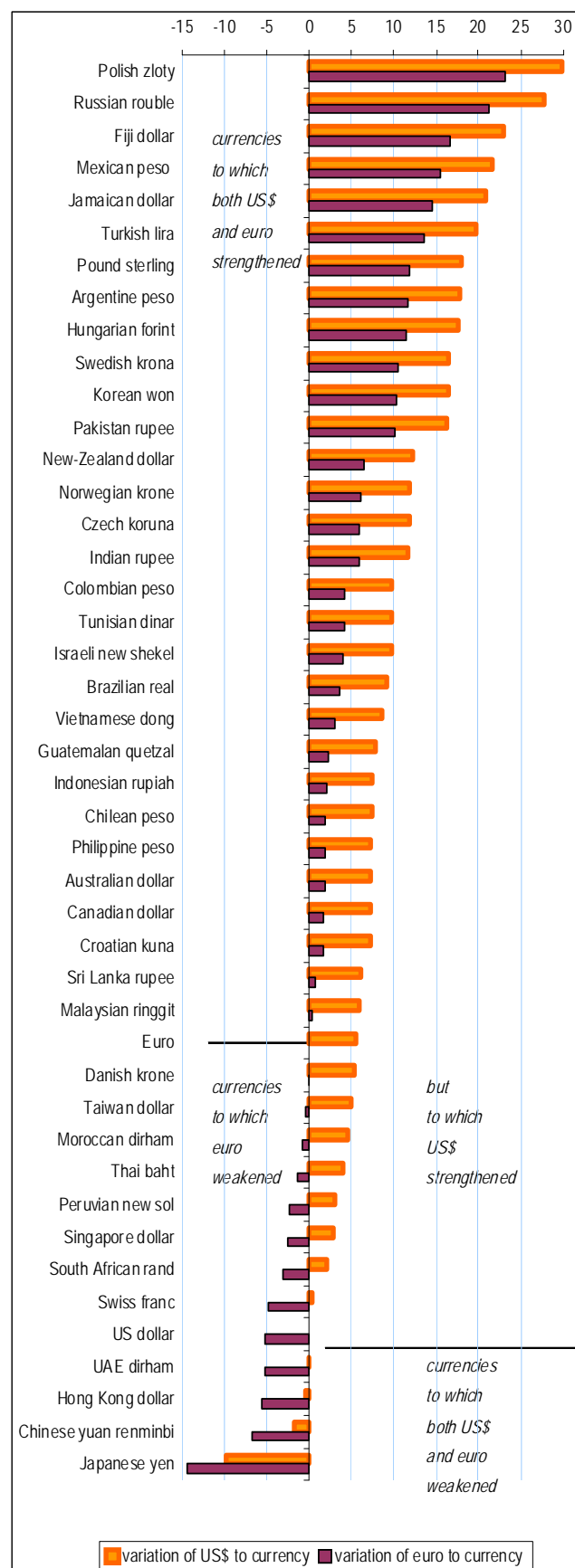
Exchange rate Brazilian real



Source: De Nederlandse Bank

Exchange rate of US dollar and euro to selected currencies

(% variation average 2009 / average 2008)



Source: compiled by UNWTO based on data from De Nederlandse Bank (DNB)/European Central Bank (ECB) and the Bank of Canada (BoC)

Exchange rates

	Currency units per US dollar									Currency units per euro								
	Average		08/07	09/08	2008	2009	year ago	O.-D.09		Average		08/07	09/08	2008	2009	year ago	O.-D.09	
	2008	2009	%	%	Dec	Oct	Dec			2008	2009	%	%	Dec	Oct	Dec		
US dollar										1.47	1.39	7.3	-5.2	1.34	1.48	1.46	8.7	-1.4
Canadian dollar	1.06	1.14	-1.0	7.2	1.23	1.05	1.05	-14.6	-0.1	1.56	1.59	6.2	1.6	1.66	1.56	1.54	-7.2	-1.4
Mexican peso	11.08	13.48	1.4	21.7	13.44	13.22	12.85	-4.4	-2.8	16.29	18.80	8.8	15.4	18.08	19.59	18.78	3.9	-4.1
Jamaican dollar	72.43	87.49	4.9	20.8	79.03	88.66	87.85	11.2	-0.9	106.54	122.04	12.6	14.5	106.29	131.36	128.38	20.8	-2.3
Guatemalan quetzal	7.55	8.14	-1.7	7.8	7.71	8.33	8.29	7.6	-0.4	11.11	11.35	5.5	2.2	10.37	12.34	12.12	16.9	-1.8
Honduran lempira	18.88	18.87	-0.1	-0.1	18.93	18.90	18.86	-0.4	-0.2	27.77	26.32	7.2	-5.2	25.46	28.00	27.56	8.2	-1.6
Argentine peso	3.20	3.77	1.7	17.7	3.48	3.83	3.82	9.6	-0.3	4.71	5.26	9.2	11.6	4.68	5.67	5.58	19.1	-1.7
Brazilian real	1.82	1.98	-6.4	9.1	2.40	1.74	1.75	-27.1	0.6	2.67	2.77	0.4	3.5	3.23	2.58	2.56	-20.8	-0.8
Chilean peso	518	557	-0.7	7.4	651	545	501	-23.0	-8.0	762	777	6.6	1.9	876	807	733	-16.3	-9.2
Colombian peso	1952	2143	-5.9	9.8	2261	1908	2016	-10.8	5.7	2870	2989	1.0	4.1	3041	2827	2946	-3.1	4.2
Peruvian new sol	2.91	3.00	-6.8	3.0	3.12	2.87	2.87	-7.9	0.0	4.29	4.19	0.0	-2.3	4.20	4.26	4.20	0.0	-1.4
Euro	0.68	0.72	-6.8	5.4	0.74	0.67	0.68	-8.0	1.4									
Danish krone	5.07	5.34	-6.8	5.3	5.54	5.02	5.09	-8.1	1.4	7.46	7.45	0.1	-0.1	7.45	7.44	7.44	-0.1	0.0
Swedish krona	6.54	7.61	-3.1	16.5	8.00	6.96	7.12	-10.9	2.3	9.62	10.62	3.9	10.4	10.75	10.31	10.41	-3.2	1.0
Pound sterling	0.54	0.64	8.4	18.0	0.67	0.62	0.62	-8.5	-0.4	0.80	0.89	16.4	11.9	0.90	0.92	0.90	-0.5	-1.7
Czech koruna	16.96	18.95	-16.3	11.7	19.42	17.45	17.85	-8.1	2.3	24.95	26.43	-10.2	6.0	26.12	25.86	26.09	-0.1	0.9
Hungarian forint	171	201	-6.8	17.5	197	181	187	-5.1	3.2	252	280	0.1	11.5	265	268	273	3.1	1.8
Polish zloty	2.39	3.10	-13.5	29.9	2.98	2.84	2.84	-4.8	-0.3	3.51	4.33	-7.2	23.2	4.00	4.21	4.14	3.5	-1.7
Croatian kuna	4.91	5.26	-8.3	7.1	5.37	4.89	4.99	-7.1	2.1	7.22	7.34	-1.5	1.6	7.22	7.24	7.29	0.9	0.7
Norwegian krone	5.59	6.26	-4.4	11.9	7.01	5.64	5.75	-17.9	2.0	8.22	8.73	2.6	6.1	9.42	8.36	8.41	-10.8	0.6
Swiss franc	1.08	1.08	-10.0	0.3	1.14	1.02	1.03	-10.2	0.6	1.59	1.51	-3.4	-4.9	1.54	1.51	1.50	-2.4	-0.8
Russian rouble	24.76	31.64	-3.1	27.8	28.18	29.44	30.04	6.6	2.0	36.42	44.14	4.0	21.2	37.90	43.62	43.90	15.8	0.6
Turkish lira	1.30	1.55	-0.6	19.6	1.55	1.47	1.51	-3.0	2.3	1.91	2.16	6.7	13.5	2.09	2.18	2.20	5.4	0.9
Israeli new shekel	3.57	3.92	-13.0	9.7	3.88	3.73	3.78	-2.5	1.5	5.25	5.46	-6.6	4.0	5.22	5.52	5.53	5.9	0.1
UAE dirham	3.67	3.67		0.0	3.68	3.67	3.67	-0.4	-0.2	5.40	5.12		-5.2	4.95	5.44	5.36	8.2	-1.6
Moroccan dirham	7.71	8.07	-5.8	4.6	8.32	7.68	7.77	-6.6	1.1	11.35	11.25	1.1	-0.8	11.19	11.39	11.35	1.5	-0.3
Tunisian dinar	1.23	1.35	-4.1	9.8	1.35	1.29	1.30	-3.3	1.1	1.80	1.88	2.9	4.1	1.81	1.91	1.91	5.1	-0.3
South African rand	8.20	8.37	16.3	2.1	9.98	7.49	7.48	-25.1	-0.2	12.06	11.67	24.8	-3.2	13.43	11.09	10.93	-18.6	-1.5
Japanese yen	104	93	-11.9	-9.8	91	90	90	-1.4	-0.7	152	130	-5.5	-14.5	123	134	131	7.1	-2.0
Chinese yuan renminbi	6.95	6.83	-8.6	-1.7	6.86	6.83	6.83	-0.4	0.0	10.22	9.53	-1.9	-6.8	9.22	10.12	9.98	8.2	-1.4
Hong Kong dollar	7.79	7.75	-0.2	-0.5	7.75	7.75	7.75	0.0	0.0	11.45	10.81	7.1	-5.6	10.42	11.48	11.33	8.7	-1.3
Taiwan dollar	31.47	33.00	-4.2	4.9	33.14	32.32	32.26	-2.6	-0.2	46.28	46.03	2.8	-0.5	44.57	47.89	47.15	5.8	-1.5
Singapore dollar	1.41	1.45	-6.3	2.8	1.48	1.40	1.40	-5.6	-0.2	2.08	2.02	0.6	-2.5	1.99	2.07	2.04	2.5	-1.6
Korean won	1092	1271	17.6	16.4	1376	1174	1165	-15.3	-0.8	1606	1773	26.2	10.4	1850	1740	1703	-7.9	-2.1
Thai baht	32.96	34.27	2.2	4.0	35.03	33.41	33.22	-5.2	-0.6	48.48	47.80	9.6	-1.4	47.11	49.50	48.54	3.1	-1.9
Malaysian ringgit	3.32	3.52	-3.2	5.8	3.55	3.40	3.41	-3.9	0.2	4.89	4.91	3.9	0.4	4.78	5.04	4.99	4.4	-1.1
Indonesian rupiah	9,631	10,355	5.4	7.5	11,359	9,488	9,464	-16.7	-0.3	14,165	14,444	13.1	2.0	15,277	14,057	13,831	-9.5	-1.6
Philippine peso	44.31	47.56	-3.6	7.3	47.96	46.85	46.33	-3.4	-1.1	65.17	66.34	3.4	1.8	64.51	69.42	67.71	5.0	-2.5
Vietnamese dong	16392	17793	1.8	8.5	17179	17883	18463	7.5	3.2	24109	24818	9.3	2.9	23104	26495	26982	16.8	1.8
Australian dollar	1.18	1.27	-0.7	7.3	1.49	1.10	1.11	-25.9	0.4	1.74	1.77	6.5	1.8	2.01	1.63	1.62	-19.5	-1.0
New-Zealand dollar	1.41	1.59	3.9	12.3	1.79	1.35	1.39	-22.2	3.0	2.08	2.21	11.5	6.5	2.41	2.01	2.04	-15.5	1.6
Fiji dollar	1.58	1.95	-1.5	22.9	1.81	1.89	1.91	5.7	0.7	2.33	2.71	5.8	16.6	2.43	2.81	2.79	14.9	-0.6
Indian rupee	43.25	48.29	5.1	11.7	48.44	46.72	46.59	-3.8	-0.3	63.61	67.36	12.8	5.9	65.15	69.22	68.09	4.5	-1.6
Pakistan rupee	70.21	81.59	15.5	16.2	78.93	83.27	83.92	6.3	0.8	103.26	113.80	23.9	10.2	106.16	123.38	122.65	15.5	-0.6
Sri Lanka rupee	108	115	-2.2	6.1	112	115	114	2.2	-0.6	159	160	5.0	0.7	150	170	167	11.1	-1.9

Source: compiled by UNWTO based on data from De Nederlandse Bank (DNB)/European Central Bank (ECB) and the Bank of Canada (BoC)

World Tourism Organization (UNWTO) Publications



UNWTO World Tourism Barometer

The *UNWTO World Tourism Barometer* offers a unique overview of short-term international tourism trends. It is developed by UNWTO with the aim to provide all those directly or indirectly involved in tourism with adequate up-to-date statistics and analysis in a timely fashion. Each issue contains three regular sections: an overview of short-term tourism trends including data on international tourist arrivals, tourism receipts and expenditure for over 100 countries worldwide and data on air transport on major routes; a retrospective and prospective evaluation of current tourism performance by the members of the UNWTO Panel of Tourism Experts; and selected economic data relevant for tourism. The *UNWTO World Tourism Barometer* is updated in January, June and October.

Available in English, French and Spanish in print and PDF version



Price: € 70, 3 issues
(PDF version)
€ 100 (PDF and
print version)

The Indian Outbound Travel Market with Special Insight into the Image of Europe as a Destination

India is one of the fastest-growing outbound travel markets in the world. Trips abroad have grown from 3.7 (1997) to 9.8 million (2007) and international tourism expenditure has increased from US\$ 1.3 (1997) to US\$ 8.2 billion (2008). With more than 1.1 billion inhabitants and GDP increasing by more than 8% every year, the country offers enormous potential for future growth in outbound travel. Recognizing the importance of this market, the ETC and the UNWTO have undertaken detailed research on the Indian outbound market. This publication covers issues such as travellers' behaviour and patterns – destination choice, purpose of travel, spending, holiday activities and market segmentation, as well as the media or internet use trends. The report also sets out recommendations on how to best promote a destination in the Indian market.

Available in English



Published: 2009
Price: € 75

Handbook on Tourism Destination Branding

All over, governments have become aware of tourism's power to boost their nation's development and prosperity. As more tourism destinations emerge and competition for visitors becomes more intense, a destination's ability to project itself on the world stage and differentiate itself from others is ever more important. Recognizing the value of successfully building and managing a destination's brand, the ETC and the UNWTO provide a useful and practical handbook for both marketing novices and experienced destination managers. Introduced by Simon Anholt, it offers a step-by-step guide to the branding process accompanied by strategies for brand management. Case studies illustrate the various concepts, present best practices from around the world and provide fresh insight into destination branding. It concludes with a section on evaluating brand impact and a set of practical recommendations.

Available in English



Published: 2009
Price: € 75

The Chinese Outbound Travel Market with Special Insight into the Image of Europe as a Destination

China is one of the fastest growing outbound markets in the world. Rising incomes and relaxation of restrictions on foreign travel led to a growth of 22% a year in trips abroad since 2000 (34.5 million in 2006). China ranks 5th worldwide in terms of spending on international tourism (US\$ 30 billion in 2007). In 1995, the World Tourism Organization (UNWTO) predicted that China would generate 100 million arrivals worldwide by 2020, making it the fourth largest market in the world (Tourism 2020 Vision). In view of recent trends, China may reach that target well before 2020. To better understand the structure and trends of this market is the aim of the new ETC/UNWTO report *The Chinese Outbound Travel Market with Special Insight into the Image of Europe as a Destination*.

Available in English

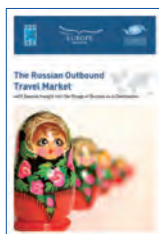


Published: 2008
Price: € 75

The Russian Outbound Travel Market with Special Insight into the Image of Europe as a Destination

Russia is the 9th biggest outbound travel market in the world, generating in 2007 US\$ 22 billion in spending abroad. To better understand the structure and trends of this growing market is the aim of this ETC/UNWTO report, which identifies key trends in the Russian outbound travel – among others, the market size and value, growth in trip volume and spending, purpose of trip, destination choice, the role of the travel trade and online distribution. In addition, the publication provides information on government policy affecting outbound travel, notably visa issues and traffic rights for foreign airlines operating to/from the country. All this information is critical to helping destinations and commercial operators plan ahead with greater foresight, providing guidance on the short-term opportunities and the longer-term potential for investment in this market.

Available in English



Published: 2009
Price: € 75

Handbook on Tourism Forecasting Methodologies

Tourism demand is a complex phenomenon which can be affected by an incredible number of different exogenous factors – economy, fuel prices, infrastructure, natural disasters, the image of a destination, etc. Therefore, tourism demand, in all of its different forms, is one of the most difficult variables to foresee. Nonetheless, it gets more and more important for destinations and private sector alike to anticipate demand trends and use such knowledge as a basis of management decisions and planning. This *Handbook on Tourism Forecasting Methodologies* aims to be a simple guide to the complex world of tourism forecasting. It presents the basic forecasting techniques, their advantages and disadvantages as well as some practical examples of such methodologies in action. It also includes a CD where the methodologies are further explained and exemplified in an excel file.

Available in English



Published: 2008
Price: € 45

Handbook on E-marketing for Tourism Destinations

This handbook is the first of its kind for tourism destinations. It is a practical 'how-to' manual designed to help staff at national, regional and city tourism organisations, to improve their e-marketing skills and manage new projects. It covers all the basics such as web design, search engine optimisation, social networking and e-commerce, and advises among others on how to build better content, get distribution of it, use CRM, succeed with online PR and get into mobile marketing. Web analytics, online research methods, and performance measurement get full treatment and new areas like digital television are covered. Also, it includes over 30 examples of e-marketing in action.

Available in English



Published: 2008
Price: € 75

Cruise Tourism – Current Situation and Trends

Over the past years, worldwide demand for cruise tourism has posted some of the biggest gains within the tourism sector. The constant dynamism in cruise activity, as well as the increasing number of countries that include cruises as a key product for their tourism development, has led to update and expand the first edition of the UNWTO study of 2003. This new study discusses subjects like the current supply and demand for cruises as well as its characteristics and trends. A new element includes the relationship between destinations and cruise lines, analysing key factors such as legislation, promotion and the economic impact of cruises through reference cases. It presents current trends in this industry in terms of innovation, safety and security, and sustainability, and identifies the major lines that will shape the sector.

Available in Spanish, only



Published: 2008
Price: € 80

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