

International Tourist Arrivals back at 2008 pre-crisis peak level

Results through August 2010 prove that international tourism continues to recover from the decline of 4.2% suffered last year under the impact of the financial and economic crisis. In the first eight months of this year, the number of international tourist arrivals exceeded the record achieved during the same period of the pre-crisis year 2008. Based on monthly or quarterly data available for 150 destination countries, the number of international tourist arrivals worldwide between January and August 2010 is estimated at 642 million. This is some 40 million more than in same months of 2009 (+7%) and one million more than in the same period of the record year 2008. Based on current trends, international tourist arrivals are projected to increase in the range of 5%-6% over the full year. In 2011, growth is expected to continue at a more moderate pace, at around the long-term average of 4%.

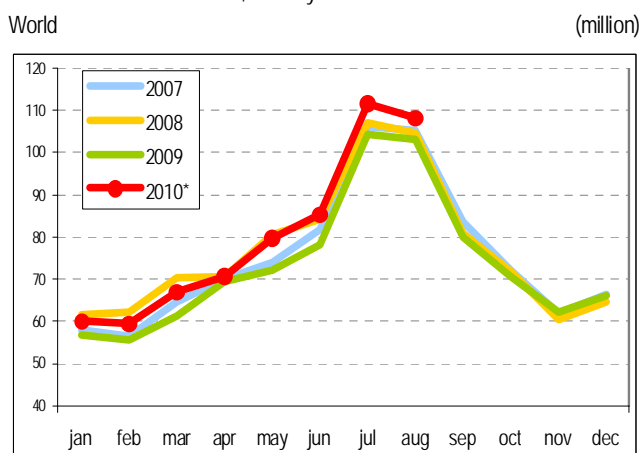
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UNWTO Panel of Tourism Experts *Sharp rise in business confidence*

The improved performance of the travel and tourism industry in the four months from May through August 2010, anticipated by UNWTO's Panel of Experts in the last issue of the Barometer, is firmly confirmed by the latest 'evaluation'. With an average score of 128, the overall rating has not been as positive since late 2007. The score is up 14 points on the evaluation given four months ago for the January through April period, and 9 points higher than the prospect expressed four months ago at the start of that period. Confidence has continued to rise as the year progressed, as confirmed by the rating of 129 given by the Panel for 'prospects' for September to December 2010. Prospects are up for the fifth consecutive time since the trough in January-April 2009. (Continued on page 17)

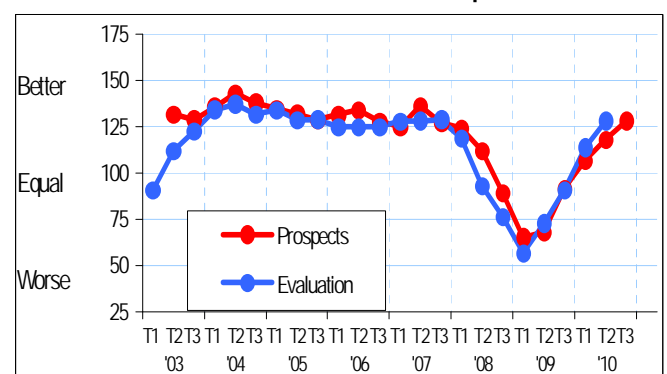
International Tourist Arrivals, monthly evolution



Source: World Tourism Organization (UNWTO) ©

July and August, the traditional high-season months of the Northern Hemisphere, clearly set new records, attracting respectively 112 million and 108 million international arrivals. These 220 million represented an extra 8 million arrivals over arrivals in the peak year 2008, and 12 million more compared with the crisis year 2009. (Continued on page 5)

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 Tourism Trends and Marketing Strategies Programme, 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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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 161 countries and territories and more than 400 Affiliate Members representing local governments, tourism associations and private sector companies including airlines, hotel groups and tour operators.

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The next full issue of the *UNWTO World Tourism Barometer* will be published mid January 2011 by the occasion of the Spanish tourism fair Fitur.

Explanation of abbreviations and signs used

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

Q1: January, February, March T1: from January to April
Q2: April, May, June T2: from May to August
Q3: July, August, September T3: from September to December
Q4: October, November, December

H1: from January to June
H2: from July to 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.

UNWTO World Tourism Barometer, October 2010

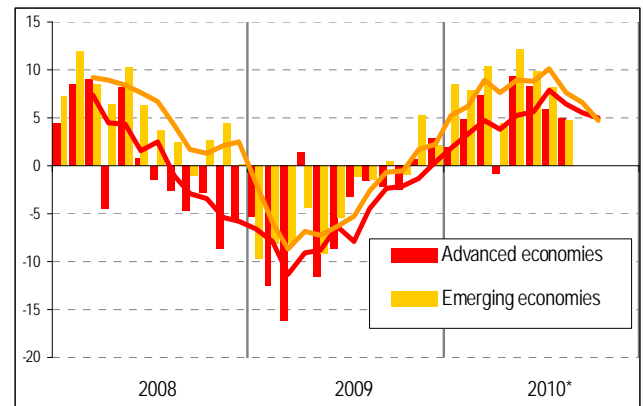
Quick overview of key trends

International tourism January-August 2010

- Worldwide, International Tourist Arrivals increased by 7% between January and August 2010, thus continuing the recovery trend started in the last quarter of 2009. Results are positive in all world regions, although emerging economies are leading the way, growing at a rate of 8% compared with 5% for advanced economies.
- Based on monthly or quarterly data for 150 destination countries, the number of International Tourist Arrivals worldwide in the first eight months of this year is estimated at 642 million, some 40 million up from the same period in 2009 and 1 extra million compared to pre-crisis peak year 2008.
- July and August, the traditional high-season months of the Northern Hemisphere, clearly set new records, attracting 220 million international arrivals, representing an extra 8 million arrivals over the peak year 2008, and 12 million more compared with the crisis year 2009.
- International Tourism Receipts show a similar trend to that of arrivals, but growing at a somewhat more moderate pace (+5% to +6%). This gap may be explained by persisting price competition, shorter stays and larger volumes of arrivals in value for money destinations.
- Emerging economies are leading the rebound of International Tourism Expenditure, with Brazil (+54%), the Russian Federation (+26%) and China (+22%) posting the strongest growth among the major spenders. Expenditure among the advanced economies has generally been restrained, but there has been a modest growth from the USA (+3%), Italy (+3%), Germany (+2%) and France (+2%), as well as a recovery in spending by Japanese on outbound tourism (+8%).
- All world regions showed positive results, but with different speeds of recovery:
 - Asia and the Pacific**, the region to have first shown signs of a rebound at the end of 2009, posted an impressive +14%. Compared with the pre-crisis year of 2008, the region has already gained an extra 10 million international tourist arrivals. Most destinations have registered double-digit growth rates, many even above 20%, showing once again resilience and a strong capacity for recovery.
 - Growth was also strong in the **Middle East** (+16%), although this was on a very depressed first eight months in 2009.
 - Africa** (+9%), the only region to show growth in 2009, maintained momentum, further helped by the worldwide publicity created by the FIFA World Football Cup hosted by South Africa.
 - In the **Americas** (+8%), growth has been strong in North and Central America (+9% each). South America (+7%) is on a par with the worldwide average, while the Caribbean (+3%) is showing a lower rate of growth.

International Tourist Arrivals, monthly evolution
Advanced economies & Emerging economies

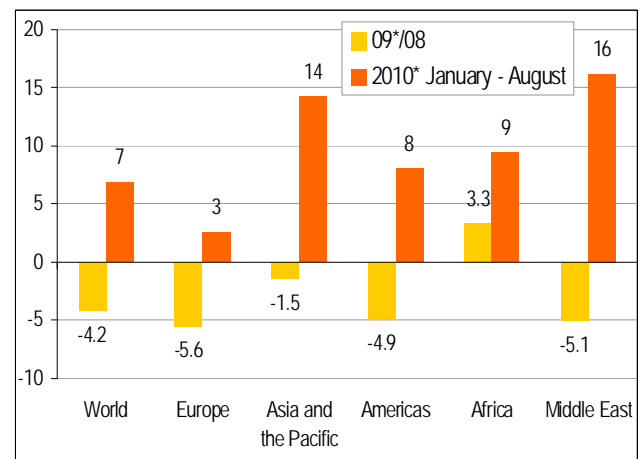
(% change)



Source: World Tourism Organization (UNWTO) ©

International Tourist Arrivals

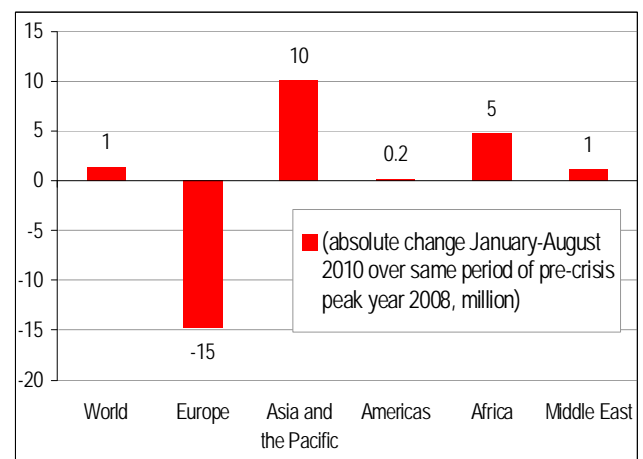
(% change)



Source: World Tourism Organization (UNWTO) ©

International Tourist Arrivals

(change 2010/2008, million)

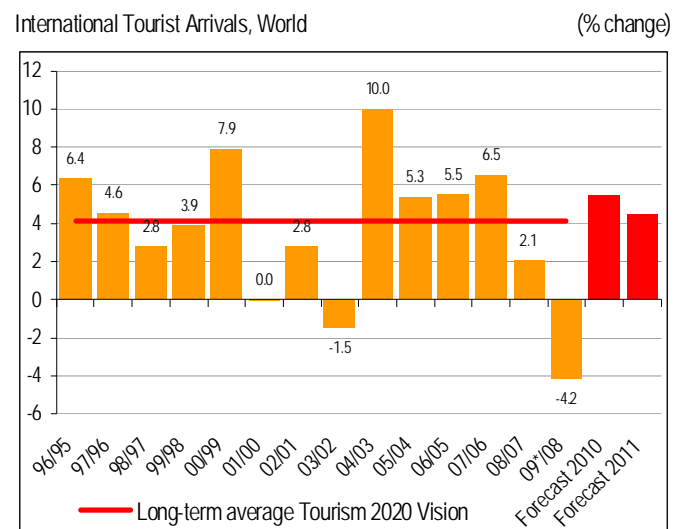


Source: World Tourism Organization (UNWTO) ©

- **Europe** (+3%) is recovering at a slower pace, due to the uneven economic recovery and the impact of the volcanic ash cloud in April. However, most destinations reported positive figures from May, in particular in Western Europe (+4%), Central and Eastern Europe (+4%) and Southern and Mediterranean Europe (+2%). Northern Europe (-3%) is the only sub-region in the world still registering negative results, pulling the average of the region down.
- The pace of recovery of international tourism is confirmed by air transport data. The International Air Transport Association (IATA) reported an 8% increase in passenger traffic on international scheduled routes, expressed in revenue passenger-km (RPK), for January through September. The recovery of international traffic demand is led by a strong return of business and long-haul travel. Airport Council International (ACI) reports a 7% growth in international passengers and 6% growth for domestic passengers for the world's airports through September.
- The hospitality industry continued to gather momentum during the first eight months of the year, as reported by Deloitte based on STR Global data. Again, Asia and the Pacific led the growth, although none of the world regions is expected to return to 2008 peak performance.

Prospects for the full year 2010 and 2011

- The positive trend during 2010 is reflected in the steady rise of the UNWTO Tourism Confidence Index. Through the year the evaluation consistently exceeded prospects and confidence is now up to the level seen before the crisis in 2007. The rating of prospects for the period September-December has also further improved, and is up for the fifth consecutive period from the deep trough a year ago.
- Preliminary September data, available for some 50 countries, together with the air transport data, clearly point to another sound month.
- For the last quarter of the year the pace of growth is expected to slow down, as it compares with an already positive last quarter of 2009. The faster than expected recovery has led UNWTO to revise its forecast for international tourist arrivals for the full year 2010 at +5% to +6%, thus exceeding 2009's total by some 45 million to 50 million, and even improving on the record, pre-crisis 2008 count by 5 million to 10 million. By the end of the current year all regions are expected to have returned to real growth, with exception of Europe.
- In 2011, growth is expected to continue at a more moderate pace. The first assessment for 2011 points to an increase in international tourist arrivals worldwide in the range of 4% to 5%, somewhat above the long-term average of 4%.
- The two-speed economy in which we currently live, and which will last for the foreseeable future, favours emerging destinations and outbound markets, which will quickly gain market share in international tourism. Almost all of the members of Euromonitor's 'Millionaires Departure Club', that is countries generating an excess of 1 million new departures between 2009 and 2014, are emerging economies.
- Emerging destinations will continue to lead the growth, taking advantage of a far from exhausted demand from neighbouring countries. In domestic tourism the shift in power has already occurred, mostly thanks to China's, India's and Brazil's large domestic markets.
- Serious challenges remain, such as the return of financial stability, deficit-reduction policies and the central issue of unemployment, which almost exclusively affect advanced economies. A possible increase in the number of taxes on travel and tourism (a popular cash cow), and tougher visa restrictions would further contribute to dampening demand in the short and possibly longer term.
- Tourism has been seriously impacted by the global crisis, but less than other export sectors, proving to be one of the most dynamic economic sectors, and a key driver in creating so much needed growth and employment. The end of a turbulent period should be welcomed as the appropriate time to reflect on the critical issues highlighted by the crisis and to strengthen the resilience of the sector.



Source: World Tourism Organization (UNWTO) ©

Inbound Tourism: short-term trends 2010

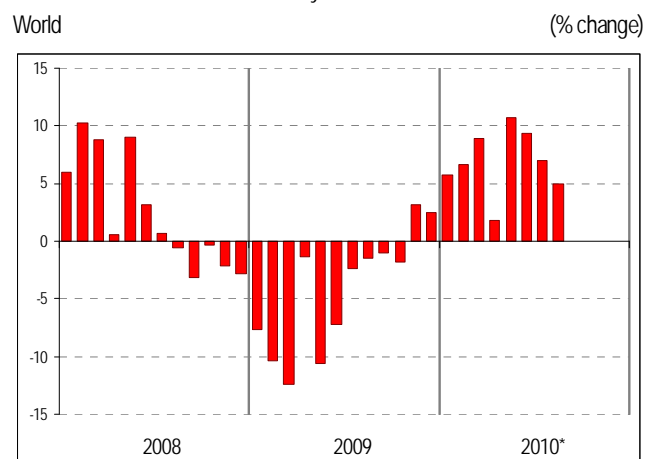
World

(Continued from page 1)

Worldwide, international tourist arrivals grew by 7% in the first eight months of 2010 compared to the same period of 2009. An analysis of monthly growth trends since the beginning of the year confirms that May was the best month (+11%), following a disappointing April (+2%) when demand was negatively affected by the suspension of flights due to the ash clouds from Iceland's erupting volcano. Since then, despite a slight slowdown in August (attributed in part to the impact of Ramadan), monthly growth rates have been well above the long-term average, confirming the resilience of the recovery. Of course it should be remembered that the first half of 2010 contrasts with the seriously negative trend during those same months a year earlier, while in the second half of 2009 recovery was already underway in many subregions (which means the base level for comparison was higher).

Results are positive in all world regions. Emerging economies however continue to lead the way, growing through August at a rate of 8% compared with 5% for advanced economies. Although recovery is still lagging in

International Tourist Arrivals, monthly evolution



Source: World Tourism Organization (UNWTO) ©

parts of Europe and the Americas, many destinations are already showing real growth and setting new records.

Asia and the Pacific has once again shown resilience and a strong capacity for recovery. The region was caught quite early and suddenly by the economic crisis but was also the first to show signs of recovery, posting an impressive 14% growth in international arrivals through August 2010. Most destinations have registered double-digit growth rates, many even above 20%. Growth was

International Tourist Arrivals by (Sub)region

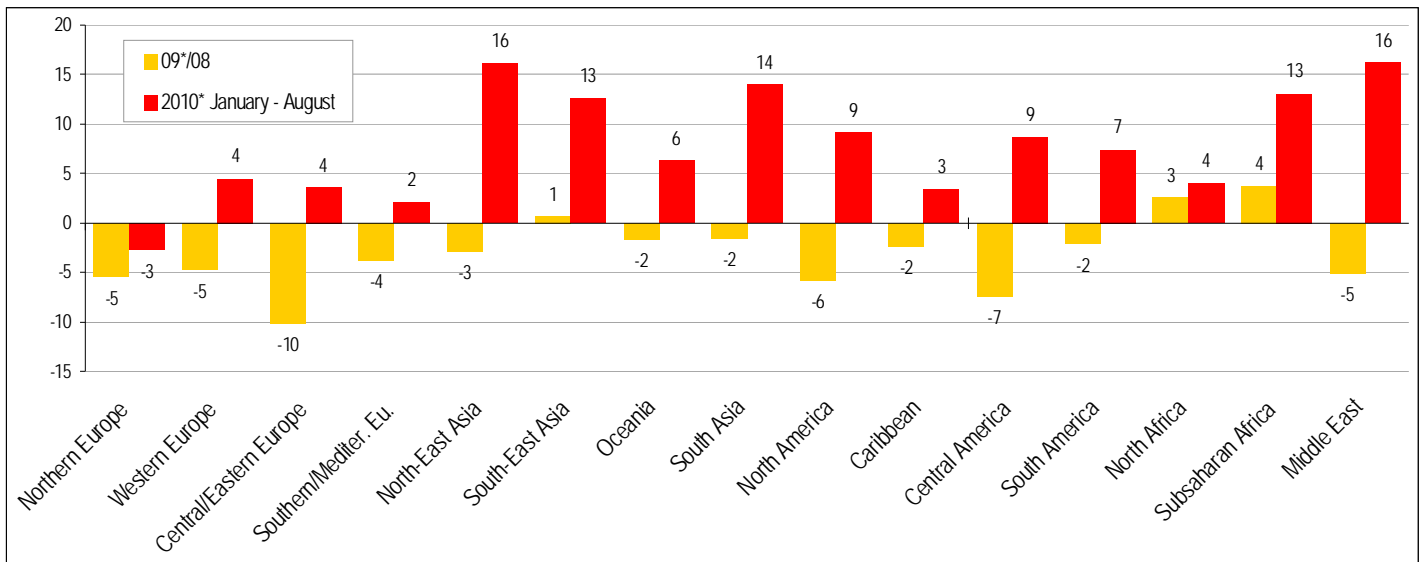
	Full year				Share	Change		Monthly or quarterly data series														
	2000	2005	2008	2009		2009	08/07	09/08	(percentage change over same period of the previous year)													
	(million)	(%)	(%)	(%)	(%)	(%)	(%)	2010*	2009													
								YTD	Q1	Q2	Mar	Apr	May	Jun	Jul	Aug	J.-J.	J.-D.	Q1	Q2	Q3	Q4
World	683	801	919	880	100	2.1	-4.2	6.8	7.1	7.4	8.9	1.8	10.7	9.3	7.0	5.0	-8.3	-0.6	-10.3	-6.7	-1.8	1.6
Advanced economies	423	451	495	470	53.4	-0.3	-4.9	5.5	4.9	5.9	7.3	-0.8	9.4	8.3	6.0	5.0	-9.0	-1.5	-11.8	-6.9	-2.4	0.1
Emerging economies	260	350	424	410	46.6	5.0	-3.3	8.1	8.9	8.8	10.3	4.4	12.2	9.9	8.2	4.8	-7.5	0.5	-9.0	-6.7	-1.1	3.0
<i>Europe</i>	392.2	439.9	486.3	459.3	52.2	0.5	-5.6	2.6	1.5	2.8	4.1	-2.5	5.8	4.2	3.2	2.8	-9.6	-2.3	-12.9	-7.4	-2.1	-2.7
Northern Europe	43.7	52.8	56.4	53.4	6.1	-2.9	-5.5	-2.7	-5.6	-3.6	-8.4	-11.4	1.1	-1.7	1.0	-0.7	-8.3	-3.0	-11.6	-5.9	-4.2	-0.7
Western Europe	139.7	141.7	153.2	146.0	16.6	-0.4	-4.7	4.5	3.1	5.4	9.0	1.7	7.9	5.9	5.4	3.6	-9.2	-1.1	-13.1	-6.3	-0.1	-3.1
Central/Eastern Eu.	69.3	87.5	100.0	89.9	10.2	3.5	-10.1	3.6	0.8	4.4	0.9	3.3	5.3	4.7	4.3	5.2	-13.5	-7.2	-14.4	-12.9	-6.6	-8.1
Southern/Mediterr. Eu.	139.5	158.0	176.7	170.0	19.3	0.7	-3.8	2.1	3.4	1.9	6.2	-6.3	5.8	4.3	1.6	2.0	-8.1	-0.4	-12.3	-5.9	-0.9	0.7
<i>Asia and the Pacific</i>	110.1	153.6	184.1	181.2	20.6	1.1	-1.5	14.2	13.0	15.3	13.5	8.8	18.2	20.0	17.7	11.3	-6.8	3.9	-7.5	-6.2	0.8	6.7
North-East Asia	58.3	86.0	101.0	98.1	11.1	0.0	-2.9	16.1	11.4	21.0	13.7	11.1	26.1	28.1	20.2	12.1	-7.5	1.8	-7.6	-7.5	-0.5	4.1
South-East Asia	36.1	48.5	61.8	62.2	7.1	3.5	0.6	12.6	16.1	8.6	13.4	7.5	7.7	10.6	16.4	9.8	-6.2	7.8	-7.0	-5.3	3.7	11.8
Oceania	9.6	11.0	11.1	10.9	1.2	-0.9	-1.7	6.3	6.5	3.9	8.4	-3.7	3.6	13.5	9.7	8.4	-4.7	1.1	-5.7	-3.1	-0.8	2.8
South Asia	6.1	8.1	10.3	10.1	1.1	1.1	-1.5	13.9	17.0	11.5	18.2	4.4	18.4	12.4	10.8	14.4	-6.2	5.3	-11.6	-0.2	-1.1	7.3
<i>Americas</i>	128.9	134.1	147.8	140.6	16.0	2.7	-4.9	8.0	5.3	8.3	8.8	-0.1	14.3	11.6	10.5	11.4	-7.2	-2.6	-7.0	-7.3	-5.8	1.3
North America	91.5	89.9	97.7	92.1	10.5	2.6	-5.8	9.1	4.8	10.4	8.9	0.2	17.8	14.1	11.1	12.9	-8.7	-3.2	-7.7	-9.6	-5.7	0.1
Caribbean	17.1	18.8	20.0	19.6	2.2	0.9	-2.3	3.4	5.7	1.0	10.3	-0.4	0.9	2.6	4.1	2.4	-5.6	1.5	-8.2	-2.3	0.2	2.9
Central America	4.3	6.3	8.2	7.6	0.9	6.4	-7.4	8.7	7.0	9.6	12.4	-1.0	18.7	13.7	10.3	10.2	-8.8	-5.9	-7.0	-10.9	-8.4	-3.5
South America	15.9	19.1	21.8	21.3	2.4	3.9	-2.3	7.4	5.8	5.5	5.8	-0.9	10.4	7.9	14.7	12.5	-2.0	-2.2	-3.8	2.0	-10.5	7.0
<i>Africa</i>	26.5	35.4	44.5	46.0	5.2	2.8	3.3	9.4	8.7	11.6	8.5	1.6	11.6	21.3	10.4	4.6	7.1	0.3	1.3	7.9	3.8	4.4
North Africa	10.2	13.9	17.1	17.6	2.0	4.8	2.5	4.0	9.3	4.4	11.2	-5.5	8.8	9.2	5.3	-6.4	5.3	0.6	2.2	7.5	-1.6	4.4
Subsaharan Africa	16.3	21.5	27.4	28.4	3.2	1.5	3.8	13.1	8.5	16.4	7.2	5.9	13.4	30.7	16.3	13.5	8.1	0.2	0.9	8.2	8.9	4.4
<i>Middle East</i>	24.9	37.8	55.9	53.0	6.0	19.2	-5.1	16.2	25.6	18.8	24.5	16.4	25.8	14.8	9.7	-4.6	-16.1	6.1	-20.4	-10.8	0.3	10.0

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO October 2010)

International Tourist Arrivals

(% change over same period of the previous year)



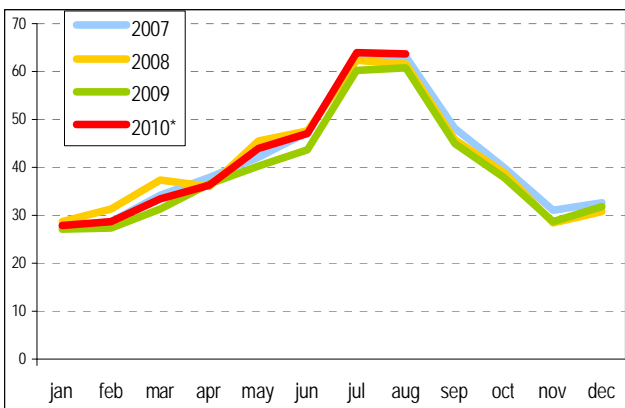
Source: World Tourism Organization (UNWTO) ©

strong in North and Central America (+9% each). South America (+7%) is on a par with the worldwide average, while the Caribbean (+3%) is showing the lowest rate. Europe (+3%) is recovering at a slower pace, due to the uneven economic recovery and the impact of the closure of European airspace because of the volcanic ash cloud in April. However, most destinations reported positive figures for the period May to August, in particular in Western Europe (+4%), Central and Eastern Europe (+4%) and Southern and Mediterranean Europe (+2%). Northern Europe (-3%) is the only sub-region in the world still registering negative results, pulling the average for the region down.

International Tourist Arrivals, monthly evolution

Advanced economies

(million)



Source: World Tourism Organization (UNWTO) ©

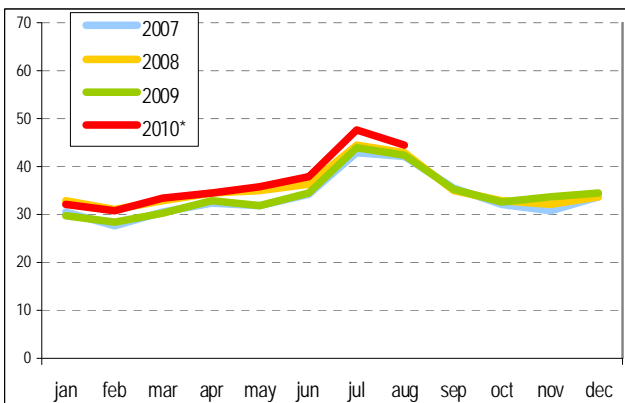
Growth compared to pre-crisis peak year 2008

The return to growth in 2010, in contrast to the depressed base of the same months of 2009 that represented the worst of the economic crisis (in which arrivals declined by -6% through August), needs of course to be viewed with caution. While many destinations are already recording new peak figures showing real growth, recovery is still lagging in parts of Europe and the Americas.

International Tourist Arrivals, monthly evolution

Emerging economies

(million)



Source: World Tourism Organization (UNWTO) ©

Compared to the same period of the pre-crisis peak year 2008, worldwide international tourist arrivals increased by 1 million through August. Asia and the Pacific has already gained an extra 10 million international arrivals (+8%). Africa has increased its numbers by almost 5 million (+16%) and the Middle East by just over 1 million (+3%). The Americas is currently at the same level as it was in 2008 (0%), while Europe is still showing a deficit of 15 million (-4%).

also strong in the Middle East (+16%), although this was on a very depressed first eight months in 2009. Africa (+9%), the only region to achieve growth in 2009, maintained its momentum, further helped by the worldwide publicity created by the FIFA World Football Cup hosted by South Africa. In the Americas (+8%), growth has been

Tourism Receipts and Expenditure still lagging behind

Most countries have so far only reported receipts and expenditure data for the first half of 2010. As is generally

the trend in recovery periods, international tourism receipts continue to lag somewhat behind arrivals in many destinations. The same trend is observed in tourism expenditure from the major source markets. Following major shocks, volume (arrivals) tends to recover faster than income (receipts), as competition is tougher and suppliers try hard to contain prices, and travellers tend to travel closer to home, for shorter periods of time, and seek to value for money. Despite the resilience of the travel and tourism industry, many stakeholders are still hurting from the past two years and are doing little but keep the hatches battened down, keeping costs low, and focusing only on business offering the best returns.

Among the top ten markets, in terms of expenditure abroad, positive but modest increases have come from traditional source markets, particularly from, the USA (+3%), Italy (+3%), France (+2%), Germany (+2%) and Japan (+8%). As in recent years, emerging economies are driving the market's growth and showing strong increases in tourism expenditure abroad, most notably China (+22%), the Russia Federation (+26%) and Brazil (+54%).

Outlook for the full year 2010 and 2011

As on previous occasions, such as after the 9/11 attacks in 2001 and the SARS outbreak in 2003, tourism has again confirmed a strong capacity for recovery. Following a decline of 4% in international tourist arrivals in 2009, the sector is showing real growth and is expected to beat previous records by the end of 2010.

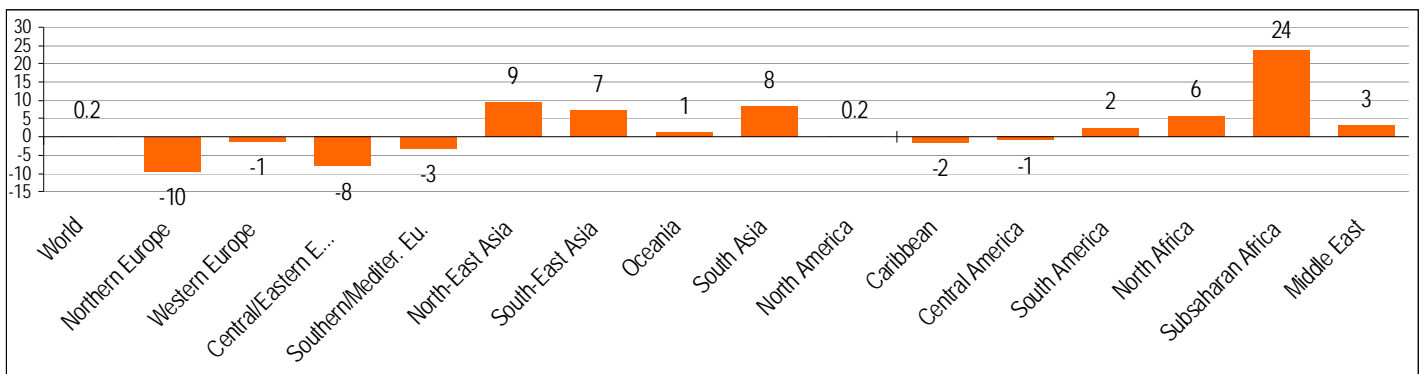
The positive trend during 2010 is reflected in the steady rise of the UNWTO Tourism Confidence Index. A clear majority of the members of the UNWTO Panel of Experts evaluated the past eight months of 2010 as “better” or “much better”. Through the year the evaluation (of recent months) consistently exceeded prospects (for the same months, as given four months earlier) and confidence is now up to the level seen before the crisis in 2007. The rating of prospects for the period September-December has also further improved, and is up for the fifth consecutive period from the deep trough a year ago.

So far the rebound in arrivals numbers has turned out to be stronger than initially anticipated. In a normal year, international tourist arrivals in the first eight months of the year usually account for about 70% of the yearly total. The 50 countries that have already reported September data, together with the air transport data, clearly point to another sound month. For the last quarter of the year the pace of growth is expected to slow down, as it compares with an already positive last quarter of 2009. Based on the current trend, international tourist arrivals are projected to increase by 5%-6% for the full year of 2010, thus exceeding 2009's total by some 45 million to 50 million, and even improving on the record, pre-crisis 2008 count by 5 million to 10 million.

In 2011, growth is expected to continue at a gradually more moderate pace. The first assessment for 2011 points to an increase in international tourist arrivals worldwide in the range of 4% to 5%, somewhat above the long-term average of 4%. (See further page 15)

International Tourist Arrivals

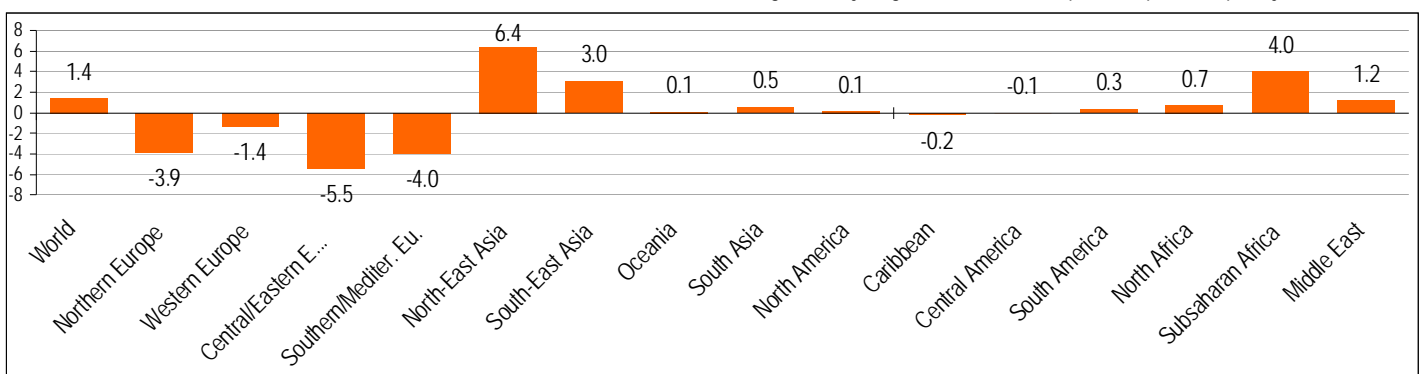
(% change January-August 2010 over same period of pre-crisis peak year 2008)



Source: World Tourism Organization (UNWTO) ©

International Tourist Arrivals

(absolute change January-August 2010 over same period of pre-crisis peak year 2008, million)



Source: World Tourism Organization (UNWTO) ©

Risks, challenges and opportunities

The marked variation in trends from one region to another reflects the fact – as highlighted by the International Monetary Fund's (IMF's) most recent update – that the world has moved into a two-speed economy, and this is the world in which we can expect to live for the foreseeable future. According to the most recent forecasts, the IMF expects GDP growth of 2.7% this year for the advanced economies, while the emerging economies are projected to grow by 7.1%. The respective forecasts for annual growth in 2011-15 are 2% and 6% respectively.

There is little doubt that tourism growth, like economic growth generally, will in future be driven by the emerging economies, and especially the BRICs – Brazil, Russia, India and China. Advanced economies, which still account for two thirds of the world's production, cannot be rapidly bailed out by the emerging markets. Tourism demand from the advanced economies will remain predominant in the short time, but bound to be influenced by factors such as unemployment, rising interest rates (which some expect around the corner) and the general economic uncertainties.

As previously stressed by UNWTO, there are risk factors which could affect the pace of the sector's recovery in many advanced economies, notably budget constraints to balance public deficits in main source markets and the central issue of unemployment. At a time when another shot of public sector support might be needed to stimulate economic growth and job creation, key economies are heading fast in the other direction – ie moving towards balanced budgets.

We are also likely to see a growing number of taxes on travel and tourism (it is an increasingly popular cash cow), and tougher visa restrictions (in the name of security) – both of which will contribute to dampening demand in the short and possibly longer term. In spite of tourism's proven contribution to the economy, there has been an increased temptation to introduce and increase taxation on travel, particularly on air transport. These impediments seriously affect tourism's capacity to generate jobs and stimulate economic growth, namely through export earnings that are crucial to a stable economic recovery.

Unemployment remains high in most of Europe and North America and civil unrest is growing, with strikes across Europe as unions and public sector workers try to resist budgetary policies that will be aimed at their benefits, but which are necessary if state budgets are to be more balanced. Just recently, the International Labour Organization (ILO) warned that the job crisis is set to continue through 2015. The latest figures highlight tourism as one of the most promising sectors to contribute to the unemployment challenge, considering that job creation in tourism tends to outgrow that of other sectors.

Apart from external economic and social conditions, the tourism sector faces many internal challenges in

adjusting business models to the future. While advanced economies still hold the larger share of arrivals, the different pace of recovery favours emerging destinations, which will quickly gain market share. An increasing part of new tourism demand is also being generated in emerging economies, which represent appealing markets, for long-haul as well as for short- and medium-haul travel.

Innovation and diversification are the factors modifying the dynamics of the competitive environment. The first is required to catch the attention of visitors, and the latter to cope with geographically and culturally dispersed demand. In some economies, as for instance Germany, these factors seem to be able to reduce the longer-term impacts of crises such as the one just experienced.

Most importantly, for those stakeholders who have not yet done so, it is necessary to prepare for a new decade in which the demographics are changing, affecting not just tourism demand, but also behaviour patterns. Tourism products and experiences will change and new ways of communicating with customers will need to be found, adopting new technologies to make travel more accessible in the global marketplace. Consumers will also demand technologies that take the hassle out of travel – through paperless check-in, online visa applications, mobile maps, social networks, virtual 3D tours, blogs and podcasts. All of this, of course, does not mean that more conventional sources of expert information should be neglected, and the role of traditional travel agents in providing customer service remains important, but it does point to a need to be flexible as we move with the times.

Finally, industry will have to change the way it does business in a carbon-constrained world – an important driver of competitiveness in the future. Industry will be faced with consumers (and very likely shareholders) insisting on ecologically responsible behaviour. On the whole a much tighter regulatory framework on green economy issues can be expected.

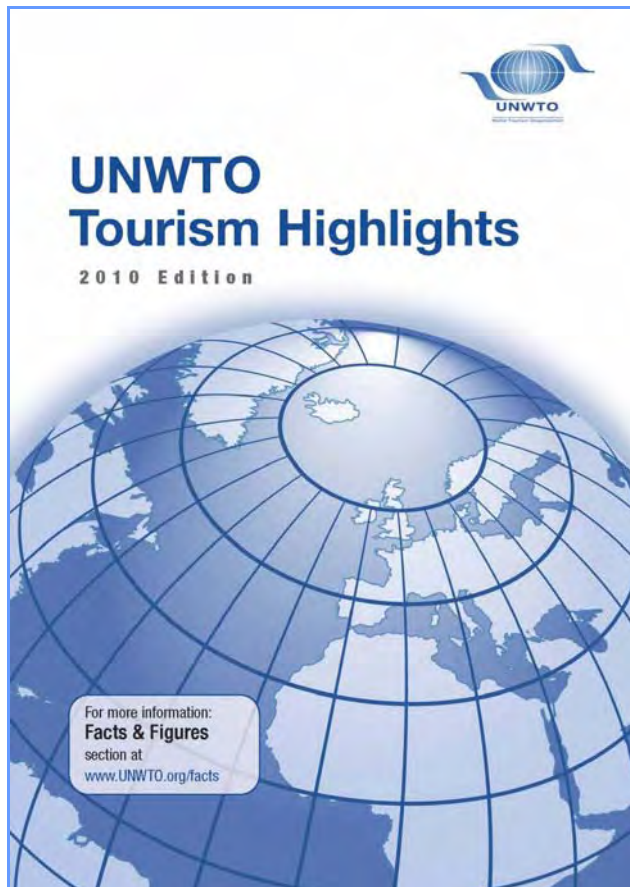
Tourism has been seriously affected by the global crisis, but less than other export sectors, and it is rebounding more quickly and more strongly. Current results reinforce the message that UNWTO has been underscoring since the outbreak of the global crisis at the end of 2008 – that tourism is one of the most dynamic economic sectors and a key driver in creating much needed growth and employment. UNWTO calls upon governments worldwide, as well as multilateral forums such as the G-20, to place tourism higher on their agendas as the sector can contribute to our common objectives of sustaining recovery, regaining jobs and promoting sustainable development.

Detailed results for arrivals and receipts by country are included in the 'Regions' section (pages 19-41).

UNWTO Tourism Highlights, 2010 Edition

On the occasion of World Tourism Day, held annually on 27 September, UNWTO released its updated overview of basic tourism facts and figures in its *UNWTO Tourism Highlights, 2010 Edition*.

In 2010, the 31st World Tourism Day has been celebrated under the theme Tourism and Biodiversity in Guangzhou, Guangdong Province, China (see <www.unwto.org/worldtourismday>).



UNWTO Tourism Highlights aims to provide a consolidated set of key figures and trends for international tourism in the year prior to its date of publication. The *2010 Edition* presents in 12 pages a snapshot of international tourism in the world for 2009 based on the latest available information collected from national sources. Trends and results are analysed for the world, regions and major regional destinations, with statistics included on international tourist arrivals and international tourism receipts. Furthermore, it provides the ranking of top tourism destinations by arrivals and receipts, as well as information on outbound tourism generating regions and a list of top source markets in terms of spending.

Electronic copies can be downloaded free of charge from the Facts & Figures section of the UNWTO website <www.unwto.org/facts>.

The detailed information in the continuation of the *UNWTO World Tourism Barometer*, is not included in the free excerpt of this document.

The full document is available in electronic format for sale and free for UNWTO members and subscribed institutions through the UNWTO elibrary at <www.e-unwto.org/content/w83v37>.

The UNWTO World Tourism Barometer is developed as a service for UNWTO Members and published three times a year in English, French and Spanish. Member States, Associate and Affiliate Members receive copies of the Barometer as part of our Member services.

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International Tourism Receipts and Expenditure 2010

International Tourism Receipts up in the first half of 2010, but less than arrivals

As with international arrivals, expenditure by visitors and receipts in destination countries also shows positive growth in 2010. However, receipts growth is lagging some 1 to 2 percentage points behind the increase of 7% in international tourist arrivals in the same period. Based on preliminary half-year data available for 96 countries, whose combined receipts represents some 90% of the worldwide total, receipts from international tourism are estimated to have increased in real terms by some 5% to 6% in the first half of 2010.

The interpretation of 2010 data needs to be cautious at this stage of the year, given that the statistical series for tourism receipts are strongly influenced by fluctuations in exchange rates, and typically upwards revisions are provided later. For the assessment presented here, preliminary data on International Tourism Receipts reported by 96 countries for the first two quarters of 2010 is analysed in local currencies, weighted for their shares in the total and provisionally corrected for inflation.

In the first half of 2010, worldwide International Tourism Receipts increased by an estimated 5% to 6% in real terms (i.e. adjusted for exchange rate fluctuations and inflation) over 2009. Compared to the increase in arrivals of 7% in the corresponding period, the difference of 1 to 2 percentage points for the current year can be attributed to faster growing volumes in price-competitive emerging destinations, as well as to price-cut strategies undertaken by destinations to remain attractive. Indeed, during the recent economic and financial crisis the demand for international travel and tourism was redirected towards shorter, cheaper and closer-to-home trips or cost-effective holiday options. In the aftermath of 2009, with expectations of a

prolongation of the crisis over 2010, private operators had solid grounds for reviewing or negotiating prices downwards, to meet the expectations of an increasingly price-sensitive demand.

The impact of a crisis on receipts usually proves to be stronger and more persistent than that on arrivals. This happened for instance in 2001 when arrivals stagnated while receipts declined by 2%, and in 2002 when arrivals grew slightly and receipts stagnated. 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 correlation of 0.93). The 2009 downturn was no exception, with arrivals down by 4.2% and in receipts by 5.7%.

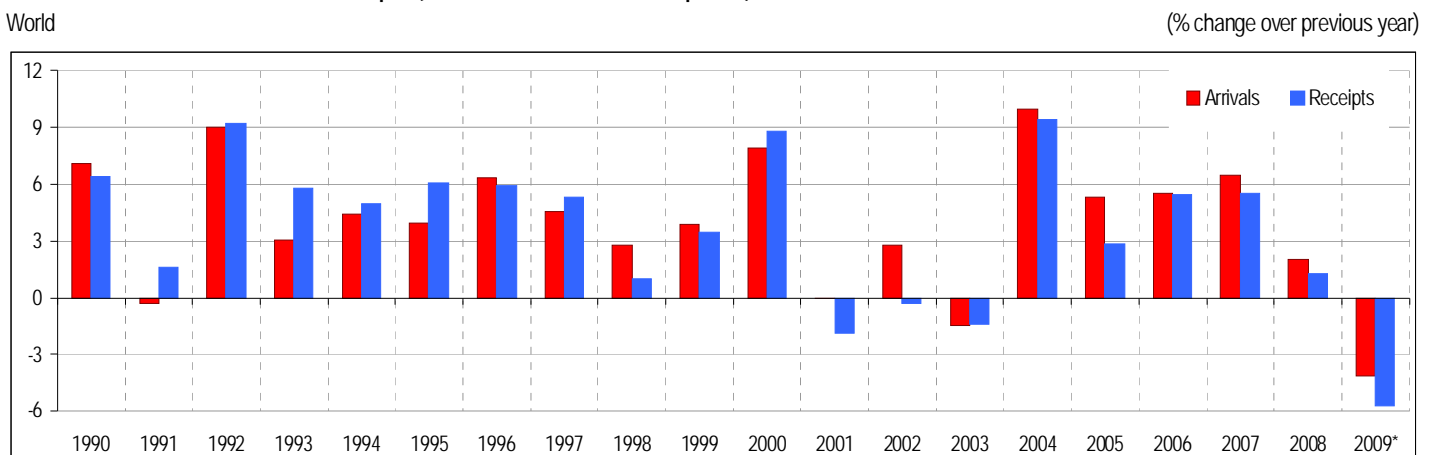
The first half of 2010 saw international receipts follow their same pattern as international tourist arrivals, which confirms the high level of correlation between the series. Using the trend in arrivals as proxy for the trend in receipts, with a projected increase of 5% to 6% in international tourist arrivals for the full year, receipts for the whole of 2010 can be forecast to increase by 4% to 5%.

Towards the end of the year most countries will report the third quarter 2010 receipts, from which a validation of this assessment is expected, possibly at the higher end of the range, given the weak values posted by the majority of destinations during the same period of 2009.

Even though it is a common practice to use volume data, such as arrivals, for short-term analysis, in the end everybody is above all 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 typically preliminary data is 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) ©

The top destinations...

Of the 50 largest destinations in terms of International Tourism Receipts, 46 have reported results for at least the first half of 2010, of which 34 posted positive growth, but 12 still reported declines.

Seven of the destinations posting positive results during the first half of 2010 also achieved growth last year. Hong Kong leads the group, posting an impressive 37% increase, followed by Taiwan (+29%) and India (+19%). These results are only partly attributable to a weak base in 2009 and reflect an equally important growth in arrivals. More modest, but still representing real growth, are the results posted by Malaysia and Ukraine (+5% each), Australia (+3%) and Czech Republic (+2%).

A few destinations have posted considerable increases in receipts from international tourism, expressed in current prices, but from a negative base last year. Among these, it is worth noting the result of Israel, with a remarkable 32% increase against a decline of 13% in 2009 (in US dollar terms). Similarly, in Singapore (+26%), Japan (+25%), Thailand (+20%), Egypt and China (+18% each) most of the growth is real and only a part is explained by the weak results of the previous year. On the other hand, the above average results reported by Argentina (+19%), Brazil (+12%), the Netherlands (+11%) and South Africa (+6%) are largely a compensation for the important loss in receipts of last year. A change of trend from positive to negative is instead reported for Sweden (-0.3%), Hungary (-3%), and New Zealand (-4%).

Results in Ireland (-20%), Greece (-7%) and the United Kingdom (-5%) predictably still point downwards. Despite the increase in arrivals, International Tourism Receipts are down in France (-3%) for the third consecutive year, and in Croatia (-5%) for the second year.

The tables in this section list the first 50 destinations in terms of international tourism receipts. For receipts of other countries with available data, see the tables on the regions on pages 19-41.

...and the top tourism spenders

Of the 50 largest source markets by international tourism expenditure, 43 have reported results for at least two quarters in 2010. Of these, 31 countries reported increases in expenditure, of which 14 at a double-digit rate, compared with the first half year of 2009. Despite the overall positive picture, 12 source markets still posted negative figures.

Of the 14 source markets posting a double-digit increase in expenditure, Brazil stands out with an exceptional 54% (reported in US\$). The figure can be explained by the steady appreciation of the Brazilian Real against the US\$, whose twofold effect is to encourage outbound travel, but also to inflate expenditure figures.

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 generally are also reported at current prices, thus not taking account of exchange rate fluctuations and inflation. In 2009 the dollar appreciated by some 5% against the euro, while in 2008 the dollar depreciated 7% and in 2007 8%. 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 2009 one euro exchanged at US\$ 1.3948, in 2008 at US\$ 1.4708, in 2007 at 1.3705 in 2006 at 1.2556 and in 2005 at 1.2441 (or 1 US\$ to 0.7169 euro on average for 2009 0.6799 euro in 2008, 0.7297 euro in 2007, 0.7964 euro in 2006 and 0.8038 euro in 2005).

In order to account for exchange rate changes 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 relevant 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, estimates are 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.

The performance of the Philippines (+39%), China (+22% in Q1), Turkey (+18%) and Saudi Arabia (+10% in Q1), deserve a mention as they have sustained the rapid growth achieved in 2009 (+19%, +21%, +18% and +24% respectively). Turkey weathered the crisis relatively well and, despite its still modest weight in world spending, is an interesting and fast growing source market, which might have been overlooked so far by destination countries. Over the past decade, this populous country has achieved noteworthy economic progress and political stability, setting favourable conditions for the young and urban segments of the population to travel abroad. Expenditure on international tourism has consequently increased from US\$ 1.7 billion in 2000 to 2.9 billion in 2005 and 4.1 billion in 2009.

Double-digit real growth, from lower bases, is also reported for Argentina (+16%), Malaysia (+15%) and Singapore (+11%), while Poland is just below this threshold at +9%.

International Tourism Receipts

	Monthly or quarterly data series																				
	US\$						Local currencies, current prices (% change over same period of the previous year)														
	2000	2005	2006	2007	2008	2009*	Series	07/06	08/07	09*/08	2010*	2010*				2009*					
(billion)										YTD	Q1	Q2	Q3	Jul	Aug	Sep	Q1	Q2	Q3	Q4	
World	478	678	743	857	939	850															
1 United States	82.4	81.8	85.8	96.9	110.0	93.9	sa	12.9	13.5	-14.6	9.5	5.8	10.0	14.7	14.4		-13.2	-17.9	-18.8	-7.9	
2 Spain	30.0	48.0	51.1	57.6	61.6	53.2		3.3	-0.4	-9.0	2.7	0.2	0.4	6.3	7.4		-13.6	-8.0	-9.2	-5.5	
3 France	33.0	44.0	46.3	54.3	56.6	49.4		7.3	-2.9	-7.9	-2.5	-10.5	-0.2	0.0	0.0		-9.4	-8.8	-4.4	-12.8	
4 Italy	27.5	35.4	38.1	42.7	45.7	40.2		2.5	-0.1	-7.2	3.3	1.4	7.7	-2.7			-9.5	-11.0	-5.8	-2.1	
5 China	16.2	29.3	33.9	37.2	40.8	39.7	\$	9.7	9.7	-2.9	15.8	12.9	19.0	15.3	15.0	12.8	18.4	-12.7	-6.2	4.1	3.8
6 Germany	18.7	29.2	32.8	36.0	40.0	34.7		0.7	3.5	-8.5	3.4	0.0	3.6	6.2	6.9		-7.5	-9.5	-6.7	-10.5	
7 United Kingdom	21.9	30.7	34.6	38.6	36.0	30.1	sa	2.6	1.6	-1.3	-5.1	-6.3	-3.9				-2.0	-4.4	0.5	1.2	
8 Australia	9.3	16.8	17.8	22.3	24.8	25.6		12.5	10.7	11.2	2.9	6.0	1.7	1.1	-0.7		10.4	11.5	14.2	8.8	
9 Turkey	7.6	18.2	16.9	18.5	22.0	21.3	\$	9.7	18.7	-3.2	1.4	-2.2	7.4	5.6	-6.3		-11.1	-9.6	-4.6	11.5	
10 Austria	9.8	16.1	16.6	18.7	21.6	19.4		2.9	7.6	-5.2	0.9	2.9	-3.7				-10.5	4.1	-1.6	-5.7	
11 Hong Kong (China)	5.9	10.3	11.6	13.8	15.3	16.5		18.7	11.1	7.1	37.3	28.6	48.5				12.8	-4.4	0.2	17.6	
12 Thailand	7.5	9.6	13.4	16.7	18.2	15.9		13.3	5.2	-9.9	20.4	36.2	-2.4				-26.8	-23.3	-7.4	17.9	
13 Malaysia	5.0	8.8	10.4	14.0	15.3	15.8		26.3	5.6	9.1	4.6	5.4	3.9				4.1	6.4	14.4	11.4	
14 Greece	9.2	13.7	14.3	15.5	17.1	14.5		-0.3	2.8	-10.6	-7.3	-2.0	-11.2	-4.7	-6.3		-17.0	-12.2	-9.8	-8.5	
15 Switzerland	6.6	10.0	10.8	12.2	14.4	13.8		8.0	6.7	-3.8	3.4	2.7	4.1				-7.0	-4.4	-3.2	-0.1	
16 Canada	10.8	13.8	14.6	15.6	15.7	13.7		1.3	0.0	-6.3	4.5	6.4	2.9				-0.4	-7.7	-10.0	-2.8	
17 Macao (China)	3.2	7.8	9.4	13.1	16.8	..		39.0	27.9												
18 Netherlands	7.2	10.5	11.3	13.3	13.3	12.4		7.4	-6.6	-2.2	10.8	14.8	7.7				-20.7	5.4	1.0	5.4	
19 Mexico	8.3	11.8	12.2	12.9	13.3	11.3	\$	5.5	3.4	-15.2	8.1	1.3	16.2	14.1	7.9		-8.5	-27.1	-19.0	-7.1	
20 India	3.5	7.5	8.6	10.7	11.8	11.1		13.4	16.0	4.7	18.5	17.2	20.1				-7.4	7.4	7.9	12.5	
21 Egypt	4.3	6.9	7.6	9.3	11.0	10.8	\$	22.6	18.1	-2.1	17.6	24.2	12.0				-17.2	-1.6	-1.6	13.0	
22 Japan	3.4	6.6	8.5	9.3	10.8	10.3		11.6	1.8	-13.8	25.3	20.5	32.6	30.0	14.3		-20.4	-22.9	-12.3	2.1	
23 Sweden	4.1	6.8	8.3	10.9	11.2	10.3		19.5	0.4	6.3	-0.3	-3.1	2.1				7.3	11.7	4.5	2.5	
24 Belgium	6.6	9.9	10.3	11.0	11.8	9.8		-2.2	-0.3	-11.8	-3.5	11.6	-16.4				-5.9	-7.8	-23.5	-4.3	
25 Portugal	5.2	7.7	8.4	10.1	10.9	9.6		10.9	0.5	-7.0	9.6	6.3	8.1	11.7	14.0		-15.0	-8.3	-4.4	-3.4	
26 Korea, Republic of	6.8	5.8	5.8	6.1	9.8	9.4	\$	6.1	59.2	-3.4	-4.1	-29.3	18.8	8.1	19.7	10.0	-3.7	43.5	6.6	-1.4	-35.8
27 Russian Federation	3.4	5.9	7.6	9.4	11.8	9.3	\$	23.9	25.1	-21.3	-4.1	-2.4	-5.2				-23.6	-25.5	-23.3	-10.0	
28 Singapore	5.1	6.2	7.5	9.1	10.7	9.2		14.1	11.0	-11.9	25.9	18.2	33.7				-9.7	-9.9	-14.3	-13.5	
29 Poland	5.7	6.3	7.2	10.6	11.8	9.0		30.6	-3.4	-0.8	-3.0	-14.9	6.5				3.1	6.9	3.7	-15.7	
30 Croatia	2.8	7.5	7.9	9.3	11.0	8.9	€	7.3	10.5	-14.5	-4.9	8.0	-7.3				-2.3	-15.7	-15.5	-9.3	
31 South Africa	2.7	7.5	8.1	8.8	7.9	7.5	sa	12.2	6.2	-2.4	6.4	-6.1	19.1				3.1	-3.2	-2.2	-6.9	
32 United Arab Emirates	1.1	3.2	5.0	6.1	7.2	7.4		22.1	17.9	2.7											
33 Taiwan (pr. of China)	3.7	5.0	5.1	5.2	5.9	6.8	\$	1.5	13.9	14.8	28.7	30.9	26.8				0.5	16.0	17.9	23.7	
34 Lebanon	..	5.5	5.0	5.2	5.8	6.8	\$	4.7	11.6	16.4											
35 Morocco	2.0	4.6	6.0	7.2	7.2	6.6		11.5	-5.3	-4.9	6.4	12.9	6.6	3.2	-1.4	-3.4	24.9	-23.3	-8.2	-2.4	14.1
36 Czech Rep	3.0	4.7	5.5	6.4	7.2	6.5		3.5	-5.0	0.4	2.0	-4.7	8.1				-0.9	-3.3	3.0	2.9	
37 Indonesia	5.0	4.5	4.4	5.3	7.4	6.3	\$	20.2	38.0	-14.3	14.2	14.8	13.7				-15.3	-12.0	-16.4	-13.6	
38 Saudi Arabia	..	4.6	4.8	6.0	5.9	6.0		25.4	-0.9	0.9	-41.2	-41.2					-54.7	-30.5	-3.4	32.2	
39 Denmark	3.7	5.3	5.6	6.0	6.2	5.7		-1.6	-2.2	-4.4	2.3	2.4	2.2				-8.1	-1.2	-5.0	-4.5	
40 Hungary	3.8	4.1	4.3	4.7	5.9	5.6	0	-3.3	17.8	11.5	-3.5	-6.8	-1.0				25.6	20.1	9.1	-3.0	
41 Brazil	1.8	3.9	4.3	5.0	5.8	5.3	\$	31.9	16.8	-8.3	11.7	16.4	12.3	6.1	-1.5	7.3	13.3	-11.5	-11.4	-9.3	-1.0
42 Ireland	2.6	4.8	5.3	6.1	6.3	4.9		3.9	-3.3	-18.1	-20.6	-26.1	-17.1				-13.4	-12.2	-24.5	-18.4	
43 New Zealand	2.3	5.2	4.8	5.4	5.0	4.6		0.7	-3.1	2.4	-4.1	-2.7	-6.1				0.8	-2.5	7.4	5.1	
44 Norway	2.2	3.5	3.8	4.5	4.9	4.2		9.5	4.5	-4.6	8.3	4.3	11.0				-7.8	-7.6	-5.5	2.8	
45 Luxembourg	1.8	3.6	3.6	4.0	4.5	4.2		1.5	3.9	-1.8	4.0	-1.0	8.6				-0.9	-8.7	-1.9	4.8	
46 Dominican Rp	2.9	3.5	3.9	4.1	4.2	4.1	\$	3.8	2.5	-2.4	1.8	4.0	-1.1				-8.0	-5.9	-2.6	11.1	
47 Argentina	2.9	2.7	3.3	4.3	4.6	3.9	\$	29.0	7.7	-15.7	19.4	21.7	15.9				-17.1	-15.1	-34.5	5.4	
48 Israel	4.1	2.9	2.8	3.1	4.3	3.7	\$	12.2	36.5	-12.6	31.8	35.4	29.0				-18.7	-21.5	-7.2	-2.6	
49 Bulgaria	1.1	2.4	2.6	3.5	4.2	3.7		24.6	10.8	-6.7	2.4	-3.0	0.0	2.4	7.9		-12.5	-9.5	-3.9	-7.7	
50 Ukraine	0.4	3.1	3.5	4.6	5.8	3.6	\$	31.9	25.5	-38.0	4.7	0.9	6.6				-34.4	-39.3	-41.1	-25.6	

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO October 2010)

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

International Tourism Expenditure

	Monthly or quarterly data series																				
	US\$						Local currencies, current prices (% change over same period of the previous year)														
	2000	2005	2006	2007	2008	2009*	Series	07/06	08/07	09/08	2010*				2009*						
	(billion)									YTD	Q1	Q2	Q3	Jul	Aug	Sep	Q1	Q2	Q3	Q4	
World	478	678	743	857	939	850															
1 Germany	53.0	74.4	73.9	83.1	91.0	81.2		2.9	2.0	-5.9	1.5	0.5	1.3	-2.0	7.0		-8.8	-6.6	-6.3	-1.5	
2 United States	64.7	69.0	72.1	76.3	79.7	73.2	sa	5.9	4.4	-8.1	2.5	-0.3	3.2	5.7	5.3		-7.8	-12.0	-6.9	-5.8	
3 United Kingdom	38.4	59.6	63.1	71.4	68.5	50.1	sa	4.1	4.4	-13.6	-5.0	-10.0	0.3				-12.2	-14.0	-14.6	-13.6	
4 China	13.1	21.8	24.3	29.8	36.2	43.7	\$	22.5	21.4	20.9	22.3	22.3					19.6	19.6	22.1	22.1	
5 France	22.6	31.8	32.6	38.2	41.4	38.5		7.4	0.8	-1.9	2.3	3.9	3.1	0.0	0.0		-1.7	-5.4	-1.5	1.5	
6 Italy	15.7	22.4	23.1	27.3	30.8	27.9		8.4	4.9	-4.3	2.8	-5.8	6.9	11.3			-0.9	-4.4	-5.4	-5.8	
7 Japan	31.9	27.3	26.9	26.5	27.9	25.1		-0.2	-7.6	-18.4	8.1	2.9	10.8	12.7	11.7		-21.3	-25.1	-12.6	-14.8	
8 Canada	12.4	18.0	20.5	24.7	27.2	24.2		13.9	9.4	-4.8	7.1	4.4	10.1				-5.9	-4.5	-2.7	1.3	
9 Russian Federation	8.8	17.3	18.1	21.2	23.8	20.8	\$	17.1	12.1	-12.7	25.8	25.0	26.4				-20.4	-18.0	-10.0	-3.6	
10 Netherlands	12.2	16.2	17.0	19.1	21.7	20.7		2.6	6.2	0.4	-2.6	4.1	-6.8				4.1	3.9	0.0	-6.0	
11 Saudi Arabia	..	9.1	13.0	20.2	15.1	18.8		56	-25	24.4	10.1	10.1					-26.5	26.8	-15.4	25.7	
12 Belgium	9.4	15.0	15.5	17.7	19.7	17.9		4.3	4.0	-4.4	-14.1	-3.2	-22.7				-0.2	5.9	-3.6	-20.9	
13 Australia	6.4	11.3	11.7	14.7	18.4	17.6		13.5	24.9	2.5	8.8	7.1	7.9	11.8	12.5		2.2	-0.4	2.7	5.1	
14 Spain	6.0	15.1	16.7	19.7	20.3	16.9		8.3	-3.7	-12.6	3.5	2.0	4.2	1.3	7.7		-21.2	-16.7	-8.7	-4.9	
15 Hong Kong (China)	12.5	13.3	14.0	15.0	16.1	16.0		7.6	6.8	-1.3	12.3	13.5	11.2				-11.4	-2.0	-1.5	11.3	
16 Singapore	4.5	10.1	11.1	13.1	15.1	15.8		12.0	8.2	7.0	10.9	11.1	10.7				2.4	3.2	10.5	11.7	
17 Korea, Republic of	7.1	15.4	18.9	22.0	19.1	13.3	\$	16.6	-13.2	-30.1	32.4	69.6	21.8	19.2	8.0	20.4	31.0	-55.8	-38.2	-24.0	18.0
18 Norway	4.6	10.5	11.7	12.4	14.6	12.7		-2.7	12.5	-3.0	-0.4	3.1	-3.3				-4.9	-1.2	-2.8	-3.5	
19 Sweden	8.0	10.5	11.2	13.6	14.7	11.9		10.9	5.9	-6.1	1.6	6.6	-3.0				-11.7	-5.9	-4.7	-2.2	
20 Brazil	3.9	4.7	5.8	8.2	11.0	10.9	\$	42.5	33.5	-0.6	53.6	74.2	46.2	46.6	47.1	42.2	50.0	-24.5	-15.3	-12.8	73.9
21 Switzerland	5.4	8.8	9.2	10.1	10.9	10.9		4.9	-2.3	0.0	-0.2	0.2	-0.5				-5.4	-0.6	-2.7	-1.4	
22 Austria	6.3	9.3	9.6	10.6	11.4	10.8		0.7	0.3	0.3	-6.3	-3.2	-8.3				3.1	14.3	1.2	-21.1	
23 Untd Arab Emirates	3.0	6.2	8.8	11.3	13.3	10.3		27.7	17.9	-22.1											
24 India	2.7	6.2	6.8	8.2	9.6	9.3		9.6	23.0	7.8	-2.0	-6.6	3.9				16.9	10.2	-3.8	13.7	
25 Denmark	4.7	6.9	7.5	8.8	9.7	8.9		8.0	2.9	-3.7	2.5	2.4	2.7				-5.9	0.0	-6.3	-2.5	
26 Ireland	2.5	6.1	6.8	8.6	10.4	8.8		15.7	12.0	-10.9	-9.9	-5.5	-13.5				-10.1	-2.4	-15.4	-13.8	
27 Iran	0.7	4.2	5.3	6.8	8.7	..	\$	28.1	27.6	..											
28 Taiwan (pr. of China)	8.1	8.7	8.7	9.1	9.1	7.8	\$	3.7	0.5	-14.4	24.0	25.7	22.4				-22.8	-23.1	-12.0	2.6	
29 Kuwait	2.5	4.5	5.6	6.6	7.6	7.4		16.6	7.9	5.2											
30 Poland	3.3	5.5	7.2	7.8	9.9	7.3		-4.3	11.2	-4.2	9.3	8.8	9.8				-4.6	-2.3	-0.8	-2.2	
31 Mexico	5.5	7.6	8.1	8.4	8.5	7.1	\$	3.3	1.8	-17.2	5.6	-1.6	9.3	3.1	20.1		-12.7	-24.4	-19.4	-12.4	
32 Malaysia	2.1	3.7	4.0	5.6	6.7	6.5		30.1	17.1	2.0	15.8	16.1	15.5				5.2	8.6	-2.3	-1.8	
33 Indonesia	3.2	3.6	4.0	4.9	5.4	5.2	\$	21.7	10.1	-4.3	20.7	24.7	17.3				-19.5	-8.8	-1.8	9.2	
34 Argentina	4.4	2.8	3.1	3.9	4.6	4.6	\$	26.5	16.3	0.9	15.8	8.9	27.9				2.9	-13.0	-8.7	10.1	
35 Finland	1.9	3.1	3.4	4.0	4.5	4.4		6.8	5.0	2.7	0.5	1.6	-0.5				-0.9	2.1	0.9	9.2	
36 Thailand	2.8	3.8	4.6	5.1	5.0	4.2		1.9	-6.0	-14.5	8.1	11.3	5.2				-4.1	-15.7	-24.0	1.5	
37 Turkey	1.7	2.9	2.7	3.3	3.5	4.1	\$	18.8	7.5	18.3	17.9	10.4	24.9	18.0	18.8		11.4	-7.0	38.3	35.0	
38 Nigeria	0.6	0.2	1.8	2.4	9.8	4.1	\$	31.0	306.5	-58.0							-60.1	-60.1			
39 South Africa	2.1	3.4	3.4	3.9	4.3	4.1	sa	20.7	30.0	-3.7	11.1	13.9	8.4				-0.7	-13.1	-7.5	9.0	
40 Czech Rep	1.3	2.4	2.8	3.6	4.6	4.1		18.4	5.9	-0.7	-8.4	-13.4	-3.4				7.8	-7.3	1.9	-3.5	
41 Lebanon	..	2.9	3.0	3.1	3.6	4.0	\$	3.6	14.5	12.6											
42 Portugal	2.2	3.1	3.3	3.9	4.3	3.8		7.9	2.4	-7.7	8.4	2.8	11.1	7.9	15.7		-7.4	-2.0	-12.7	-8.2	
43 Luxembourg	1.3	3.0	3.1	3.5	3.8	3.6		1.8	2.3	0.7	1.3	2.5	0.2				-5.2	5.3	1.4	0.5	
44 Hungary	1.7	2.4	2.1	2.9	4.0	3.6	0	20.3	26.4	7.1	-27.9	-28.7	-27.3				26.9	25.0	-5.9	-7.3	
45 Greece	4.6	3.0	3.0	3.4	3.9	3.4		4.3	7.8	-9.5	-8.8	-12.5	-1.5	5.2	-25.4		-11.1	-9.2	-1.7	-15.8	
46 Ukraine	0.5	2.8	2.8	3.3	4.0	3.3	\$	16.2	22.2	-17.2	10.4	13.8	7.8				-19.7	-22.3	-21.3	1.4	
47 Israel	2.8	2.9	3.0	3.3	3.4	2.9	\$	9.3	5.5	-15.4	11.6	28.8	0.6				-19.2	-21.2	-17.3	3.9	
48 Egypt	1.1	1.6	1.8	2.4	2.9	2.5	\$	37.1	19.2	-12.9	-17.2	-30.3	-1.8				0.0	-24.0	-9.8	-17.1	
49 New Zealand	1.2	2.7	2.5	3.1	3.0	2.5		6.8	0.6	-3.4	1.5	-0.6	3.4				-2.4	-4.5	-3.8	-2.7	
50 Philippines	1.6	1.3	1.2	1.7	2.1	2.4	\$	35.0	23.7	18.8	39.0	41.2	36.9				35.0	7.2	30.6	8.1	

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO October 2010)

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

Among the markets which decreased expenditure last year but rebounded this year, the best performances were achieved once again in emerging markets, such as the Republic of Korea (+32%), where the appreciation of the won is encouraging outbound travel, Russian Federation (+26%), Taiwan (pr. of China) (+24%), Indonesia (+21%), Hong Kong (China) (+12%), and South Africa (+11%). These trends can be interpreted as a sign that the growth potential of these emerging markets is not yet exhausted.

In most advanced economies tourism expenditure is growing by only about 1% to 3%. Exceptions are Australia (+9%), Portugal (+8%), Canada (+7%) and Japan (+8%).

The Netherlands (-3%), Austria (-6%), and Hungary (-28%) show decreases in tourism expenditure, in contrast to the positive trends in 2009.

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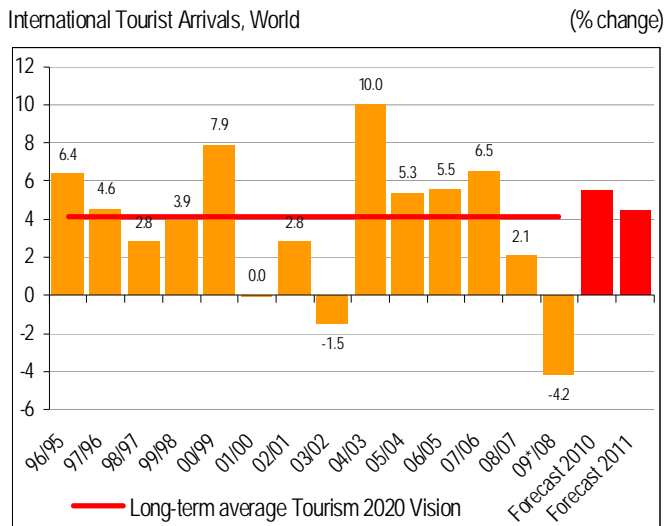
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UNWTO forecast for 2010 and 2011

Growth in 2011 will just exceed the long-term trend

The faster than expected recovery of tourism demand has led UNWTO to revise its forecast for the full year 2010 up to 5% to 6%. In 2011 growth is expected to slow down, but to remain slightly above the long-term average rate of 4%.



Source: World Tourism Organization (UNWTO) ©

Full year 2010

The trend seen so far for the period January to August is more positive than the preliminary assessment included in the January issue of the *UNWTO World Tourism Barometer*. The enthusiasm for travel in emerging markets, where economies are back to rapid growth, and the recovery of established markets, notably Western Europe and Japan, are expected to continue fuelling tourism demand during the remainder of the year. For the last four months of 2010 increases are expected to slacken a bit more, mainly due to the upwards trend which started in

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.

the same period of last year, and possibly a slower recovery in travel outside the main holidays. For the full year 2010 UNWTO has reassessed its forecast upwards to a range of 5% to 6%, at the global level, with the most likely outcome somewhere towards the higher end of this range.

By the end of the year, all regions are expected to have returned to real growth with the exception of Europe. Africa, which bucked the crisis, Asia and the Pacific and the Middle East, having shown a quicker rebound and a far from exhausted potential to attract visitors, will undoubtedly have improved on previous record levels. The Americas might end the year slightly above pre-crisis levels, while Europe still has some way to go on the road

Forecast of growth in International Tourist Arrivals

	2007	2008	2009		2010	2010	2011	
	real	real	real		real	projection		
	year	year	year	Jan.-June	July-Dec.	Jan.-Aug.	Full year	Full year
World	6.5%	2.1%	-4.2%	-8.3%	-0.6%	6.8%	5% and 6%	4% and 5%
Europe	4.8%	0.5%	-5.6%	-9.6%	-2.3%	2.6%	1% and 3%	
Asia and the Pacific	9.7%	1.1%	-1.5%	-6.8%	3.9%	14.2%	9% and 11%	
Americas	5.3%	2.7%	-4.9%	-7.2%	-2.6%	8.0%	4% and 6%	
Africa	9.5%	2.8%	3.3%	7.1%	0.3%	9.4%	6% and 8%	
Middle East	14.6%	19.2%	-5.1%	-16.1%	6.1%	16.2%	10% and 12%	

Source: World Tourism Organization (UNWTO) ©

to recovery. This applies particularly to Northern Europe and Central and Eastern Europe, while Western Europe and Southern and Mediterranean Europe are likely to have returned to real growth by that time.

Outlook for 2011

UNWTO's initial forecast for the coming year indicates that the tourism sector is likely to continue growing somewhat above the long-term average of 4%, but at a gradually more moderate pace through the year. This outlook reflects the fast recovery of international tourism figures during 2010 as well as the return to economic growth in emerging and most established source markets.

In 2011 the large majority of destinations will be back to real growth, with performances expected to vary considerably, reflecting different initial conditions. IMF projects world output to grow by 4.2% in 2011. Growth is expected to be reasonably strong for emerging markets and developing countries at 6.4%, and to be more moderate, at 2.2%, in advanced economies. A further increase in unemployment may undermine economic growth in advanced economies and this would reduce tourism demand from established markets. Increases in interest rates, and potential increases in taxation, may put extra pressure on household budgets. At the end of 2010 external shocks, to which the tourism sector is vulnerable, are not apparent, but unexpected events may temporarily alter the pattern of those destinations catching up with the recovery in the course of 2011. On the positive side, consumer confidence and private consumption are showing signs of picking up.

For 2011, UNWTO forecasts international tourist arrivals to increase slightly above the long-term rate, with a growth of 4% to 5%. Asia will continue to lead the growth, which is expected to be vigorous and largely driven by a revitalised intra-regional demand. A similar pattern is expected for the Middle East. Africa is expected to keep up its momentum after the success of the 2010 FIFA World Cup in South Africa. The Americas are expected to do just better than the world average. Europe most likely will perform just below average, but this is expected to be sufficient for a return to growth.

Again, much of the performance of tourism in 2011 will depend on the strength of recovery of advanced economies in general, and labour markets in particular, as the lever for their inbound business and leisure travel.

A comprehensive forecast for 2011, including the five regions, will be featured in the forthcoming full issue of the *UNWTO World Tourism Barometer* to be published in the second part of January 2011.

Evaluation by UNWTO's Panel of Tourism Experts

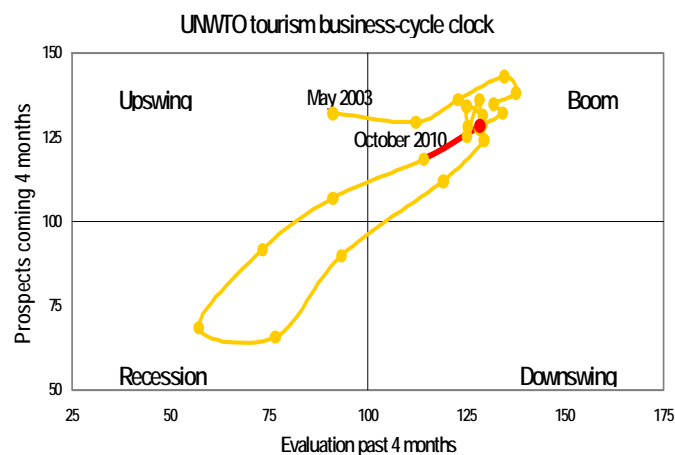
Tempered optimism for the remainder of the year

(Continued from page 1)

Results of the latest UNWTO's Panel of Tourism Experts survey show that confidence has further improved and is approaching the high level seen before the crisis in 2007. On a scale of 0 to 200, in which 100 means 'equal' or 'no change', the 350 specialists from over 100 countries and territories assessed world tourism performance over the period May-August 2010 with an average score of 128. This means, in the framework of the UNWTO Panel of Tourism Experts' Confidence Index, that the number of experts evaluating this period as "better than would reasonably be expected" outnumbers that of experts rating it as "the same as", or "worse".

The evaluation of the latest four-month period May-August is considerably better than the rating for its prospects expressed by the Panel in May regarding this same period (119). At the global level, the expectations of Panel members for the next four-month period (September through December 2010) are still better, another 10 points up to 129, and are higher than at any time since three years ago.

operating in more than just one world region) are by far the most downbeat about recent performance (110) and short-term prospects (113). But their respective scores remain comfortably positive.



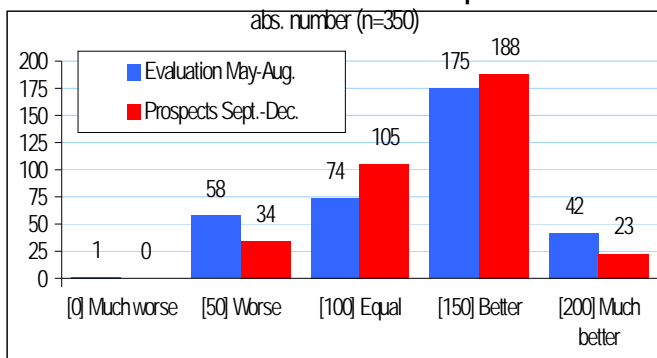
Regions

Not surprisingly, given the respective regions' better-than-average performance, the highest scores for the May-August 2010 period were given by experts in Asia and the Pacific (146), the Middle East (144) and Africa (143). The rating for Asia and the Pacific was 11 points better than that given four months ago for the January-April period, while for Africa it was up a remarkable 26 points – no doubt due to the successful hosting of the FIFA World Cup by South Africa. See the regional sections for graphs corresponding to the respective regions.

Europe, the only region so far that had not yet crossed from negative into positive territory, with the January-April evaluation (100) still strongly coloured by the volcanic ash cloud experience, has finally picked up. Evaluation of the May-August period jumped by 29 points to 129. As seen by some of the experts' anecdotal comments, this can be attributed to the fact that this period is the region's peak season, which turned out to be better than expected or, in some cases, less disappointing than feared.

Experts from the Americas gave a rather subdued evaluation of the last four months – an average rating of 116, sharply down from the optimistic expectations voiced for the same period (137) four months ago. In the Americas and the Middle East, the May-August period was rated as weaker than the previous four months (116 in T2 from 124 in T1 for the Americas and 142 in T2 against 147 T1 for the Middle East). In the Middle East this seems to be a temporary issue, most likely linked to the slowdown of travel during Ramadan, with prospects for the next four

UNWTO Panel of Tourism Experts



Source: World Tourism Organization (UNWTO) ©

Public sector experts remain more positive than the private sector ones, rating the period just completed at 133 as against 125, and are more bullish about prospects for the forthcoming period (135 as against 124). This difference can be explained by the latter group's focus on the fact that yields and profits have not recovered to the same extent as arrivals and international tourism receipts.

The difference in ratings across the world are less marked than usual. Understandably, experts in Asia Pacific, Africa and the Middle East gave stronger evaluations of their regions' performance in the last months than those in Europe and the Americas. Only in the Americas did the evaluation lag behind the expectations expressed four months ago. It is interesting – and, indeed, in some ways puzzling – to note that the Global Operators (those

months still pointing up. However, in the Americas experts' expectations for the next period are now a little more modest (though still positive).

Prospects for the current four-month period (September-December 2010) are most optimistic in Africa (a staggering 148 – 19 points above the global average) followed by the Middle East (144) and Asia and the Pacific (143). The rating of Panel experts in the Americas is 128 while, in Europe, experts only gave a score of 122 – seven points below the global average.

Areas of activity

A comparison of scores by area of activity also highlights some interesting variations in confidence. In terms of the evaluation of the May-August 2010 period, the most positive scores came from representatives of Destinations (135) – ministries, national, regional and local tourism organisations – and Transport (133), the latter usually being the least positive. Experts from the Consultancy, Research & Media sectors gave a score of 128, on a par with the world average, while representatives from Accommodation & Catering (125), Tour Operators and Travel Agencies (118) and General Industry Bodies (115) all gave scores below the average world rating.

As for prospects for the current September-December 2010 period, the variation in scores is much less sharp. The least optimistic are experts from Accommodation & Catering (117), followed by Tour Operators & Travel Agents (123) and experts working in Consultancy, Media & Research (125). Respondents representing General Industry Bodies (131), Transport (133) and Destinations (136) see rosier than average prospects for their respective sectors.

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.

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

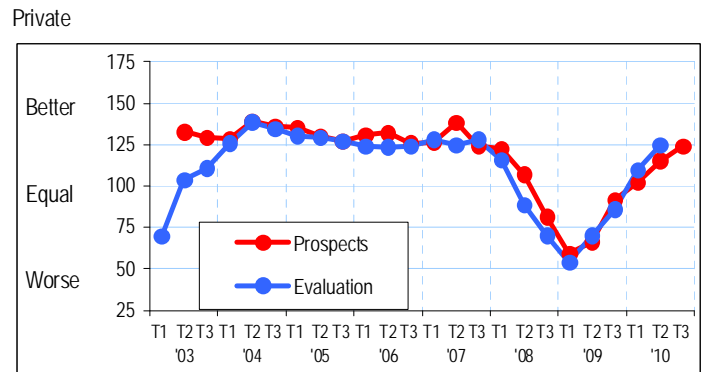
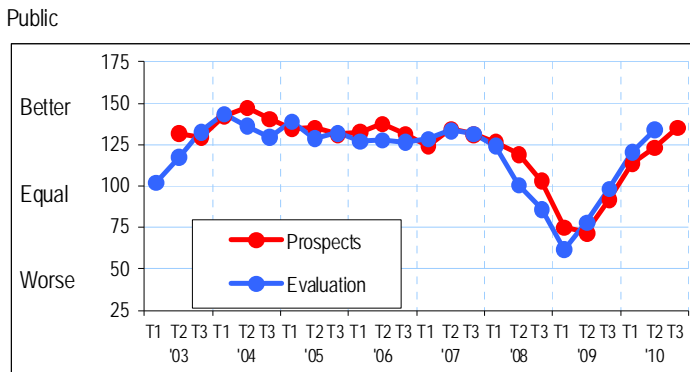
For the UNWTO *Tourism Confidence Index* members of the UNWTO Panel of Tourism Experts are asked once every four months by email to answer the following two simple questions:

- *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".

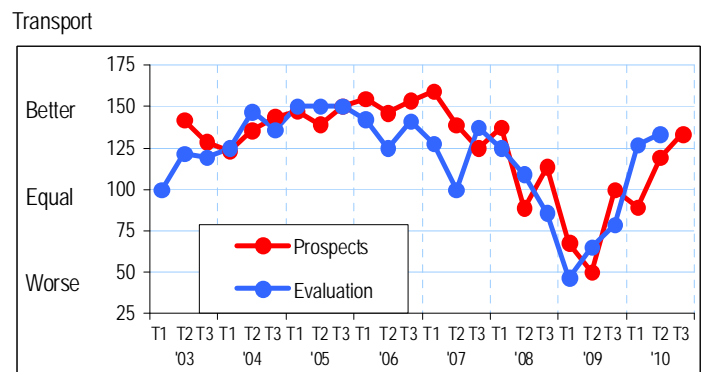
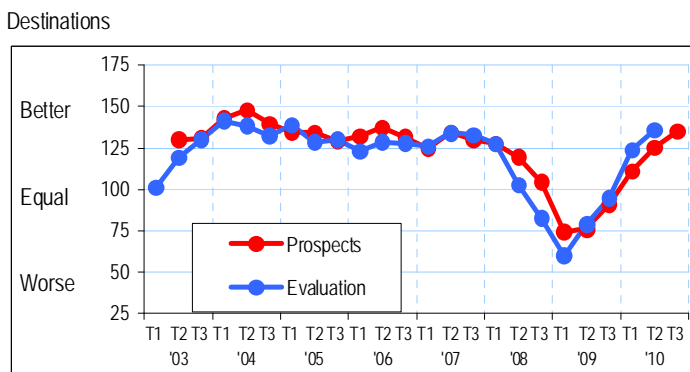
In addition, participants are also invited to include a qualitative assessment in their own words. The analysis contained in the *UNWTO World Tourism Barometer* is in large part based on their comments.

UNWTO Panel of Tourism Experts



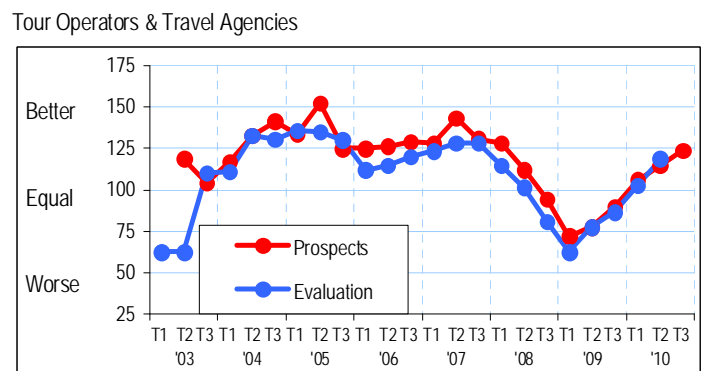
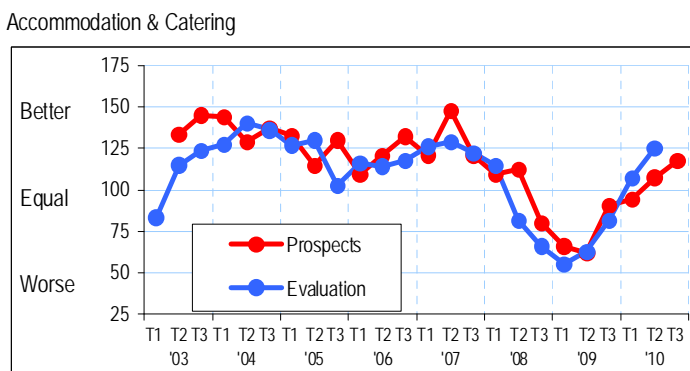
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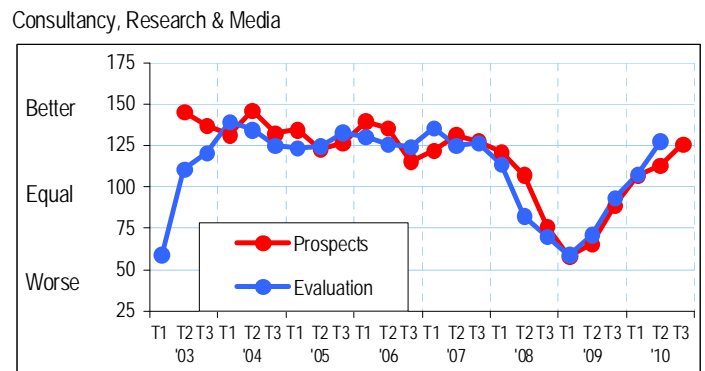
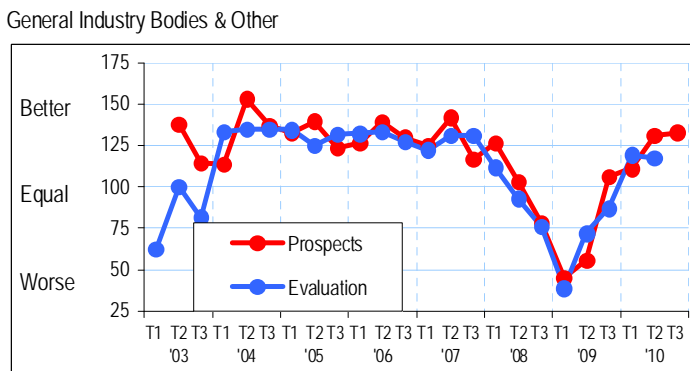
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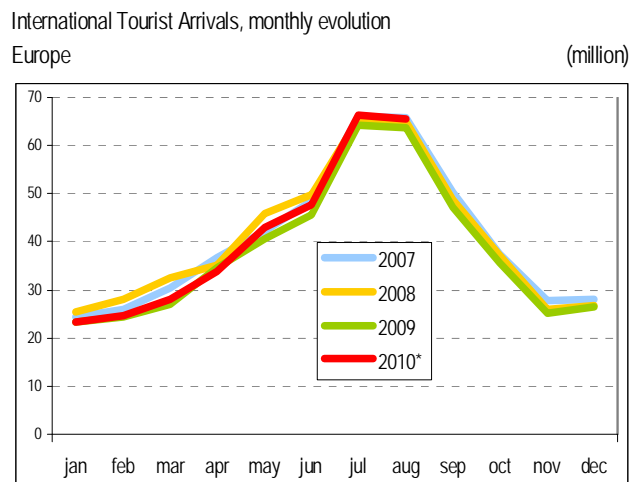
For this edition responses have been received from experts based in Albania, Algeria, Andorra, Anguilla, Argentina, Aruba, Australia, Austria, Azerbaijan, Bahamas, Belgium, Belize, Bhutan, Bolivia, Bosnia and Herzegovina, Brazil, Cambodia, Cameroon, Canada, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Croatia, Cuba, Cyprus, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Estonia, Finland, France, Germany, Ghana, Greece, Guatemala, Honduras, Hong Kong (China), Hungary, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kenya, Lebanon, Liberia, Lithuania, Macao (China), Malaysia, Malta, Mauritius, Mexico, Monaco, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Panama, Peru, Philippines, Poland, Portugal, Republic of Korea, Reunion, Romania, Russian Federation, Rwanda, Samoa, Saudi Arabia, Serbia, Seychelles, Singapore, Slovakia, Slovenia, South Africa, Spain, Swaziland, Sweden, Switzerland, Syrian Arab Republic, Thailand, Tunisia, Turkey, United Arab Emirates, United Kingdom, United States, Uruguay, Uzbekistan, Venezuela, Vietnam and Zimbabwe.

Regions

Europe

Results

European tourism made steady progress on the road towards recovery during the first eight months of 2010. Despite a comparatively sluggish growth rate (+3%), less than half of the global average, international tourist arrivals in most European destinations have stabilised and are pointing upwards, with a few notable exceptions. At sub-regional level, the picture is patchy: Northern Europe (-3%) lags behind by a notable margin, while Western Europe (+4%) is running ahead of the pack. Nevertheless, several European countries in all four subregions have succeeded to return to real growth. Arrivals through Q3 2010 strengthen the impression that full recovery for most European destinations is in sight, but tourism demand remains volatile, reacting fast to unexpected shocks and other negative events, such as the Icelandic volcano eruption in April.



Source: World Tourism Organization (UNWTO) ©

Once the volcanic ash from Eyjafjallajökull had blown away, and concerns about the turbulences in the eurozone to derail economic recovery had subsided, there was a gradual improvement in the run-up to, and during, the peak summer period. International tourist arrivals in May and June are estimated to have increased by 6% and 4% respectively over the same months of 2009. Results for July and August are more modest (+3% on already less depressed months of 2009), but represent a return to Europe's pre-crisis peak for these months (in 2007 for Europe). For the first time since the crisis broke out, many destinations in Europe posted positive results for four or five months in a row from May. Reports of a modest improvement in business travel are echoed across much of Europe.

The macro level disguises variations in the performance of individual markets and destinations. Among sub-

regions, Western and Central and Eastern Europe (+4%) are above the regional average, moving up from weak figures (respectively -5 and -10% in 2009). The increase in Southern and Mediterranean countries in Europe (2%) only partly compensates for the -4% of the previous year, while arrivals in Northern Europe continued to decline (-3%) right through to August. Such an uneven rebound may be explained by the dynamics specific of each source market, both in terms of economic recovery and travel behaviour. The proximity to quickly recovering source markets plays a relevant role, since visitors became price-sensitive and more prone to late booking, to travel closer to home, if any travel abroad was undertaken, and to search diligently for bargains and discounts.

Despite the overall weak performance, a number of destinations are seeing arrivals surpass their previous peaks. Among Europe's major destinations, Hungary (+7%), Turkey (5%) and Italy (+3%) posted a real growth in arrivals, moving up from their positive results of 2009. Germany and the Netherlands reported a remarkable two-digit growth (11% and 10% respectively) vis-à-vis a downturn of 3% and 2% in 2009. While in the case of the Netherlands this means a return to its 2007 peak, Germany's arrivals have already exceeded their previous record by a million (through the month of August). To date Switzerland and Croatia (+5% each in 2010) and Austria (+3%) have also fully recovered from the downturn of 2009. Of the smaller European destinations, the following also posted strong enough growth in 2010 to top previous peak levels: Georgia (+38%), Israel (+22%), Bosnia and Herzegovina (+17%), Azerbaijan (+13%), Malta (+13%), Estonia (+12%), Armenia (+11%), Norway (+9%), Albania (+8%), Bulgaria (+6%) and Montenegro (+5%).

Arrivals in Northern Europe have continued to decline (-3%) right through to August, the only sub-region in the world to record a decline. Results for Ireland strongly influence the sub-regional average, with international tourist arrivals down 21% in the first half of the year, after a decline of over 10% in H1 of 2009. The ash cloud did not help, but the main factors are sluggish economies and lack of consumer confidence in Ireland and its main markets, with no signs of recovery from the USA, UK, France and Germany. The monthly figures for the UK have also been particularly badly affected by the closure of airspace due to the volcanic ash cloud in April, but overall arrivals were down 2% in the first eight months of the year, with a stagnation in holiday arrivals, a 6% decline in VFR and a 3% increase in business visitors. May (+8%), July (+5%) and August (+1%) have been the only positive months. London reports plenty of visitors from Europe (especially Germany) and there are signs of a recovery in business tourism.

The Nordic countries report differing results, with increases in arrivals at accommodation establishments in Norway (+9%), Sweden (+3%) and Finland (+2%), although in the case of the latter two not large enough to balance the declines of last year. In general, consumers in the Nordic countries were not personally much affected by

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

	Full year			Change		Monthly or quarterly data series															
	Series	2005	2008	2009	08/07	09/08	Series	(% change over same period of the previous year)													
		(1000)			(%)			2009													
							YTD	Q1	Q2	Q3	Apr	May	Jun	Jul	Aug	Sep	Q1	Q2	Q3	Q4	
Europe		439,888	486,270	459,253	0.5	-5.6		2.6	1.5	2.8	-2.5	5.8	4.2	3.2	2.8		-12.9	-7.4	-2.1	-2.7	
Northern Europe		52,790	56,435	53,357	-2.9	-5.5		-2.7	-5.6	-3.6	-11.4	1.1	-1.7	1.0	-0.7		-11.6	-5.9	-4.2	-0.7	
Denmark	TCE	4,699	4,503	..	-5.6	..	TCE(1)	-4.1	-6.4		0.2						-23.9	-7.9	-7.4	0.4	
Finland	TF	3,140	3,583	3,423	1.8	-4.5	TCE	2.5	1.8	0.1	-3.3	-0.6	2.1	3.8	6.4		-10.2	-13.4	-10.7	-9.0	
Iceland	TCE	871	1,106	1,235	4.9	11.7	THS(2)	-3.4	11.5	-0.7	-8.1	-14.4	-4.5	7.4	-3.4	-12.4	-9.8	-3.3	0.4	8.4	-6.6
Ireland	TF	7,333	8,026	7,189	-3.7	-10.4	TF*	-20.5	-22.6	-18.9	-27.8	-23.6	-5.7				-9.1	-11.9	-11.9	-13.1	
Norway	TF	3,824	4,347	4,346	-0.7	0.0	THS	8.8	3.5	12.7	16.2	12.4	12.0	7.2			-9.3	-14.3	-6.5	3.4	
Sweden	TCE	4,883	4,728	4,855	-9.5	2.7	TCE	2.7	7.8	-2.4	-6.9	2.5	-3.5	3.0	5.9		-6.4	1.3	3.6	11.0	
United Kingdom	TF	28,039	30,142	28,199	-2.4	-6.4	VF	-1.7	-4.9	-2.7	-11.3	7.9	-4.5	4.9	0.7		-13.6	-5.5	-6.2	0.4	
Western Europe		141,670	153,178	145,973	-0.4	-4.7		4.5	3.1	5.4	1.7	7.9	5.9	5.4	3.6		-13.1	-6.3	-0.1	-3.1	
Austria	TCE	19,952	21,935	21,355	5.6	-2.6	TCE	3.0	4.6	-1.4	4.3	-11.1	6.7	0.3	9.4	-0.8	5.5	-8.6	3.7	0.4	-3.8
Belgium	TCE	6,742	7,165	6,814	1.7	-4.9	TCE	4.8	2.9	4.7	2.4	5.5	6.1	8.3			-8.5	-7.2	-2.1	-2.6	
France	TF	74,988	79,218	74,200	-2.0	-6.3	TCE	2.3	-1.6	4.0	-0.5	7.5	3.7	2.3	2.5		-19.6	-10.8	-1.9	-9.2	
Germany	TCE	21,499	24,886	24,224	1.9	-2.7	TCE	11.5	8.0	12.9	12.3	9.5	17.0	13.2	11.6		-8.9	-6.7	0.1	3.6	
Liechtenstein	THS	50	58	52	0.3	-10.5	THS	-8.6	-9.6	-12.5	-3.3	-14.3	-17.4	3.9			-12.5	-9.0	-13.2	-5.8	
Luxembourg	TCE	913	879	849	-4.2	-3.5	TCE	0.9									-5.4	-3.8	-4.0	-0.2	
Monaco	THS	286	324	265	-1.3	-18.3	THS	7.4	5.2	9.0	9.0	9.0	9.0				-21.5	-25.3	-11.2	-15.0	
Netherlands	TCE	10,012	10,104	9,921	-8.2	-1.8	TCE	10.1	12.0	9.8	11.9	11.0	6.3	7.9			-16.2	3.2	0.3	2.7	
Switzerland	THS	7,229	8,608	8,294	1.9	-3.7	THS	4.7	3.0	5.9	4.9	-1.5	7.9	9.6	8.9	1.4	4.4	-9.9	-7.0	-0.3	2.5
Central/Eastern Europe		87,475	99,981	89,889	3.5	-10.1		3.6	0.8	4.4	3.3	5.3	4.7	4.3	5.2		-14.4	-12.9	-6.6	-8.1	
Armenia	TCE	319	558	575	9.4	3.0	TF	11.2	9.4	12.5							0.9	-1.0	12.3	-4.0	
Azerbaijan	TF	861	1,409	1,430	39.4	1.5	TF	13.1	13.1	13.1							0.0	0.0	3.3	3.3	
Bulgaria	TF	4,837	5,780	5,739	12.2	-0.7	TF	5.6	0.0	2.8	8.4	-3.3	6.1	3.9	6.0	9.9	9.9	-6.6	-8.3	6.1	-2.8
Czech Rep	TCE	6,336	6,649	6,032	-0.5	-9.3	TCE	3.7	2.8	4.4	-3.7	8.9	7.2				-18.5	-9.0	-7.5	-3.9	
Estonia	TF	1,917	1,970	..	3.7	..	TCE	12.2	15.3	13.1	13.2	13.1	13.0	10.9	8.7		-8.2	-8.2	-1.8	2.9	
Georgia	VF	560	1,290	1,500	22.7	16.3	VF	38.2	46.3	29.3	40.3	29.3	34.7	24.8	38.3	40.9	42.1	-5.6	-0.3	34.2	29.7
Hungary	TF	9,979	8,814	9,058	2.0	2.8	TF	7.4	7.4								0.4	0.8	3.4	6.0	
Kazakhstan	TF	3,143	3,447	3,118	-11.1	-9.5	VF	-11.8	-5.2	-16.4							-20.3	-4.0	25.4	-35.4	
Kyrgyzstan	TF	319	2,435	2,147	47.1	-11.9	TF														
Latvia	TF	1,116	1,684	1,323	1.9	-21.4	TCE	4.6	4.3	4.8	0.7	8.7	4.1				-15.9	-18.9	-23.9	-17.4	
Lithuania	TF	2,000	1,611	1,341	8.4	-16.8	TCE	4.1	-3.3	5.0	-1.0	8.3	5.4	10.2			-12.1	-17.8	-19.2	-16.5	
Poland	TF	15,200	12,960	11,890	-13.5	-8.3	TF	4.1	3.8	4.4							-18.6	-12.7	-3.1	0.7	
Romania	TCE	1,430	1,466	1,272	-5.5	-13.2	TCE	3.9	-1.7	4.7	1.5	7.8	4.0	6.9	8.1		-17.9	-15.8	-14.9	-2.0	
Russian Federation	TF	19,940	21,566	19,420	4.7	-10.0	VF	1.9	-1.4	4.5							-10.8	-11.5	-8.7	-8.7	
Slovakia	TCE	1,515	1,767	1,298	4.9	-26.5	TCE	2.8	-0.9	7.5	3.1	10.3	8.2	-0.1			-28.4	-31.7	-26.2	-15.8	
Ukraine	TF	17,631	25,392	20,741	9.8	-18.3	TF	-0.4	-5.9	3.7							-19.9	-21.8	-15.1	-18.0	
Southern/Mediter. Eu.		157,953	176,675	170,033	0.7	-3.8		2.1	3.4	1.9	-6.3	5.8	4.3	1.6	2.0		-12.3	-5.9	-0.9	0.7	
Albania	TF	..	1,337	1,792	25.9	34.0	VF	7.7	6.6	8.3							-1.4	16.7	62.7	8.9	
Andorra	TF	2,418	2,059	1,830	-5.9	-11.1	TF	1.0	3.6	-1.7	0.4	2.2	-5.5	-5.5	4.6	2.8	-6.0	-20.9	-14.5	1.1	-8.2
Bosnia & Herzg	TCE	217	322	311	4.9	-3.3	TCE	17.0	4.9	18.9	20.4	12.9	24.7	26.0	22.3		-5.0	-7.9	1.8	-2.2	
Croatia	TCE	8,467	9,415	9,335	1.2	-0.9	TCE	4.5	2.5	-0.1	-4.9	1.2	0.6	13.1	1.2		-21.3	-11.8	-3.6	-4.5	
Cyprus	TF	2,470	2,404	2,141	-0.5	-10.9	TF	1.3	5.6	-2.3	3.2	-23.0	4.7	5.5	0.7	4.3	4.7	-15.2	-9.5	-10.7	-11.8
F.Yug.Rp.Macedonia	TCE	197	255	259	10.8	1.7	TCE	-1.6	-12.1	0.5	1.3	3.0	-2.6	-0.7	8.4		6.7	11.4	2.1	-13.2	
Greece	TF	14,765	15,939	14,915	-1.4	-6.4	TF	-5.4	-5.3	-5.4	-17.3	-4.8	-1.5				-16.7	-8.4	-4.3	-4.6	
Israel	TF	1,903	2,572	2,321	24.4	-9.7	TF	21.7	37.3	21.8	10.5	20.1	25.7	19.5	12.5	9.8	9.2	-21.6	-15.4	-5.7	2.7
Italy	TF	36,513	42,734	43,239	-2.1	1.2	TF	2.9	5.2	6.2	-0.4	9.1	8.7	-6.4			-5.4	-3.4	5.8	5.8	
Malta	TF	1,171	1,291	1,183	3.8	-8.4	TF	12.5	7.1	12.6	14.6	-1.0	17.5	20.0	17.5	12.0	15.2	-17.8	-11.4	-6.3	0.4
Montenegro	TCE	272	1,031	1,044	4.8	1.2	TCE	4.6	-14.0	3.3	5.9	-9.6	4.2	5.7	2.3	7.4	8.9	-10.1	-2.5	3.8	-11.9
Portugal	TF	10,612	..	..	..	..	TCE	5.2	5.1	1.8	-5.1	5.0	5.1	9.8	9.1		-21.3	-8.5	-6.4	-2.1
San Marino	THS	50	115	151	67.8	31.2	VF	-2.3	2.3	-4.6	-4.9	0.4	-8.8	-3.7	-0.5		-17.5	-3.3	-1.3	7.2	
Serbia	TCE	453	646	645	-7.1	-0.2	TCE	3.5	-6.7	-0.2	12.3	9.6	-4.8	-2.3	3.8	14.9	19.1	-0.4	11.3	-3.1	-8.5
Slovenia	TCE	1,555	1,940	1,803	10.8	-7.0	TCE	1.8	0.4	-1.2	4.2	-4.4	-1.3	1.3	6.7	1.6	5.0	-9.6	-9.5	-5.3	-4.8
Spain	TF	55,914	57,192	52,231	-2.5	-8.7	TF	0.8	0.3	-3.1	4.2	-13.3	1.1	1.7	4.5	4.0	4.2	-16.9	-8.2	-7.7	-3.5
Turkey	TF	20,273	24,994	25,506	12.3	2.0	TF	5.4	5.7	7.9	3.6	-1.3	15.7	6.3	1.1	-0.8	12.4	-1.1	-1.0	3.2	8.6

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO October 2010)

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

the downturns in their countries' GDP, so domestic and outbound tourism (especially to neighbouring countries), has remained strong, except in Denmark (-4%), where spending per visitor was also low. Arrivals in Iceland (-3%) have fluctuated strongly month by month (peaking in March with +22% and with April down 14% during the volcano eruption).

Western Europe is to date the best performing area in the region (+4%). This is principally due to the exceptional performance of Germany, with a strong economy and low unemployment, generating an excellent recovery in business tourism and strong demand from both the domestic and inbound markets, including Asia, the Middle East, South America and Central Europe. A reduction in VAT and keen pricing by the travel and hospitality sectors have also helped. There has been strong growth for the Netherlands (+10% through July), but in this case the increase just matches the declines in 2008-09. A rebound in visitor demand from Germany and the USA has strongly contributed to this result. Belgium has posted a 5% increase, based on a weak performance in the same period of the previous year. In both countries experts are concerned about the fragility of the European economic recovery, but are also upbeat about the strength of demand from neighbouring countries for cultural visits, city breaks and business travel.

Austria reports strong demand from neighbouring countries (including Germany, Italy and Switzerland), but again with shorter stays, late bookings, and a preference for lower prices, which generate lower spending. Both Austria and Switzerland report reasonably good performances from business congresses.

International arrivals in accommodation in France grew by a weak 2% through August, after a double-digit decrease in the same period last year. However, some experts emphasise pent-up demand appearing from European markets, and encouraging growth from many long-haul emerging markets, including Russia, China, South America and the Middle East. Experts also report a stronger domestic demand. In Paris, hotel occupancy is up, but two-star and three-star hotels (which depend largely on Europeans) are facing difficulties. Visits to theme parks are up, but it is suggested that last year's tendency to use them as a substitute for a proper holiday is fading.

In Central and Eastern Europe, the economic downturn offset the 'EU accession' booms and, although economies have generally stabilised, there is little sign of a quick return to a booming economy. In most countries, international tourist arrivals are showing increases, but contrasting to steep declines in 2009 and nowhere near enough to compensate. Exceptions are Armenia (+11%), Azerbaijan (+13%), Georgia (+38%) and Hungary (+7%), which have displayed real growth on year-to-date data. Arrivals in Estonia are up 12%, thanks to the return of the Finns and Russians. In Latvia, Lithuania, Poland, the Czech Republic, Slovakia and Romania increases for the year to date are more typically around 3-5%. In Bulgaria arrivals steadily increased up to 6% from January to

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 (% change over same period of the previous year)															
	2005	2007	2008	2009*	Series 08/07 09/08		2010*							2009*						
	(million)						YTD	Q1	Q2	Q3	May	Jun	Jul	Aug	Sep	YTD	Q1	Q2	Q3	Q4
Europe	348,797	434,041	472,040	410,829																
<i>Northern Europe</i>	53,645	69,484	68,500	58,566																
Denmark	5,278	5,978	6,242	5,673		-2.2	-4.4	2.3	2.4	2.2					-4.4	-8.1	-1.2	-5.0	-4.5	
Finland	2,186	2,837	3,208	2,820		5.4	-7.3	1.1	-0.1	2.3					-7.3	5.8	-9.1	-7.9	-17.0	
Iceland	413	596	611	568		40.7	30.8	23.5	38.9	16.1					30.8	42.6	57.0	47.4	-27.8	
Ireland	4,806	6,066	6,294	4,890		-3.3	-18.1	-20.6	-26.1	-17.1					-18.1	-13.4	-12.2	-24.5	-18.4	
Norway	3,495	4,522	4,911	4,204		4.5	-4.6	8.3	4.3	11.0					-4.6	-7.8	-7.6	-5.5	2.8	
Sweden	6,792	10,883	11,206	10,261		0.4	6.3	-0.3	-3.1	2.1					6.3	7.3	11.7	4.5	2.5	
United Kingdom	30,675	38,602	36,028	30,149	sa	1.6	-1.3	-5.1	-6.3	-3.9					-1.3	-2.0	-4.4	0.5	1.2	
<i>Western Europe</i>	123,224	149,502	162,169	143,676																
Austria	16,054	18,695	21,587	19,404		7.6	-5.2	0.9	2.9	-3.7					-5.2	-10.5	4.1	-1.6	-5.7	
Belgium	9,868	10,989	11,762	9,833		-0.3	-11.8	-3.5	11.6	-16.4			-30.2	-17.1	-11.8	-5.9	-7.8	-23.5	-4.3	
France	44,021	54,273	56,573	49,398		-2.9	-7.9	-2.5	-10.5	-0.2		7.1	-2.0	0.0	-7.9	-9.4	-8.8	-4.4	-12.8	
Germany	29,173	36,038	40,021	34,709		3.5	-8.5	3.4	0.0	3.6		3.8	4.0	6.2	-8.5	-7.5	-9.5	-6.7	-10.5	
Luxembourg	3,613	4,022	4,483	4,174		3.9	-1.8	4.0	-1.0	8.6					-1.8	-0.9	-8.7	-1.9	4.8	
Netherlands	10,475	13,305	13,342	12,368		-6.6	-2.2	10.8	14.8	7.7					-2.2	-20.7	5.4	1.0	5.4	
Switzerland	10,020	12,180	14,401	13,789		6.7	-3.8	3.4	2.7	4.1					-3.8	-7.0	-4.4	-3.2	-0.1	
<i>Central/Eastern Europe</i>	32,665	48,566	57,784	47,365																
Armenia	220	305	331	334	\$	8.4	1.1	9.0	4.6	12.1					1.1	5.0	2.1	0.0	-0.6	
Azerbaijan	78	178	190	353	\$	7.0	85.4	55.9	57.4	54.3					85.4	67.1	62.9	90.3	121	
Belarus	253	325	363	368	\$	11.8	1.5	10.1	12.8	7.9					1.5	0.0	-3.5	-0.6	11.2	
Bulgaria	2,412	3,550	4,204	3,728		10.8	-6.7	2.4	-3.0	0.0		-1.1	-2.3	2.4	-6.7	-12.5	-9.5	-3.9	-7.7	
Czech Rep	4,677	6,383	7,207	6,478		-5.0	0.4	2.0	-4.7	8.1					0.4	-0.9	-3.3	3.0	2.9	
Estonia	972	1,035	1,213	1,091		9.6	-5.3	1.7	3.0	0.8					-3.1	-0.8	-5.7	8.4	-16.5	
Georgia	241	384	447	470	\$	16.4	5.3	25.4	30.8	21.7					5.3	-9.1	-13.7	23.0	20.0	
Hungary	4,101	4,721	5,935	5,631	0	17.8	11.5	-3.5	-6.8	-1.0					11.5	25.6	20.1	9.1	-3.0	
Kazakhstan	701	1,013	1,012	963	\$	-0.1	-4.8	-2.4	-4.6	-0.7					-4.8	-5.6	-10.6	-0.5	-3.5	
Kyrgyzstan	73	346	515	459	\$	48.7	-10.8	-39.1	1.6	-66.9					-10.8	37.0	22.2	-18.0	-39.1	
Latvia	341	672	803	723		11.9	-5.3	-12.2	-14.7	-10.0					-5.5	13.2	2.1	-8.3	-20.4	
Lithuania	921	1,153	1,343	1,092		8.8	-14.3	10.3	7.6	11.7					-14.0	-14.2	-16.5	-15.1	-8.0	
Poland	6,274	10,599	11,768	9,011		-3.4	-0.8	-3.0	-14.9	6.5					-1.0	3.1	6.9	3.7	-15.7	
Rep Moldova	103	168	212	168	\$	26.4	-20.6	-8.4	-26.0	9.6					-20.6	-9.3	-29.8	-29.7	-8.2	
Romania	1,061	1,610	1,997	1,227	€	15.6	-35.2	-12.7	-42.5	-2.8		-26.5	-7.0	-27.7	-35.2	-30.1	-25.9	-31.6	-51.8	
Russian Federation	5,870	9,447	11,819	9,297	\$	25.1	-21.3	-4.1	-2.4	-5.2					-21.3	-23.6	-25.5	-23.3	-10.0	
Slovakia	1,210	2,026	2,589	2,336		19.1	-4.9	-1.3	5.2	-3.4		5.0	-10.0	-8.0	-8.5	-16.1	0.7	2.6	-21.2	
Ukraine	3,125	4,597	5,768	3,576	\$	25.5	-38.0	4.7	0.9	6.6					-38.0	-34.4	-39.3	-41.1	-25.6	
<i>Southern/Mediterr. Eu.</i>	139,262	166,489	183,587	161,222																
Albania	860	1,373	1,720	1,816	€	16.8	11.3	-16.5	-23.8	-11.4		-12.4	-10.2		11.3	-4.3	19.8	31.3	-9.3	
Bosnia & Herzg	521	728	816	677		4.7	-12.4	-4.4	-11.1	-0.4					-12.4	-10.3	-12.0	-14.2	-11.9	
Croatia	7,463	9,254	10,971	8,898	€	10.5	-14.5	-4.9	8.0	-7.3					-14.5	-2.3	-15.7	-15.5	-9.3	
Cyprus	1,364	2,685	2,737	2,162		-4.8	-16.7	3.1	3.5	1.9	3.8	4.2	11.4	-0.6	-16.7	-12.8	-16.6	-16.4	-19.4	
F.Yug.Rp.Macedonia	90	185	228	218	€	15.6	0.6	-13.1	-27.9	2.6		21.4	0.0		0.8	23.0	6.7	-9.0	-8.0	
Greece	13,731	15,513	17,114	14,506		2.8	-10.6	-7.3	-2.0	-11.2		-7.8	-12.1	-4.7	-10.6	-17.0	-12.2	-9.8	-8.5	
Israel	2,866	3,136	4,279	3,741	\$	36.5	-12.6	31.8	35.4	29.0					-12.6	-18.7	-21.5	-7.2	-2.6	
Italy	35,398	42,651	45,727	40,249		-0.1	-7.2	3.3	1.4	7.7		9.2	9.4	-2.7	-7.2	-9.5	-11.0	-5.8	-2.1	
Malta	755	910	950	840		-2.7	-6.8	15.3	27.4	10.2					-6.8	-18.8	2.6	-10.1	-3.4	
Montenegro	268	630	758	662		12.1	-7.9	-0.4	-25.5	4.2					-7.9	-15.5	-8.0	-6.1	-32.3	
Portugal	7,712	10,145	10,943	9,650		0.5	-7.0	9.6	6.3	8.1		11.2	10.0	11.7	-7.0	-15.0	-8.3	-4.4	-3.4	
Serbia	308	865	944	865	€	1.7	-3.4	-4.6	-2.6	-2.9		-4.5	2.3	-14.1	-3.9	-16.8	-9.7	-0.1	9.3	
Slovenia	1,805	2,283	2,820	2,511		15.1	-6.1	4.0	0.6	1.9		2.6	3.4	9.1	-6.1	-7.5	-9.9	-1.6	-7.9	
Spain	47,970	57,645	61,628	53,177		-0.4	-9.0	2.7	0.2	0.4		1.7	2.8	6.3	-9.0	-13.6	-8.0	-9.2	-5.5	
Turkey	18,152	18,487	21,951	21,250	\$	18.7	-3.2	1.4	-2.2	7.4		10.9	7.6	5.6	-3.2	-11.1	-9.6	-4.6	11.5	

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO October 2010)

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

September. The Russians are clearly back as outbound tourists, but inbound numbers are still down about a fifth on their peak levels: they were up just 2% in the first half of 2010. Ukraine is still negative, but has posted the first positive quarter since 2008, while Kazakhstan (-12%) is the only country lagging behind in recovery.

Southern and Mediterranean Europe weathered the crisis relatively better than other sub-regions in Europe with a decrease of 3.8% in 2009 as against a decrease of 5.6% for the region. It started posting positive figures from January 2010, with a downturn coinciding with the volcanic ash disruption earlier this year, bringing growth for the year to August to 2%. Overall, recovery is weak and several destinations are still well below previous record numbers. Nevertheless, the picture is very mixed from one destination to another. Exchange rates have clearly played a role in the changing demand trends, but it is difficult to draw firm conclusions.

Some destinations bucked the trend and rebounded strongly. Israel posted an increase of 22% through September, and is heading towards an all-time high. It did well in both its traditional markets of Europe and the USA, and in emerging markets such as India, China and the Russian Federation. Equally, Malta reports an excellent double-digit performance, in spite of the strong euro and its comparatively strong dependence on air transport and the British source market. Arrivals grew by 13% through September, which more than compensates for 2009's 10% decline in the same period. More significantly, receipts have also risen by 15%, highlighting the fact that the islands' recovery this year cannot be attributed to widespread price cuts, as is the case with some destinations. Key to the recovery has been the consistent efforts of the public and private sector working jointly and proactively to diversify markets and products and to invest in marketing and promoting the islands more effectively. This year so far has also reportedly seen an increase of 33% in scheduled routes to Malta. The peak summer months were particularly good for Malta, with the month of August alone registering a 174% increase from the USA and 45% from Austria, for example. Over the first eight months, only one key source market, the Netherlands, showed a decline (-4%), while there was strong, double-digit growth from many of the others – eg the USA (+41%), Spain (+42%), Italy (+26%), Russia (+19%).

Turkey grew a further 5% in the first nine months of 2010. There has been much growth in leisure and business arrivals from the Middle East (including Saudi Arabia, Syria and Iran) and in business events in Istanbul and Antalya. The government is placing a strong emphasis on tourism, including spa, medical and corporate tourism, with plenty of incentives for investments.

Tourism had been booming in the Western Balkans over the past few years, but the picture is now mixed. In the first half of this year, Bosnia and Herzegovina (+16%) and Albania (+8%) reported substantial increases to new peaks. Their governments are investing in rural, eco, cultural, spa and adventure tourism, and Albania has

benefited from a closer integration with Kosovo. In Croatia commercial leisure tourism is much more advanced and arrivals are up 5%. A local expert reports that the summer season was better than expected, with some diversions from Greece and an ability to exploit Europeans' current preference for late bookings close to home. In Slovenia, Serbia and Montenegro arrivals are up 2%, 3.5% and 5% respectively, and in the Former Yugoslav Republic of Macedonia (where arrivals did not fall at all last year) they are now down 2%. In much of the Balkan region, local economies are struggling and disposable incomes falling, so VFR and other cross-border tourism remains weak.

Tourism in Italy has passed through the recession relatively easily, helped by its proximity to major European source markets. The modest increase in arrivals in the first half of 2010 (+3%) follows an already positive result last year. Increases in arrivals are reported from Germany, but also from the USA, Japan and Russia. Spending seems to be keeping pace with arrivals. However, the weak economy is preventing any significant growth in domestic and outbound tourism.

In contrast, in most of the other more mature destinations of the eurozone the recovery is still sluggish. Spain's 1% increase (through the first nine months) follows two years of declines in 2008 and 2009. The heavy exposure to the UK and other European markets, from which there has been no real sign of improvement (0.6%, or slightly below the overall trend) – despite a 9% increase from both Italy and the Netherlands – partially explains the slow recovery. But Spain was also weak in American markets. Portugal (+5%), on the other hand, reports a large increase in arrivals from Brazil. Although arrivals in both countries have improved in recent months, they are still far short of their peak levels.

Tourism in Greece has been weak for the past few years, and the financial crisis in 2009-10 exacerbated the situation. In H1 2010 arrivals were down a further 5%. Strikes and riots earlier in the year did not help the image of the destination abroad, but memories of these now appear to be fading. Experts report that by August arrivals by air had begun to improve. Cyprus reports a modest +1%, but arrivals in both Greece and Cyprus from Russia have been growing fast, and the Cyprus Hotel Association reports a 50% increase in arrivals for Russia this summer.

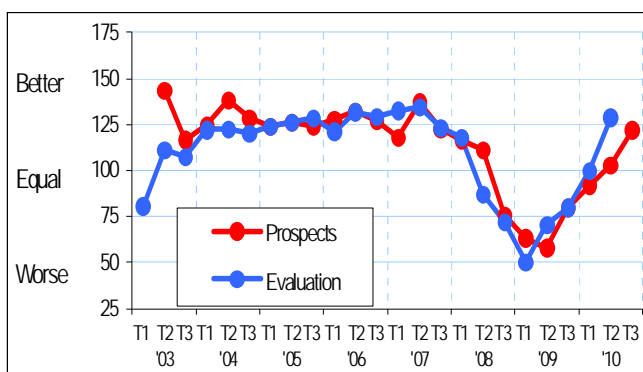
The competitive pricing of non-eurozone destinations like Turkey, Egypt, Morocco and Tunisia has often been highlighted as a factor eroding the competitiveness of tourism in Greece, Cyprus, Spain and Portugal in recent years. This problem eased this year, under the twofold effect of a weaker euro, though not lasting, and price-cut strategies adopted by several countries in this region. Many respondents to the Barometer survey in Portugal and Spain reveal that visitor numbers have been sustained at the expense of very heavy discounting. This also applies to their mutual domestic markets: the many consumers who took their holidays within Spain or Portugal did so because they were, or feared they might soon be, short of money.

Prospects

Over the first half of this year the turbulences linked with a fragile economic situation in some EU member countries and the eurozone in general, and of the tourism sector in particular, definitely faded away. Recovery is in sight, but many challenges remain for this region's economy and tourism – notably stagnating demand and non-homogeneous growth.

A few countries have overcome the economic crisis and moved on (notably Germany, Turkey, Russia, Poland and Sweden). Consumer confidence in most countries is also improving gradually. The present recovery in international tourism is therefore expected to continue, but also to remain modest. Within Europe, the reasons for weak consumer spending vary in individual countries – they consist of some combination of an emphasis on export-led growth to contain current account deficits (rather than on consumer spending), rising taxes, increased unemployment, heavy consumer debt and/or scarcity of credit, and falling or stagnant real earnings. There is also the pervading sense of unease that accompanies the constant media attention on financial and economic problems, unpopular austerity measures, and any consequent demonstrations and social unrest.

UNWTO Panel of Tourism Experts
Europe



Source: World Tourism Organization (UNWTO) ©

Current reputations, fashions and circumstances affect the direction of travel, and the focus of attention of potential travellers in the most prosperous emerging markets has not usually been on Europe, as it used to be among traditional markets. To the benefit of Europe, travel from Japan, a large market which has long been declining, is apparently up, and some destinations reported a recovery from the USA market, although longer-term trends do not confirm this result. The Republic of Korea, Canada, Australia and New Zealand are also prospering. Growth for emerging destinations may not be relevant in the short term, given that European tourism largely depends on intra-regional traffic, but becomes strategic in a longer-term perspective. The level of affluence is growing not

only among the BRIC countries (China, Russia, India, and Brazil) but in more and more other developing economies. Individually, most of these markets are small and present a challenge to national tourism organisations (NTOs) with reduced marketing budgets. But collectively, they could be important in opening up new sources of growth, even without much promotion on the part of NTOs.

Forthcoming event

Building New Models for Tourism Growth: Competitiveness & Responsibility

Global Tourism Forum Andorra 2011
Andorra, 6-7 March 2011



The Global Tourism Forum Andorra 2011 'Building New Models for Tourism Growth: Competitiveness & Responsibility' will bring together decision makers from the tourism and economic and political leaders with the objective of reaching out beyond the sector and demonstrate tourism's role in the post-crisis sustainable recovery.

Participants will include prominent economists and leaders as well as high-level representatives from the tourism private and public sectors, coming together to share strategic insights on major challenges and devise the way forward for tourism in a world in transformation.

In particular, participants will focus on:

- The State-of-the-Industry – Global Outlook: where does the tourism sector stand following the most challenging years in recent history?
- Creating a New Competitive Framework in Tourism: Key Factors to Stimulate Growth: What are key competitive factors for tourism in a post crisis world?
- Investing in Responsible Tourism: Contributing to a Fair and Inclusive Growth: How to build an environmental and social responsible tourism sector that benefits local communities, preserves the environment and contributes to development?

More information on the Global Tourism Forum:

www.unwto.org/pdf/GTFA.pdf

and

UNWTO Communications Programme

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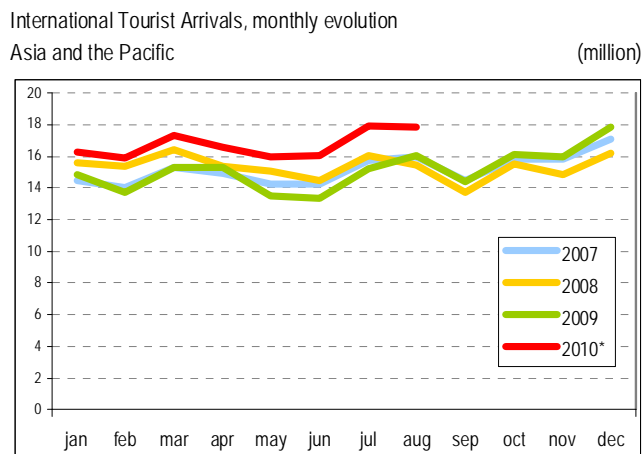
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Asia and the Pacific

Results

International tourist arrivals in Asia and the Pacific have risen at double the world average rate so far this year. Every single destination in Asia (excluding Oceania) for which UNWTO has 2010 data reports growth, and very few are content with single-digit increases. These large increases in arrivals partly represent a recovery from the negative figures recorded in 2009. But in many countries arrivals are running at new all-time highs and Asia's tourism overall undoubtedly shows real growth.

UNWTO estimates that international arrivals in the first eight months of the year in Asia and the Pacific were up 14%. North-East Asia recorded an increase of 16%, while the respective growth was 14% in South Asia and 13% in South-East Asia. There was some slackening of growth rates in August, but since arrivals in Asia had already begun to recover by August 2009, this is a statistical effect, only to be expected. Comparatively, in Oceania growth remains more modest, at 6%, although here too there was an improvement in the last four months.



Source: World Tourism Organization (UNWTO) ©

Throughout the region, business and leisure travel has been boosted by increased intra-regional trade flows, improving consumer sentiment and a release of pent-up demand – demand which was repressed in 2009, not just by the world economic downturn and weak consumer confidence, but also by fears about the H1N1 epidemic, which were particularly strong in Asia. Airline capacity is rising again, but the boom is not yet entrenched enough to drive up prices: in many areas hotel rates are still low and travel discounts abound.

China now accounts for 28% of total international arrivals in the Asia Pacific region and is becoming the dominant factor in regional tourism – inbound and outbound. Its growth in international arrivals for the year to date (+11%) is not exceptional by recent historical standards, or by comparison with the regional average, but marks the return to real growth. Individual experts quote varying figures for inbound, outbound and domestic

arrivals, but almost all are upbeat. There are reports of large increases from a wide range of markets, including the USA, Germany, France, the Netherlands, Italy, Spain, Australia, Indonesia, the Philippines, Malaysia and Japan.

World Expo Shanghai has been a resounding success, having attracted, when it closed on 31 October, a total of 73 million visitors over the six months that it was open. The Expo was a major event, drawing in the first place from the very extensive Chinese domestic market, but also on visitors from around the world. It generated considerable international attention for about 250 exhibiting countries and international organizations showcasing themselves to China, the region and the world. Shanghai received 4.6 million international visitors in January-July, up one third on the same period in 2009. Many visitors went on to other attractions in China.

China plays an important role as an outbound market in the region and outside. The modest appreciation in the value of the yuan has contributed to restraining inbound travel and encouraging more outbound trips. Outbound travel demand has been boosted by the easing of visa requirements for some Chinese visitors by Japan, the Republic of Korea, Taiwan (pr. of China), Canada and other countries.

Hong Kong (China) (+22%) and Macao (China) (+19%) both report increases that are taking arrivals to new all-time peaks this year. A typical comment from UNWTO's Panel of Experts was: "The situation in 2009 was really bad; the situation in 2010 is by and large back to normal" – presumably implying back to the rapid growth of recent years. The favourable political environment and a big increase in airline capacity have resulted in a sharp rise in demand for travel to Taiwan (pr. of China), with arrivals soaring by 27% in January-September, after a 14% increase over the whole of last year. A breakdown of arrivals for H1 shows that nearly two thirds of arrivals were leisure travellers, up 46% over the same six months in 2009, or double the business tourism growth (23%). The Chinese market (+78%) accounted for one third of the total arrivals count.

Japan's figures point towards a recovery in both inbound and outbound travel. A remarkable 34% increase in international tourist arrivals so far this year more than make up for the considerable decline last year (-19%) and was better than might have been expected in view of the large appreciation of the yen. That same strength of the yen is encouraging further growth in outbound travel. The turnaround in Japanese consumers' appetite for outbound travel, which had seemed until recently to be in steady decline, was noted in the June Barometer. Experts in a great many destinations around the world have now confirmed this turnaround. However, the weak economy and a vicious summer heatwave damaged domestic tourism this summer.

In June the Barometer reported a reversal in tourism trends for the Republic of Korea: in much of 2009 the exchange rate of the Korean won was extremely low, causing a huge inflow of holidaymakers and shoppers into

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

	Full year			Change		Monthly or quarterly data series															
	Series	2005	2008	2009	08/07	09/08	Series	(% change over same period of the previous year)												2009	
								2010*	YTD	Q1	Q2	Q3	Apr	May	Jun	Jul	Aug	Sep	Q1	Q2	Q3	Q4
Asia and the Pacific		153,639	184,088	181,246	1.1	-1.5		14.2	13.0	15.3		8.8	18.2	20.0	17.7	11.3		-7.5	-6.2	0.8	6.7
North-East Asia		85,966	100,973	98,081	0.0	-2.9		16.1	11.4	21.0		11.1	26.1	28.1	20.2	12.1		-7.6	-7.5	-0.5	4.1
China	TF	46,809	53,049	50,875	-3.1	-4.1	TF	10.7	8.2	12.9	10.9	7.4	16.1	15.9	11.0	8.6	13.5	-11.3	-5.1	-0.1	0.3
Hong Kong (China)	TF	14,773	17,320	16,926	1.0	-2.3	TF	21.8	12.7	31.6	22.9	14.0	38.6	48.1	35.7	16.5	17.6	0.6	-11.6	-4.7	5.6
Japan	VF	6,728	8,351	6,790	0.0	-18.7	VF	33.6	29.3	42.3	29.9	25.8	48.5	59.5	38.9	18.2	34.0	-27.2	-30.1	-16.3	2.3
Korea, Republic of	VF	6,023	6,891	7,818	6.9	13.4	VF	12.7	-1.0	21.4	18.6	6.1	27.0	35.4	23.9	19.8	12.7	24.3	6.8	14.2	9.4
Macao (China)	TF	9,014	10,610	10,402	n/a	-2.0	TF	19.1	16.3	29.4	13.0	16.5	40.0	35.4	26.9	9.2	3.8	-8.3	-11.8	1.7	10.6
Mongolia	TF	339	446	433	-1.2	-3.0	TF	19.8	50.6	50.6	-2.5							-35.2	-35.2	21.4	21.4
Taiwan (pr. of China)	VF	3,378	3,845	4,395	3.5	14.3	VF	27.0	28.1	30.5	22.2	12.9	38.1	46.4	23.4	20.3	23.1	2.2	18.6	13.9	22.1
South-East Asia		48,543	61,759	62,150	3.5	0.6		12.6	16.1	8.6		7.5	7.7	10.6	16.4	9.8		-7.0	-5.3	3.7	11.8
Cambodia	TF	1,333	2,001	2,046	6.8	2.2	TF	14.6	9.5	18.1	17.8	16.8	18.5	19.1	22.4	18.8	11.8	-5.5	-0.1	8.8	8.0
Indonesia	TF	5,002	6,234	6,324	13.2	1.4	TF(1)	12.3	14.6	13.5	9.2	14.1	15.0	11.4	11.0	3.5	13.5	0.0	4.2	-0.8	2.4
Lao P.D.R.	TF	672	1,295	1,239	13.4	-4.3	VF	12.4	12.4									15.3	-18.5	28.9	37.7
Malaysia	TF	16,431	22,052	23,646	5.1	7.2	TF	5.2	5.3	3.9		-0.3	5.2	6.5	10.5	3.4		2.2	4.7	12.4	9.5
Myanmar	TF	232	193	243	-22.1	25.8	TF	34.0	39.3	24.8		30.0	20.7	23.5	40.0			-0.4	22.1	35.2	52.7
Philippines	TF	2,623	3,139	3,017	1.5	-3.9	TF	14.0	11.4	13.1		6.2	15.7	18.0	24.6			-8.5	-4.5	-3.9	1.7
Singapore	TF	7,079	7,778	7,488	-2.2	-3.7	VF	21.8	19.6	25.7	20.3	20.5	30.3	26.7	24.1	18.0	18.4	-13.6	-9.3	0.3	5.7
Thailand	TF	11,567	14,584	14,146	0.8	-3.0	TF	13.3	27.8	-3.6	12.5	2.1	-12.9	-1.1	14.2	8.9	14.5	-15.7	-16.5	-2.8	27.8
Timor-Leste		..	19	27	45.6	41.3	VF	8.2	14.1	2.8								14.6	29.1	25.6	21.0
Vietnam	VF	3,478	4,236	3,747	0.2	-11.5	VF	34.2	36.2	28.6	37.6	31.3	19.6	34.9	50.9	37.3	26.0	-16.1	-22.2	-7.6	3.5
Oceania		10,982	11,101	10,915	-0.9	-1.7		6.3	6.5	3.9		-3.7	3.6	13.5	9.7	8.4		-5.7	-3.1	-0.8	2.8
Australia	VF	5,499	5,586	5,584	-1.0	0.0	VF	5.6	6.3	1.4		-5.6	0.4	11.1	11.0	8.8		-3.5	0.6	-2.6	5.1
Cook Is	TF	88	94	100	-3.0	6.6	TF	-0.3	-4.2	-2.7		-0.5	-8.0	0.4	13.1			2.1	10.3	8.9	4.1
Fiji	TF	545	583	539	8.0	-7.7	TF	19.6	26.5	17.4		13.2	20.5	18.5	12.3			-23.7	-11.0	-0.6	1.9
French Polynesia	TF	208	196	160	-10.0	-18.3	TF	-10.4	-10.7	-10.3		-4.5	-12.9	-12.3				-26.6	-23.4	-14.6	-9.3
Guam	TF	1,228	1,142	1,053	-6.8	-7.8	TF	14.7	10.1	20.5	15.0	2.5	22.3	42.5	13.5	16.0	15.6	-8.2	-22.2	-0.6	-0.1
Kiribati	TF	5	3	3	-40.6	-7.9	VF	47.9	51.9	43.7		77.4	71.8	1.1				38.4	31.0	25.5	12.7
Marshall Is	TF	9	6	5	-16.4	-10.8	TF*	-8.9	-6.6	-3.2		-2.7	7.7	-10.1	-24.0			-21.5	-4.9	-23.7	-19.4
N.Mariana Is	TF	498	388	..	0.8	..	VF	6.5	2.2	10.7		-5.7	11.9	30.1	16.0	2.6		-2.9	-21.5	2.0	-22.9
New Caledonia	TF	101	104	99	0.3	-4.1	TF	-9.9	-14.2	-10.3		-18.4	-0.5	-11.3	-10.5	3.6		-11.3	8.7	3.2	-13.3
New Zealand	VF	2,383	2,459	2,458	-0.3	0.0	VF	3.4	5.6	0.5	3.0	-4.0	-0.4	7.9	3.8	4.3	1.0	-7.4	2.3	2.8	4.6
Niue	TF	3	5	5	37.1	-1.8	TF	51.7	79.4	16.4		-24.5	10.5	73.7				109.7	-17.0	-21.0	-11.2
Palau	TF	86	83	84	-10.7	1.1	TF*	16.0	5.7	5.3	36.8	-1.8	14.1	4.1	85.8	20.1	12.4	-11.8	-10.7	-6.3	-12.8
Papua New Guinea	TF	69	120	127	15.4	5.8	TF	18.7	21.8	13.5		15.1	19.3	6.7	26.4	18.1		3.0	3.9	0.6	13.7
Samoa	TF	102	122	129	-0.2	5.5	TF	-3.6	-1.0	-4.0		-12.4	-3.8	3.4	-3.3	-8.5		7.9	9.5	5.2	1.0
Solomon Is	TF	10	18	19	15.5	11.0	TF											30.8	10.7	3.6	1.2
Tonga	TF	42	49	51	7.3	2.5	TF	-13.7	-8.6	-15.0		-15.0	-15.0	-19.1				9.1	9.5	1.1	-5.2
Tuvalu	TF	1	2	2	46.1	-4.3	TF	13.8	7.1	27.5		48.7	37.8	-6.5				4.5	-20.7	1.1	-7.0
Vanuatu	TF	62	91	101	11.3	11.2	VF	-8.3	-18.0	3.6		-21.7	-13.7	83.5				32.8	41.4	16.5	-16.7
South Asia		8,147	10,256	10,100	1.1	-1.5		13.9	17.0	11.5		4.4	18.4	12.4	10.8	14.4		-11.6	-0.2	-1.1	7.3
Bhutan	TF	14	28	23	31.0	-15.0	TF	8.1	56.2	-17.9		-28.2	0.2	-1.4				-31.6	14.7	4.1	-30.7
India	TF	3,919	5,283	5,109	4.0	-3.3	TF	10.0	12.8	8.0	8.2	1.6	15.5	8.0	4.1	9.0	12.6	-13.5	-1.8	-3.8	6.9
Iran	TF	1,889	2,034	..	-8.3	..	TF											0.5	6.8	-7.9	
Maldives	TF	395	683	656	1.0	-4.0	TF	22.1	20.5	19.5	26.5	6.2	35.2	21.7	29.1	26.6	24.1	-10.8	-10.0	-2.0	7.4
Nepal	TF	375	500	510	-5.0	1.9	VF(2)	19.8	29.8	7.1	23.3	2.3	6.0	16.3	26.1	24.3	20.6	-16.7	6.3	6.5	8.3
Pakistan	TF	798	823	855	-2.0	3.9	TF											-12.8	-1.9	18.5	11.2
Sri Lanka	TF	549	438	448	-11.2	2.1	TF	44.0	50.3	45.9	37.2	47.0	42.3	47.9	50.0	35.7	24.6	-21.3	-8.8	30.3	14.7

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO October 2010)

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

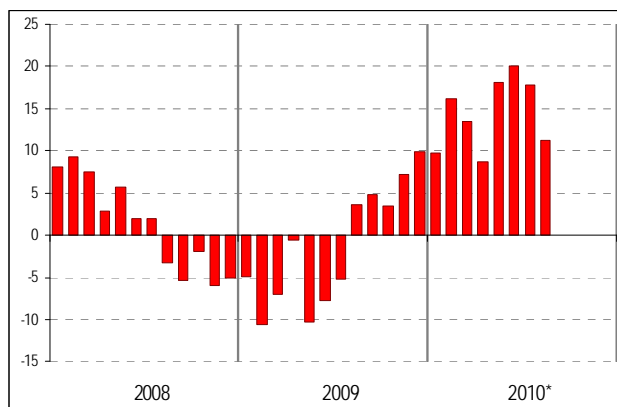
(1) Foreign arrivals through thirteen selected Ports of Entry

(2) Air arrivals only

International Tourist Arrivals, monthly evolution

Asia and the Pacific

(% change)



Source: World Tourism Organization (UNWTO) ©

Korea from China, Japan and other Asian countries (at a time when travel to most other destinations was falling rapidly), but a collapse in outbound travel. In 2010 the won has been much stronger, in principle encouraging outbound travel and discouraging inbound. Nevertheless, arrivals were up 13% through September. The explanation seems to lie partly in the strength of local economies, and partly in the appreciation of the Japanese yen this year, offsetting the strength of the won in the Republic's largest market. This is confirmed by reports that inbound business travel is stronger than inbound leisure travel.

The average growth rate for the year to date in South-East Asia (+13%) is only slightly lower than that in North-East Asia, and in all destinations international arrivals seem to be heading for new peaks this year, with an emphasis on growth from within the region. Arrivals are up

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

	US\$				Local currencies, current prices (% change over same period of the previous year)																	
	2005	2007	2008	2009*	Series 08/07 09/08 2010*																	
	(million)				2009*																	
					YTD	Q1	Q2	Q3	May	Jun	Jul	Aug	Sep	YTD	Q1	Q2	Q3	Q4				
Asia and the Pacific	135,677	186,324	208,969	203,861																		
<i>North-East Asia</i>	65,119	85,275	99,933	100,115																		
China	29,296	37,233	40,843	39,675	\$	9.7	-2.9	15.8	12.9	19.0	15.3	22.4	23.4	15.0	12.8	18.4	-2.9	-12.7	-6.2	4.1	3.8	
Hong Kong (China)	10,294	13,754	15,304	16,463		11.1	7.1	37.3	28.6	48.5								7.1	12.8	-4.4	0.2	17.6
Japan	6,630	9,334	10,821	10,305		1.8	-13.8	25.3	20.5	32.6		37.0	45.6	30.0	14.3			-13.8	-20.4	-22.9	-12.3	2.1
Korea, Republic of	5,806	6,138	9,774	9,442	\$	59.2	-3.4	-4.1	-29.3	18.8	8.1	36.0	31.5	19.7	10.0	-3.7		-3.4	43.5	6.6	-1.4	-35.8
Mongolia	177	307	247	235	\$	-19.4	-4.7	15.6	20.6	13.4								-4.7	-35.7	-15.2	6.6	12.3
Taiwan (pr. of China)	4,977	5,213	5,937	6,816	\$	13.9	14.8	28.7	30.9	26.8								14.8	0.5	16.0	17.9	23.7
<i>South-East Asia</i>	34,982	55,484	59,772	54,302																		
Cambodia	840	1,135	1,219	1,185	\$	7.4	-2.8	5.5	3.4	8.2								-2.8	-7.7	-5.0	1.5	1.0
Indonesia	4,522	5,346	7,375	6,318	\$	38.0	-14.3	14.2	14.8	13.7								-14.3	-15.3	-12.0	-16.4	-13.6
Lao P.D.R.	147	233	276	268	\$	18.1	-2.7															
Malaysia	8,847	14,044	15,277	15,772		5.6	9.1	4.6	5.4	3.9								9.1	4.1	6.4	14.4	11.4
Philippines	2,265	4,933	2,499	2,329	\$	-49.3	-6.8	23.5	13.5	34.6		34.4	14.6					-6.8	-8.5	-4.7	0.6	-13.3
Singapore	6,211	9,066	10,722	9,187		11.0	-11.9	25.9	18.2	33.7								-11.9	-9.7	-9.9	-14.3	-13.5
Thailand	9,576	16,669	18,173	15,901		5.2	-9.9	20.4	36.2	-2.4								-11.2	-26.8	-23.3	-7.4	17.9
Vietnam	2,300	3,750	3,930	3,050	\$	4.8	-22.4															
<i>Oceania</i>	25,891	31,583	33,744	33,808																		
Australia	16,848	22,308	24,756	25,594		10.7	11.2	2.9	6.0	1.7		1.9	2.4	1.1	-0.7			11.2	10.4	11.5	14.2	8.8
Fiji	486	497	536	417		6.6	-4.4	27.2	27.2									-4.4	-19.0	-9.7	3.2	5.3
French Polynesia	522	539	522	438		-9.7																
New Zealand	5,203	5,435	5,037	4,586		-3.1	2.4	-4.1	-2.7	-6.1								2.4	0.8	-2.5	7.4	5.1
Solomon Is	3	4	4	4		1.6	19.2											19.2	40.2	36.0	-16.9	38.5
<i>South Asia</i>	9,685	13,982	15,519	15,635																		
Bangladesh	70	76	74	..		-3.0												-35.3	-55.2	-10.7		
Bhutan	19	30	39	32	\$	30.1	-18.0	6.8	52.8	-17.4		0.5	-19.1					-18.0	-34.7	11.8	6.2	-33.6
India	7,493	10,729	11,832	11,136		16.0	4.7	18.5	17.2	20.1								4.8	-7.4	7.4	7.9	12.5
Iran	1,069	1,677	1,908	..	\$	13.8	..											47.4				
Maldives	287	602	664	608	\$	10.2	-8.3															
Nepal	132	198	336	371		77.9	22.6	-3.8	-22.9	12.1								22.6	24.8	59.0	25.3	-6.5
Pakistan	182	276	316	269	\$	14.5	-14.9	40.6	108	3.0	12.6	10.0	4.5	12.6	11.2	13.9		-14.9	-9.7	8.2	-31.6	-16.5
Sri Lanka	429	385	342	350		-13.0	8.6	70.1	70.1									8.2	-16.9	-1.5	39.0	19.5

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO October 2010)

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

as much as a third in Myanmar (from a low base) and Vietnam (from a much stronger base, but after a setback of about 12% in the same period last year).

In Singapore (+22%) experts point to the dramatic effect on arrivals of the new integrated resort-casinos. Experts in Malaysia are unsurprisingly upbeat, given the 5% increase in arrivals this year so far on strong 2009 base figures. In Indonesia, which has suffered various natural disasters this year, an increase of 12% – again on relatively strong figures last year – is well up to the government's targets, and is due in large part to strong contributions from Australia, China and the Republic of Korea. However, accommodation and tour prices in Indonesia, as in many South-East Asian destinations, have still not recovered fully, making the subregion even more attractive.

Thailand (+13%) posted reasonable results given the political stresses it has faced. Arrivals from Europe, North America and Japan are still down on previous levels and promotional emphasis seems to be shifting to Asian markets. Figures from Cambodia, with international arrivals up by 15% following a positive 2009, and Lao P.D.R. (+12%) also look fairly good.

Arrivals in Oceania (+6%) are still growing more moderately than in the rest of Asia and the Pacific, partly because the major destinations are more mature, and partly because their situation in world tourism patterns is different and more fragile. Australia (+6%) and New Zealand (+3%) are both heavily dependent on European and North American markets, but are also distant from them. They have suffered in these markets from the reduction in long-haul travel during the economic downturn, the expense of long-distance airfares in an era of high oil prices, rising departure and other taxes for outbound travel in some key markets, and high local prices in dollar, euro and sterling terms caused by strong exchange rates. Business travel from Europe and North America is up. However, there is as yet little sign of a recovery in leisure demand from European or North American markets. In 2010 demand from the UK, for instance, has been repressed by a series of factors, including the rise in Air Passenger Duty (APD), the volcanic ash cloud, the Winter Olympics, the FIFA World Cup and the uncertain UK economy.

Australia and New Zealand have therefore been looking to Asian markets for growth, and have found some this year – especially from China, the Republic of Korea and, at last, Japan, but not, apparently, from Hong Kong, China or Taiwan, (pr. of China). But the base figures were weak (the economic downturn and fears about the H1N1 influenza epidemic had a very serious effect on travel from these countries in mid-2009) and the continuing strength of their currencies is restricting inflows this year.

Both Australia and New Zealand have also been looking, successfully, to each other to sustain their tourism industries. Skiing in New Zealand, for instance, is fashionable in Australia. They have been attempting to boost domestic tourism, but social fashions and their strong currencies keep favouring outbound travel. This has been especially true of Australia for several years, but now a

marked shift in preferences towards taking holidays abroad is also noted in New Zealand.

There has been comparatively scarce input from experts in the Pacific Islands to this issue of the Barometer, with the few respondents who have made comments saying that the last four months have been slower than usual. Samoa reports that demand from New Zealand (which accounts for 50% of arrivals) has remained strong, but not from Australia, the USA and American Samoa, the other major sources. Among the more important destinations, UNWTO figures show large increases for Fiji, Guam and Papua New Guinea, but declines for French Polynesia, New Caledonia, Tonga, and Vanuatu.

Arrivals in South Asia are estimated to be up 14% in the first eight months of this year. India accounts for over half of all arrivals in the subregion. Here, a 10% increase in arrivals in the first three quarters of 2010 is more than making up for the decline last year. However, for a country whose economy is growing so rapidly a stronger rebound in tourism might have been expected. International tourism receipts, though, increased by 19% in H1, and business travel demand related to booming industries is strong. But hotel occupancy is said to be up only modestly, and at low room rates.

Arrivals in Sri Lanka are reported to have risen by as much as 44% – a welcome outcome of a hopefully durable return to peace and stability. Investment in the country is growing, notably from China, and this augurs well for continued growth in demand for the destination. Arrivals in the Maldives (+22%), meanwhile, have made a full recovery, but Bhutan still has some way to go despite an 8% increase in arrivals. The government is said to be opening new areas of the country to tourism, which should create opportunities for new itineraries and investments.

In Nepal (+20%), arrivals are reaching new peaks, with huge growth reported from India and China and plenty of new airline capacity. One important contributing factor has been the easing of political tensions, with their related strikes and protests, since the first quarter of the year.

Recent figures for Bangladesh, Pakistan and Iran are not available. Quite apart from the security problems, the devastating floods in Pakistan have of course made leisure tourism to the destination almost impossible for the time being. In Iran, international tourism has been very largely related to the Iranian diaspora (both VFR and business) for years, but the growth of commercial relations with Asia should open up opportunities for tourism in that direction.

Prospects

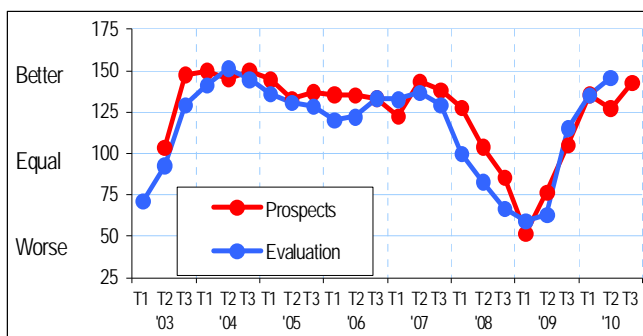
Asia's remarkable growth requires longer evidence to decree a return to the boom years, although double-digit increases in arrivals in most countries points in this direction. The key fact is that most destinations weathered the crisis relatively well and showed recovery since Q4 2009, hence posting real growth to date. This reinforces the

impression that in the 2004-2007 boom Asia was far from approaching internal limits on demand or supply. The sudden downturn in 2008-09, triggered by the spike in commodity prices in mid-2008, which constrained disposable incomes in the region and raised transport costs, aggravated by the worldwide financial and economic crisis as well as fears about the H1N1 epidemic, in hindsight looks very much like a temporary blip. However, it certainly also could be seen as a warning sign that growth does not come automatically and that business needs to be developed sustainably. Admittedly, responses from experts in the region show there is some nervousness about the fragility of the recovery in Asia. However, there is little reason to expect a double-dip. The risk is greater in the USA or Europe, but a renewed downturn there would be unlikely to have much impact on Asia and the Pacific. Neither Europe nor the USA is contributing very much to the current growth in Asian tourism.

Nevertheless, as the elements of recovery and repressed demand are exhausted, growth rates will ease back. And since the recovery in Asia was well underway in Q4 2009, the nominal growth rates, calculated on the same period a year earlier, will for a while fall back even faster.

UNWTO Panel of Tourism Experts

Asia and the Pacific



Source: World Tourism Organization (UNWTO) ©

In China, the growth seems irrepensible. The relaxation of visa requirements with a growing number of countries is gradually opening new travel opportunities, to and from China. The number of Chinese domestic travellers during the Mid-Autumn Day (September 22-24) and National Day holidays (October 1-7) was expected to reach more than 210 million, up 18% on last year, while outbound travellers were projected to reach 1.7 million, up 12% on 2009's count. The Asian Olympic Games in Guangzhou will take place in November and is another event that is expected to bring in extra visitors.

The recovery in demand for outbound travel from Japan is particularly encouraging, but it is too early to tell whether it will persist. However, the opening of new capacity at Tokyo Haneda Airport in October, allowing medium-haul flights, will be a boost to outbound travel, since it will facilitate connections with domestic flights which already use the airport.

Political sensitivities could discourage growth in some individual markets and destinations in Asia and the Pacific.

Chinese-Japanese relations remain restrained. After Japan's detention of a Chinese trawler captain near the disputed Senkaku Islands, China cancelled a 10,000-passenger incentive group to Japan and cancelled its participation in the JATA World Travel Expo. Relations between Indonesia and Malaysia, Indonesia and Timor, Japan and the Republic of Korea, and the Republic of Korea and China, have also occasionally been edgy. The political situations in Nepal and Thailand, although quiet at present, cannot be described as resolved. The botched response to the kidnapping of Chinese and Hong Kong tourists in Manila in August is reported to have made a big impression in those markets. There has also been media attention in China on the practice (widespread in other countries, too) of tour guides putting pressure on travellers to shop (in order to boost their commissions), and it is suggested that this may deter some Chinese travellers. There is a threat of an airline strike in the Philippines.

However, it should be remembered that tourism is always faced with such challenges, and the problems seem almost insignificant when set against the economic growth in the region and the scope this is creating for further growth in travel demand.

A recent Asian Development Bank (ADB) report said the region's middle class was growing at an exponential rate and poised to become the world's single biggest group of consumers. In 2008, some 1.9 billion people were broadly classified by the ADB as part of the middle class in Asian developing countries, more than triple the group's size of 565 million in 1990. China in particular saw its middle class boom, with statistics showing the share of the Chinese population with daily incomes of US\$ 6 to US\$ 10 surging from 5 to 26% between 1995-2007. In India, people in that income bracket increased from about 29% in 1993-94 to 38% in 2004-05. The main question now is what the impact of all this growth will have on demand, and even more importantly on infrastructure, and how the industry and governments will manage the growth.

Experts' comments reveal a number of ambitious and exciting projects, as well as strong consumer and business confidence from all subregions. Accordingly, the next few years may see a boom in the development of resorts and entertainment facilities, such as theme parks. With key fundamentals in place, such as the growing middle class and incomes in Asia, as well as demand for entertainment and leisure time, these are seen as ideal products for tourism and economic development. Tokyo Disneyland and Disney Sea, the Universal Studios park in Osaka and the Republic of Korea's home-grown Everland ranked among the world's top ten theme parks in terms of visitors last year, according to the industry consultancy, Themed Entertainment Association (TEA).

Universal Studios, encouraged by Asia's promise and its early success in Singapore (1 million visitors in the first six months of operation), has signed a deal to build its largest theme park in the world in the Republic of Korea at a cost of around US\$ 2.7 billion. When completed in 2014, the resort will be bigger than Universal Studios' four other

parks in Hollywood, Florida, Osaka and Singapore combined.

Disneyland is going ahead with a new franchise in Shanghai, with construction expected to start in November. Denmark's Legoland is setting up its first Asian branch in Malaysia's Johore state close to Singapore, hiring builders to use the famous little plastic bricks to replicate national and state landmarks.

The Royal Group (TRG), a Cambodian corporation in property and infrastructure development, has unveiled a masterplan to develop Koh Rong into what it claims to be Asia's first environmental resort destination. The plan, which aims to transform the island into the next 'Asian Riviera', will cover elements such as infrastructural development of an airport, a marina, a port and roads, as well as resorts, hotels, golf courses, shopping, restaurants, bars and entertainment venues. TRG has been granted a 99-year lease for the development, which has a five-year schedule for the first phase and eventual completion in 25 years' time.

*Forthcoming events of
UNWTO Affiliate Members Programme*

8th International Seminar

*Tourism in Colombia Heading Towards the
World Under-20 Football Championships:
The Economic, Social and Tourism Impact of
Major International Events for
Cities and Destinations*

Hotel JW Marriott, Bogota, Colombia.
29-30 November 2010



UNWTO Affiliate Members International Seminar:

*Innovative solutions applied to the
development of world tourism*



Fitur, Madrid, Room N101-N102 (North entrance)
Thursday 20 January 2011, 9:00 - 14:00

The UNWTO will present, in collaboration with SEGITTUR an international seminar in which it will showcase its new technological tool Platma, the online platform for UNWTO Affiliate Members.

Guests will also have a great opportunity learn first-hand about pioneering innovative solutions that have been developed by companies and destinations in which technology has played an important role in developing new products, services and improve management.

The Americas

Results

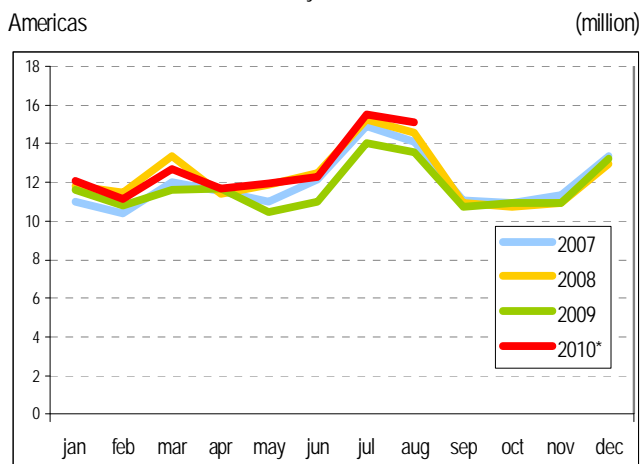
Collectively, the Americas have been sharing in the recovery in world tourism this year, but there have been some marked differences from one subregion to another. UNWTO estimates that the region as a whole has achieved an increase in international arrivals in the year to date (January-August) of 8% – one point above the world average and just about sufficient to compensate for the decline in the corresponding period last year.

The USA presents a somewhat perplexing picture. The news is full of stories about economic hesitancy and lack of confidence among consumers. Major news stories have often been prejudicial to tourism. The oil spill from the Deepwater Horizon platform may have been capped in July, but the popular belief is that the Gulf of Mexico's beaches have been damaged – although perceptions are worse than reality – and that, as a result, the impact on tourism demand could last several years. Various states' plans to tackle illegal immigration and reports about yet more layers of airport security measures and immigration procedures have hardly been encouraging for people considering visiting the USA.

rediscovered their enthusiasm for taking holidays – although not necessarily for taking them abroad.

Outbound trips in the first six months of the year were up 4%. Reports from within the Americas about arrivals from the USA are very varied, and the Department of Commerce's figures explain why. Overall, departures for South America were up just 1% and the Caribbean 4%, while those for Central America were down 3%. However, arrivals from the USA in Mexico rose 8%, and in Canada 6%. Departures for Africa (+16%) and the Middle East (+30%) continue to soar from low levels. US arrivals in Asia and the Pacific, meanwhile, have managed a growth of 10% so far, while Europe suffered a drop of 1%.

International Tourist Arrivals, monthly evolution

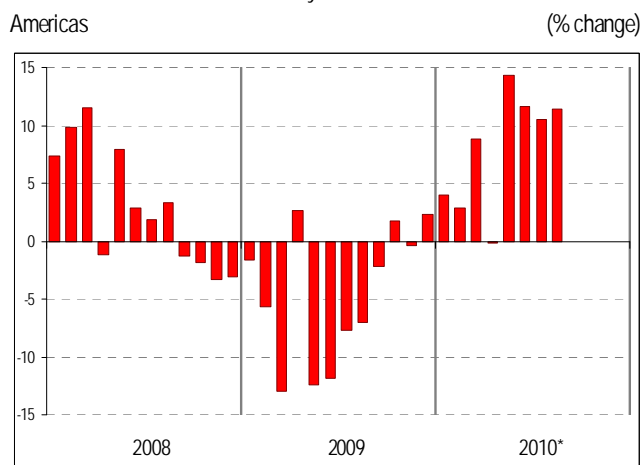


Source: World Tourism Organization (UNWTO) ©

However, perhaps surprisingly, tourism is doing well – much better than the economy as a whole. Real GDP increased by only 1.6% in the second quarter of the year, but real output in the travel-related sectors was up about 3.0%. There were increases in airline travel, hotel occupancy, car rentals and visitation to attractions. And the available figures suggest that this progress has been accelerating in more recent months.

A recent report from Visa Inc, *Tourism Outlook: USA*, indicates that, in the first six months of this year, spending by international visitors to the USA on their Visa-branded payment cards was up 20% over 2009 levels. Business travel, which declined about 9% last year, seems to be recovering, and American families have clearly

International Tourist Arrivals, monthly evolution



Source: World Tourism Organization (UNWTO) ©

The weak US dollar was, of course, also a contributing factor to the strength of inbound travel, with arrivals increasing by 12% through July. The US Department of Commerce reports that inbound arrivals from Europe are picking up somewhat, but are still at reduced levels. Arrivals from most other markets – including Mexico, Canada, South America and Asia and the Pacific – are greatly improved on last year's levels. The Bureau of Economic Analysis reports a 10% increase in visitor spending through August.

By comparison, arrivals in Canada in the first eight months of the year rose by just 1% – scarcely beginning to make up for the 8% decline in the same period last year. The Canadian Tourist Commission (CTC) reports that, with its billions of viewers worldwide, the Vancouver Winter Olympics in February 2010 raised awareness of Canada as a holiday destination, but the post-Olympics bounce seems to have been confined very much to Asia and the Pacific. While there is hope that the severe and prolonged decline in arrivals from the USA may be coming to an end, the new visa requirements for Mexicans are constricting that market severely. On the other hand, France was up 8% and Germany 10% in the first half of 2010. Japan is up nearly 30% and three of the BRIC markets (Brazil, India and China) are booming.

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

	Full year			Change		Monthly or quarterly data series																
	Series	2005	2008	2009	08/07	09/08	Series	(% change over same period of the previous year)												2009		
		(1000)			(%)			YTD	Q1	Q2	Q3	Apr	May	Jun	Jul	Aug	Sep	Q1	Q2	Q3	Q4	
Americas		134,087	147,788	140,561	2.7	-4.9		8.0	5.3	8.3	-0.1	14.3	11.6	10.5	11.4	-7.0	-7.3	-5.8	1.3			
<i>North America</i>		89,891	97,717	92,075	2.6	-5.8		9.1	4.8	10.4	0.2	17.8	14.1	11.1	12.9	-7.7	-9.6	-5.7	0.1			
Canada	TF	18,771	17,142	15,737	-4.4	-8.2	TF	1.4	-0.5	-0.4	-4.8	-4.9	5.6	5.7	2.0	-8.2	-7.3	-8.8	-8.0			
Mexico	TF	21,915	22,637	21,454	5.9	-5.2	TF	6.8	-2.8	15.3	-4.8	39.8	19.2	7.9	16.2	7.7	-19.2	-8.0	-1.2			
United States	TF	49,206	57,937	54,884	3.5	-5.3	TF	11.7	9.8	12.2	3.1	18.7	15.9	14.6		-14.1	-6.5	-3.8	2.3			
<i>Caribbean</i>		18,810	20,022	19,555	0.9	-2.3		3.4	5.7	1.0	-0.4	0.9	2.6	4.1	2.4	-8.2	-2.3	0.2	2.9			
Anguilla	TF	62	68	58	-12.1	-15.2	TF	11.3	11.8		2.3	21.4				-25.6	-18.9	-16.3	7.6			
Antigua, Barb	TF	245	266	234	1.5	-11.8	TF(1)	-0.9	0.2		-7.7	3.9				-14.3	-13.8	-10.5	-7.7			
Aruba	TF	733	827	813	7.0	-1.7	TF	1.9	6.2	-1.2	0.7	-3.4	4.7	-4.6	0.2	-2.6	6.0	-9.6	0.7	1.6	1.4	
Bahamas	TF	1,608	1,463	1,327	-4.2	-9.3	TF(2)	3.2	1.8	3.6		-2.7	3.2	10.4	5.4			-16.2	-12.0	-7.3	2.9	
Barbados	TF	548	568	519	-1.2	-8.6	TF	4.1	2.0	4.3	6.4	-8.7	21.1	2.3	7.2	7.3	4.1	-8.6	-12.5	-13.8	0.0	
Bermuda	TF	270	264	236	-13.7	-10.5	TF	-0.8	-10.5	3.4		-4.0	10.1	2.3				-22.8	-14.3	-5.3	-2.5	
Br. Virgin Is	TF	337	346	304	-3.4	-12.0	TF	12.7	23.3	5.6		4.3	-1.7	14.9	3.7			-25.0	-9.0	-8.2	1.6	
Cayman Islands	TF	168	303	272	3.9	-10.2	TF	5.4	8.3	0.9	6.9	-2.2	1.8	3.7	13.3	-0.7	4.9	-14.3	-12.1	-12.7	1.0	
Cuba	TF	2,261	2,316	2,405	9.3	3.8	VF	2.5	0.1	2.2	6.9	2.8	4.1	-0.5	4.7	5.4	12.3	2.0	3.8	5.1	3.9	
Curaçao	TF	222	409	367	36.4	-10.3	TF	-9.1	-10.0	-11.4		-16.7	0.8	-16.9	0.1			-4.2	1.9	4.7	-30.1	
Dominica	TF	86	89	85	0.8	-3.9	TF	-7.6	-7.6									-11.6	2.5	-5.9	-0.3	
Dominican Rp	TF	3,691	3,980	3,992	0.0	0.3	TF	3.2	3.9	0.7	5.0	-3.2	0.2	5.1	6.2	2.2	7.2	-5.2	-0.5	1.5	8.1	
Grenada	TF	99	130	113	0.4	-12.5	TF	-7.9	-1.3	-18.0		-23.1	-15.6	-12.9	-5.0			-15.8	-16.2	-11.2	-5.5	
Haiti	TF	112	258	387	-33.2	50.0	TF											19.1	56.4	64.5	69.7	
Jamaica	TF	1,479	1,767	1,831	3.9	3.6	TF	3.9	9.2	-1.1		1.7	-2.4	-2.6	3.4	3.8		0.2	6.7	5.7	2.0	
Martinique	TF	484	480	443	-4.3	-7.7	TF	6.6	21.7	-4.2		0.5	-6.5	-7.7	1.0	0.4		-23.1	-6.4	6.4	-2.8	
Montserrat	TF	10	7	6	-5.0	-14.3	TF	-8.4	-8.4									-12.6	-18.5	-22.2	-7.6	
Puerto Rico	TF	3,686	3,716	3,551	0.8	-4.5	THS	7.5	11.2			5.5	-2.5					-9.3	-1.3	2.6	4.5	
Saba	TF	11	12	12	3.2	-0.7	TF	3.8	10.6	-4.0		4.1	-6.2	-11.4				1.9	-1.8	-11.8	10.4	
Saint Lucia	TF	318	296	278	2.9	-5.8	TF	15.8	12.5	11.2		-1.3	20.0	16.7	27.6	27.0		-13.7	-5.2	-6.9	4.9	
St. Eustatius	TF	10	12	12	1.6	2.6	TF	11.6	23.4	0.1		2.3	-5.2	4.0				-6.9	4.7	1.1	13.1	
St. Kitts-Nev	TF	141	128	93	3.8	-27.1	TF	-12.8	-12.8									-28.2	-31.0	-22.8	-24.5	
St. Maarten	TF	468	475	440	1.3	-7.4	TF(1)	3.4	7.0	-0.9		-2.1	2.9	-3.5				-16.1	-7.7	-7.2	5.8	
St. Vincent, Grenadines	TF	96	84	73	-6.1	-13.6	TF	-2.4	2.1	-5.4		-17.5	1.2	2.9	-6.6			-11.1	-15.5	-12.8	-1.4	
Trinidad Tbg	TF	463	433	..	-3.8	..	TF	-6.4	-6.4									-11.2	2.9	-6.5		
US. Virgin Is	TF	593	574	562	-2.2	-2.0	VF(1)	6.7	15.1	1.2	2.8	1.2	-0.4	2.8	7.1	0.2	-1.9	-12.5	-3.9	-0.4	12.1	
<i>Central America</i>		6,301	8,250	7,640	6.4	-7.4		8.7	7.0	9.6		-1.0	18.7	13.7	10.3	10.2		-7.0	-10.9	-8.4	-3.5	
Belize	TF	237	245	232	-2.6	-5.2	TF	3.5	5.8	-0.8		-12.0	7.6	4.2	8.2	2.7		-10.1	-5.7	-2.0	-0.1	
Costa Rica	TF	1,679	2,089	1,923	5.5	-8.0	TF	9.6	11.5	7.2		2.7	13.8	6.4				-12.0	-8.0	-6.6	-3.9	
El Salvador	TF	1,127	1,385	1,091	3.5	-21.2	TF	8.7	4.1	15.8		-6.0	33.0	26.4	-0.8	13.5		-18.9	-30.2	-19.1	-16.4	
Guatemala	TF	..	1,527	1,392	5.4	-8.8	VF	9.6	8.3	18.9	4.6	4.7	35.4	23.2	7.0	5.8	-0.5	3.9	-11.3	3.2	16.7	
Honduras	TF	673	899	870	8.2	-3.3	TF	0.6	-10.8	3.6	11.1	-0.6	4.8	7.7	9.9	11.6	12.0	1.6	3.0	-2.8	-15.9	
Nicaragua	TF	712	858	932	7.2	8.6	TF	10.1	16.7	1.6		-12.3	11.4	8.0	12.3	13.1		4.5	15.5	5.1	9.9	
Panama	TF	702	1,247	1,200	13.0	-3.7	TF*	13.0	7.6	13.2	19.5	3.9	20.1	17.2	32.3	17.0	9.1	3.3	-9.2	-12.9	2.0	
<i>South America</i>		19,086	21,799	21,291	3.9	-2.3		7.4	5.8	5.5		-0.9	10.4	7.9	14.7	12.5		-3.8	2.0	-10.5	7.0	
Argentina	TF	3,823	4,700	4,313	3.0	-8.3	TF	14.3	15.3	12.9								-12.4	-5.6	-23.5	9.2	
Bolivia	TF	524	594	671	3.7	13.1	THS															
Brazil	TF	5,358	5,050	4,802	0.5	-4.9	TF												-3.8	-1.0	-13.5	-1.6
Chile	TF	2,027	2,699	2,750	7.7	1.9	TF	-0.6	-5.5	-5.3	14.4	-18.3	7.6	1.1	14.5	17.2	11.6	3.4	12.3	-9.8	2.1	
Colombia	TF	..	2,168	2,147	2.5	-1.0	VF(2)	8.7	11.0	4.4		-3.9	11.9	5.7	9.9	12.8		7.5	13.2	6.9	15.7	
Ecuador	VF	860	1,005	968	7.2	-3.7	VF	8.7	15.9	2.9	7.6	-3.3	10.4	1.9	7.8	9.2	5.3	-5.3	0.7	-7.7	-1.6	
Guyana	TF	117	133	141	1.0	6.2	TF	8.2	7.4	7.0	9.8	7.2	8.0	5.8	9.5	11.6	7.1	-7.1	12.8	10.2	7.9	
Paraguay	TF	341	428	439	3.0	2.6	TF	2.8	2.3	3.5		5.0	2.5	3.2	3.3	2.1		3.7	2.8	-5.7	12.2	
Peru	TF	1,571	2,058	2,140	7.4	4.0	TF	5.7	4.1	7.4		1.2	13.9	7.2				0.2	-0.1	-1.0	18.5	
Uruguay	TF	1,808	1,938	2,029	10.5	4.7	TF	14.3	1.8	9.8	44.5	-0.7	8.3	30.0	64.7	34.1	33.5	1.4	19.8	-6.0	15.8	
Venezuela	TF	706	745	615	-3.4	-17.4	TF	-9.2	-7.7	-10.9		-9.6	-4.2	-17.5				-27.2	-22.9	-16.8	-0.7	

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO October 2010)

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

(1) Non-resident air arrivals only

(2) Data Departamento Administrativo de Seguridad (DAS)

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

	US\$				Local currencies, current prices (% change over same period of the previous year)															
	2005	2007	2008	2009*	Series 08/07		09/08		2010*							2009*				
	(million)				YTD	Q1	Q2	Q3	May	Jun	Jul	Aug	Sep	YTD	Q1	Q2	Q3	Q4		
Americas	145,269	171,749	188,450	165,490																
<i>North America</i>	107,370	125,316	138,933	118,899																
Canada	13,768	15,568	15,668	13,707		0.0	-6.3	4.5	6.4	2.9										
Mexico	11,803	12,852	13,289	11,275	\$	3.4	-15.2	8.1	1.3	16.2		62.1	14.5	14.1	7.9					
United States	81,799	96,896	109,976	93,917	sa	13.5	-14.6	9.5	5.8	10.0		11.1	13.4	14.7	14.4					
<i>Caribbean</i>	21,012	23,650	23,936	22,667																
Anguilla	86	115	109	89		-4.8	-18.5	-6.3	-6.3											
Antigua, Barb	309	338	334	293		-1.1	-12.3	0.2	0.2											
Aruba	1,094	1,256	1,411	1,295		12.4	-8.2	-2.1	-2.1											
Bahamas	2,069	2,187	2,153	1,938		-1.6	-10.0	6.0	6.0											
Barbados	896	1,189	1,194	1,096		0.5	-8.3	4.5	-3.2	10.4	8.6									
Bermuda	429	568	431	363		-24.1	-15.8	2.7	2.7											
Bonaire	87	110	121	106		10.5	-12.1	-35.6	-35.6											
Cuba	2,150	2,141	2,258	2,080	*			3.9	4.1	3.5										
Curaçao	244	327	378	361		15.6	-4.4	0.8	0.8											
Dominica	57	66	69	66		3.8	-4.3	11.4	11.4											
Dominican Rp	3,518	4,064	4,166	4,065	\$	2.5	-2.4	1.8	4.0	-1.1										
Grenada	71	108	110	94		1.5	-13.9	-3.2	-3.2											
Jamaica	1,545	1,910	1,976	1,926	\$	3.4	-2.5	1.7	7.1	-4.4		-4.7	-4.1							
Montserrat	9	7	7	6		-5.4	-15.0	-20.0	-20.0											
Puerto Rico	3,239	3,414	3,535	3,473	\$	3.5	-1.8													
Saint Lucia	369	302	311	286		3.1	-8.1	10.9	10.9											
St. Kitts-Nevis	121	125	108	91		-13.4	-15.3	-8.7	-8.7											
St. Maarten	659	662	663	616		0.3	-7.2	2.3	2.3											
St. Vincent, Grenadines	77	110	96	85		-12.7	-11.8	-0.6	-0.6											
US Virgin Is	1,432	1,512	1,520	1,468		0.5	-3.4													
<i>Central America</i>	4,486	5,837	6,358	5,650																
Belize	214	289	279	256		-3.5	-8.0	7.8	7.8											
Costa Rica	1,671	2,026	2,283	1,815	\$	12.7	-20.5	16.0	17.6	13.9										
El Salvador	361	482	425	319	\$	-12.0	-24.8	19.9	0.7	42.2										
Guatemala	791	1,055	1,068	820	\$	1.3	-23.3	-5.2	-3.1	-7.3										
Honduras	463	546	619	611	\$	13.5	-1.3	7.2	2.4	12.5										
Nicaragua	206	255	276	346	\$	8.3	25.2	11.8	22.5	1.1										
Panama	780	1,185	1,408	1,483		18.8	5.3	13.9	11.0	17.4										
<i>South America</i>	12,400	16,946	19,223	18,274																
Argentina	2,729	4,314	4,646	3,916	\$	7.7	-15.7	19.4	21.7	15.9										
Bolivia	239	292	275	279	\$	-5.9	1.5													
Brazil	3,861	4,953	5,785	5,305	\$	16.8	-8.3	11.7	16.4	12.3	6.1	15.4	3.3	-1.5	7.3	13.3				
Chile	1,109	1,478	1,674	1,568	\$	13.3	-6.3	-3.1	-12.6	16.8										
Colombia	1,222	1,669	1,844	1,999	\$	10.5	8.4	3.2	4.6	1.8										
Ecuador	486	623	742	670	\$	19.0	-9.7	18.9	14.3	23.6										
Paraguay	78	102	109	205	\$	6.9	87.8	3.8	3.7	4.2		3.0	4.3	3.9	2.8					
Peru	1,308	1,723	1,991	2,046	\$	15.6	2.8	14.8	13.4	16.2										
Uruguay	594	809	1,051	1,312	\$	30.0	24.8	18.0	21.1	8.5										
Venezuela	650	817	915	788	\$	12.0	-13.9													

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO October 2010)

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

* Receipts of tourism entities

For Mexico (+7% through August), the trends reported in the June issue of the *UNWTO World Tourism Barometer* continue: tourism is returning to normality after the damage caused in 2009 by the financial crisis and the Influenza A (H1N1) epidemic. However, 'normality' unfortunately includes the negative connotation of drug related violence. The damage caused to tourism by the drugs trade and other criminal violence is also being felt by some other destinations in the Caribbean, Central America and South America. For travellers it is often difficult to distinguish between violent and non-violent parts of a country. The weak numbers reported by Mexico for the first four months of 2010 are not too significant, since tourism was holding up surprisingly well early in 2009; while the huge increases reported since May reflect the shut-down during the flu epidemic. But experts from UNWTO's Panel report that arrivals from Canada and the USA are being sustained by extremely competitive pricing, and that intensive promotions by the airlines (and the competitive pricing) are bringing in larger numbers of tourists from Russia and the UK this year. The economy is also prospering again, boosting domestic tourism and inbound business tourism.

As usual, individual Caribbean countries report widely varying results. Overall, arrivals are estimated to be up just 3%, and in general there is not much sign of an improvement in recent months. Two of the three largest destinations, Cuba and the Dominican Republic, achieved some growth in arrivals through the crisis last year, so the fact that they have posted only modest increases this year is not disappointing. The third, Puerto Rico, has recorded an increase of 8%, more than making up for its decline last year. Cuba (+3%) reports increases in arrivals from a range of markets, including the USA, Argentina, Brazil, Mexico, Peru, Venezuela, Russia, Switzerland and China. It will be interesting to see whether the recent relaxation in rules about very small-scale private enterprise will have an effect on tourism. The Dominican Republic (+3%) is gaining more exposure as a cultural destination after its capital Santo Domingo was named 2010 Cultural Capital of the Americas. Jamaica, the fourth-largest destination in the Caribbean, has also achieved a modest increase in 2010 following positive growth last. Haiti, sadly, is still in no position to attract leisure tourists.

The last few years have in general been difficult for the smaller destinations. Some have reported substantial increases in 2010 YTD, making up for declines last year. These include the British Virgin Islands (+13%) and Anguilla (+11%). St. Lucia (+16%) and the US Virgin Islands (+7%) did even better in that they more than made up for the declines last year. However, most managed only modest increases which fell short of compensating for the losses in 2009, and some experienced further declines, including Curaçao (-9%), Dominica (-8%), Grenada (-8%), Montserrat (-8%) and St. Kitts and Nevis (-13%). The Bahamas mentions a very successful 'Companion Fly Free' programme and an increase in arrivals from new big cruise

ships, but it nevertheless recorded an increase of only 3%, after a double-digit decline in the first six months of 2009.

Arrivals in Central America rose by an encouraging 9% in January-August. But some in the trade question this growth, or attribute it to cross-border visitors, including traders and people visiting friends and family, who bring little benefit to the leisure resorts or the industry in general. Arrivals in Belize (+4%) and El Salvador (+9%) were not nearly enough to make up for the declines last year, but those in Costa Rica (+10%) were. This may be linked to a reported increase in the use of social media aimed at the US market, its most important market by far.

Arrivals in Guatemala (+10%) were more than sufficient to make up for the decline in 2009, in spite of the damage to resorts this year caused by storms, floods and mudslides, and a reduction in cruise arrivals after the imposition of a tax on passengers. Nicaragua (+10%) and Panama (+13%) are also doing well.

The strong economic performance of South America is much in the news, and intra-regional travel is booming. But this prosperity is associated with strong exchange rates, which deter long-haul inbound leisure tourism (and encourages outbound travel). Many destinations report especially large increases in arrivals from Brazil. This is associated with new airline services, which are influencing the directional patterns of travel – long haul as well as within the region. TAM, for example, which is now Brazil's largest carrier, has been extending its network within South America, and has at the same time become a member of Star Alliance, facilitating connections through São Paulo with Europe and beyond. Its announced merger with LAN would create the biggest carrier in Latin America. In Brazil itself, the focus is still very much on domestic tourism, but growth rates may be moderating after the surge in the last couple of years. While no arrival statistics are available to confirm the trend, international arrivals seem to have remained in the doldrums, given the unfavourable exchange rates for inbound tourism and the preoccupation of the industry with domestic travel. Receipts from international tourism are reported to have been up by 12% in US dollar terms, but this could be the reflection of the strengthening of the Brazilian real.

In Argentina, both domestic and international tourism are booming. International arrivals were up 14% in the first six months of the year, and Buenos Aires reports that international arrivals rose 43% in May-July – as against the same period last year. Hotel occupancy is reported to be very high and some astronomical figures are being quoted for duty-free sales to visitors from Latin American countries. Some of this, however, is a recovery after the local effects of the influenza epidemic in 2009.

A similar pattern can be seen in neighbouring Uruguay. Arrivals in the first nine months of 2010 are reported to be up 14%, after a large increase last year. One factor is a substantial recovery in arrivals from Argentina: the blockade of the Fray Bentos - Puerto Unzué bridge (the principal terrestrial border crossing between Argentina and Uruguay), which had been in place since November 2006,

has been 'partially' lifted (it is understood that protesters still occasionally block the bridge on Sundays). Arrivals from Brazil continue to soar, while those from most of Uruguay's other significant markets are rising strongly as well.

Chile, a success story for tourism in recent years, is suffering a (hopefully temporary) set-back. Arrivals so far this year are down 1%. This is attributed mainly to the earthquake in March this year, but the strong currency is also said to be a factor. The recent, highly publicised rescue of the Chilean miners is sure to enhance the country's image and popularity.

Arrivals in Peru have risen 6% so far this year, in spite of the closure of its principal attraction, Machu Picchu, for two months early in 2010. Ecuador (+9%) appears to be doing even better, although it is difficult to understand the sometimes contradictory reports from local experts. Given the fragility of the Galapagos Islands' eco-system, Ecuador clearly needs to diversify its international appeal, but with its wealth of cultural and natural attractions, this should not be difficult. Arrivals in Bolivia are still comparatively modest, and its reputation within the region has suffered this year from political and environmental problems: Potosi was blockaded by demonstrators and some flights were cancelled as a result of smoke from fires set to clear land.

Further north, tourism in Colombia is building on its recovery in recent years, with plenty of new investments and aggressive promotions. The country achieved an increase in international arrivals of 9% for the first eight months of the year. By contrast, arrivals in Venezuela were down 9% in the first half of the year. Tourism authorities in Venezuela plan to reverse the negative trend by launching new promotion strategies around the world.

Prospects

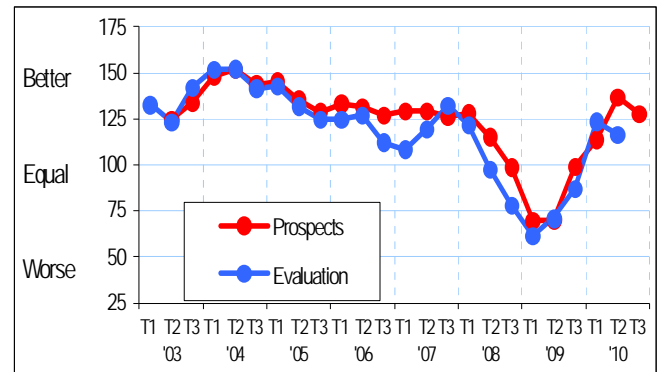
The indications are that the US travel industry is performing better than many reports suggest, and that this performance is getting stronger month by month. International arrivals are rising rapidly. Some promising developments for the longer term include the creation of the Corporation for Travel Promotion (CTP) following the passing of the Travel Promotion Act by Congress in March, the increase in spending on rail, road and airport infrastructure promised by President Obama, similar promises to improve visa processing, and the generous Gulf Recovery Plans which are being debated. The recent creation of the President's Export Council, which includes tourism interests, is also expected to be good for the industry generally.

The outlook for the region's dominant destination therefore looks bright – which is exactly why some words of caution are advisable. The growth in international arrivals is being supported by a favourable exchange rate, but although it would be something of a travesty for the US dollar to recover against the currencies of countries

running large current account surpluses, exchange rates are always unpredictable. And it is not clear that Europe – a very important market for North America – can generate renewed increases in long-haul travel. Nor is it clear whether American citizens will recover their appetite for international travel, whatever the exchange rate (there is little sign of such a recovery yet).

UNWTO Panel of Tourism Experts

Americas



Source: World Tourism Organization (UNWTO) ©

Longer term, the CTP may do a good job, but the USA has built itself a daunting reputation for not welcoming visitors. And promises of spending on infrastructure are all very well, but such promises often fall by the wayside. Still, the Department of Commerce's revised forecasts for inbound and outbound travel are imminent, and the revisions are expected to be upwards. A rare warning for US travellers concerning potential terrorist threats in Europe has drawn shrugs from many Americans, but tourism officials are still worried that it could deter people from crossing the Atlantic.

The prospects for Canada remain uncertain, and at best modest, given the strong exchange rate, the lack of enthusiasm among US citizens for outbound travel, the weakness of the European market, tighter border controls and stricter visa requirements. Asia Pacific is likely to generate most of any growth, but the potential from South America should not be underestimated. Canada's cultural and economic links with that half of the continent are stronger than geography would suggest.

Most countries in South America are prospering in a way that has not been seen for generations, and this prosperity is sustaining a boom in domestic and intra-regional travel that shows no sign of slackening. As seen in other emerging destinations in Asia and the Pacific and the Middle East, such a boom needs to be supported with sufficient investment in capacity and infrastructure. In most South American destinations, the confidence to invest and the necessary funding are there, but this is no guarantee against temporary or more persistent bottlenecks. The emphasis is very much on intra-regional travel; neither the USA nor Europe seems likely in the next year or two to be able to generate much growth for Latin America, and Asia is

too remote – and probably too focused on intra-regional travel – to do so.

Nevertheless, Brazil is very much in the world news. The country, which will host the 2014 Football World Cup, kicked off a US\$ 30 million worldwide marketing campaign at the close of the 2010 World Cup in South Africa. President Luiz Inacio da Silva and tourism minister Luiz Barretto were in Johannesburg to launch the campaign and present the slogan 'Brazil is calling you. Celebrate life here'. Brazil has also received another sporting boost as it will be the first South American country to host the Olympics, after the city of Rio de Janeiro was chosen last year to stage the 2016 Olympic Summer Games. As well as TV and print advertisements, the campaign will feature videos on social networking sites such as YouTube and Twitter. Last year, Embratur and the Brazilian government launched 'Plano Aquarela 2020', to look at the opportunities arising from hosting the 2014

World Cup and the 2016 Olympic Games. Brazil has set a target of 11 million annual foreign visitors by 2020 and wants to triple the income generated from them to US\$ 18 billion.

The outlook for Mexico, Central America and the Caribbean seems less favourable. The Caribbean has seen modest growth rates for a number of years, and this seems unlikely to change. If Mexico and Central America sometimes enjoyed higher growth rates, they were largely due to the impulse provided by the North American and Central American Free Trade Areas, and both are in the shadows at present. These subregions rely heavily on travellers from the USA who are showing little enthusiasm for foreign travel. Travel from Europe is constrained by economic conditions in some of its major source markets, such as Spain and the UK. And they are not high among the priorities for South American and Asian travellers.

Elibrary

One of the most comprehensive sources of tourism information prepared by the UNWTO

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Africa and the Middle East

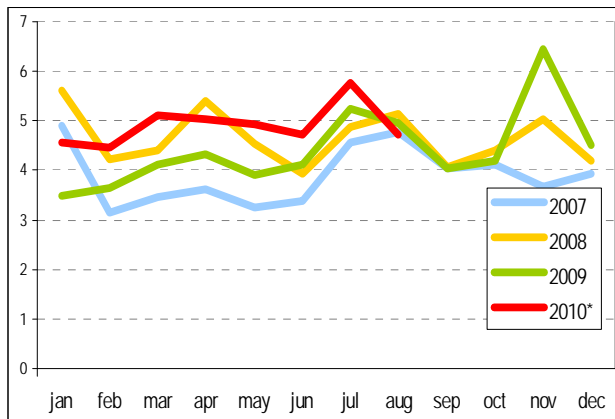
Results

International tourist arrivals in African destinations rose by an estimated 9% in the first eight months of this year. This represents real growth, as Africa was the only region to buck the trend in 2009 by posting positive results (+3%). In fact, Africa has already received, in the first eight months of 2010, almost 5 million arrivals more than in the same period of 2008 – the peak year for global tourism.

Arrivals growth in the Middle East is estimated at 16% so far this year, the highest among all the world's regions, but in this case it is making up for a significant decline in the same period last year.

International Tourist Arrivals, monthly evolution

Middle East (million)



Source: World Tourism Organization (UNWTO) ©

Short-term tourism data for the Middle East tends to fluctuate and to be subject to revisions, so the interpretation of short-term trends needs to be cautious. In the first eight months of 2010 international arrivals to destinations in the region are estimated to be up 16%, balancing out the substantial decline recorded in the same period of 2009. Arrivals in July (+10%) were promising, and the weak figure for August can be attributed to Ramadan (a month of fasting for Muslims) – travel tends to be strong before and after, but slow during, Ramadan.

Saudi Arabia reports an increase in arrivals of 4% through June, which only partially offsets the heavy losses of the previous year. International arrivals in Dubai (United Arab Emirates) grew by 9% in the first half of the year, while its international airport set a new traffic record in July (4.3 million passengers).

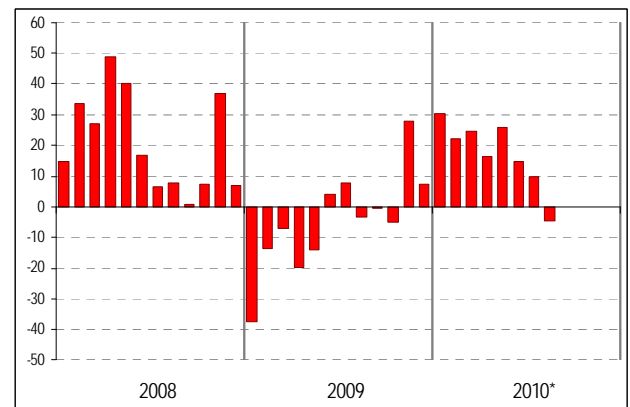
Various destinations posted impressive growth, often following positive results last year. This can partly be explained by the Gulf Cooperation Council (GCC) prosperity, stimulating demand for outbound travel, particularly to other countries in the region. Syria also reports a remarkable increase of 46% through September, continuing the strong upward trend of previous years. Hotel arrivals in Palestine increased by an even higher

58%, but on a much smaller base. Arrivals in Jordan and Lebanon are up respectively by 29% and 22% in the first seven months of the year. Egypt saw arrivals increase by 19% through August, more than sufficient to make up for the losses of 2009.

North Africa's performance this year is only moderate, with arrivals estimated to be up 4%, but this follows a quite positive 2009. Morocco's arrivals (+11%) look consistently strong, but a new enquiry among hotel and attraction operators (ICTOUR) shows a less enthusiastic evaluation of the industry performance over the past four months. A moderate increase in visitors is counterbalanced by shorter lengths of stay, and the prices negotiated with tour operators have gone down. In contrast, arrivals in Tunisia are down 1% – with quite erratic figures from month to month, partly due to equally erratic figures for the corresponding months last year. In both Morocco and Tunisia the effect of the Ramadan celebrations is clearly noticeable, with a weak August, preceded and followed by a much stronger July and September.

International Tourist Arrivals, monthly evolution

Middle East (% change)



Source: World Tourism Organization (UNWTO) ©

In Sub-Saharan Africa large parts of the sub-region are still effectively off limits to most forms of commercial travel and tourism and the potential of this area remains underexploited. Still in 2010 this part of Africa is riding high in the afterglow of the FIFA World Cup in South Africa: arrivals are estimated to be up as much as 13%, on top of substantial growth last year.

The country taking most of the limelight has been South Africa, with its highly successful staging of the FIFA World Cup in June and July. Arrivals from May to August show a two-digit growth, which brings the increase for the first eight months of the year up to 14%. The month when the games opened saw a peak in arrivals (+39%), followed by positive results in July (+16%) and August (+17%). The games were a boost for South African tourism and for Africa as a whole. The extent and variety of Africa's tourism potential has been displayed to the world and the momentum created by the event can potentially extend for decades, if governments maintain their commitment to supporting tourism.

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

	Full year			Change		Monthly or quarterly data series (% change over same period of the previous year)																	
	Series	2005	2008	2009	08/07	09/08	Series	2010*												2009			
		(1000)			(%)			YTD	Q1	Q2	Q3	Apr	May	Jun	Jul	Aug	Sep	Q1	Q2	Q3	Q4		
Africa		35,436	44,530	45,999	2.8	3.3		9.4	8.7	11.6		1.6	11.6	21.3	10.4	4.6		1.3	7.9	3.8	4.4		
North Africa		13,971	17,140	17,574	4.8	2.5		4.0	9.3	4.4		-5.5	8.8	9.2	5.3	-6.4		2.2	7.5	-1.6	4.4		
Algeria	VF	1,443	1,772	1,912	1.6	7.9	VF											10.3	19.3	-2.0	14.1		
Morocco	TF	5,843	7,879	8,341	6.4	5.9	TF	10.6	15.5	11.8	7.2	0.0	14.6	20.2	3.7	1.5	27.4	4.4	12.8	1.2	8.5		
Sudan	TF	246	441	420	1.1	-4.6	TF											-15.8	-14.4	13.9	-1.9		
Tunisia	TF	6,378	7,049	6,901	4.2	-2.1	TF	-0.9	0.7	-3.5	0.3	-12.0	3.0	-2.2	8.0	-13.7	9.3	-0.9	1.3	-4.9	-2.2		
Subsaharan Africa		21,525	27,390	28,424	1.5	3.8		13.1	8.5	16.4		5.9	13.4	30.7	16.3	13.5		0.9	8.2	8.9	4.4		
Angola	TF	210	294	366	51.1	24.3	TF											-23.3	26.4	74.5	5.2		
Benin	TF	176	188	190	1.1	1.1	TF											-6.2	-29.0	-1.3	28.1		
Botswana	TF	1,474	1,500	1,553	3.1	3.5	TF																
Burkina Faso	THS	245	272	269	-5.9	-0.9	THS											-6.2	-1.4	8.6	-1.7		
Cape Verde	THS	198	285	287	6.7	0.7	THS	5.5	8.1	2.6								-6.9	12.3	3.5	-2.7		
Congo	THS	35	63	85	16.7	34.9	THS																
Dem.R.Congo	TF	61	50	53	6.4	6.0	TF																
Eritrea	VF	83	70	79	-13.7	13.5	VF											9.0	9.0	17.0	17.0		
Gambia	TF	108	147	124	2.9	-15.3	TF											-33.8	3.8	-4.7	8.4		
Ghana	TF	429	698	803	19.0	15.0	TF																
Kenya	TF	1,399	1,141	..	-32.3	..	VF(1)	14.9	18.9	14.9		7.2	23.0	15.1	19.6	1.1		65.5	35.4	26.1	14.8		
Lesotho	TF	..	285	320	-2.4	12.3	VF											-4.5	15.9	40.7	20.7		
Madagascar	TF	277	375	163	8.9	-56.6	TF	19.7	8.0	16.9	33.2	19.3	15.4	16.3	36.2	28.7	34.9	-42.1	-57.2	-62.1	-59.7		
Malawi	TF	438	742	755	1.1	1.7	TF											-4.2	23.9	-18.3	8.0		
Mauritius	TF	761	930	871	2.6	-6.4	TF	5.9	7.3	4.8		-6.0	9.7	13.8	7.1	2.7		-10.9	-7.0	-10.5	2.4		
Mozambique	TF	578	1,951	2,386	n/a	22.3	THS	19.4	8.5	28.8		20.9	26.0	40.6				-10.0	-7.2	-4.1	-8.7		
Reunion	TF	409	396	422	4.2	6.4	TF											3.1	16.9	-2.3	10.2		
Rwanda	VF	..	731	699	3.0	-4.4	VF																
Sao Tome Prn	TF	16	15	15	22.9	4.8	TF																
Senegal	TF	769	..	..	..	..	TF*	-2.1	-8.4	-0.3		-7.2	0.4	7.1	11.7	-0.3		-8.1	-3.0	-7.8	-7.1
Seychelles	TF	129	159	158	-1.4	-0.9	TF	10.9	19.1	7.7	5.9	-4.3	20.7	9.6	13.3	2.4	2.3	-14.2	3.1	1.1	8.2		
South Africa	TF	7,369	9,592	7,012	5.5	n/a	VF	13.7	8.2	17.6		4.9	11.8	38.9	16.1	16.6		-2.2	5.3	10.9	2.0		
Swaziland	TF	837	754	909	-13.3	20.4	VF	1.4	11.2	0.4	-5.6	-4.3	-6.1	14.3	-5.5	-5.4	-6.0	-0.8	14.5	24.5	15.0		
Tanzania	TF	590	750	714	8.4	-4.8	VF											-14.3	-15.6	-0.1	-1.6		
Uganda	TF	468	844	817	31.5	-3.2	TF											7.7	10.8	-14.6	-10.6		
Zimbabwe	VF	1,559	1,956	2,014	-22.0	3.0	VF																
Middle East		37,782	55,875	53,045	19.2	-5.1		16.2	25.6	18.8		16.4	25.8	14.8	9.7	-4.6		-20.4	-10.8	0.3	10.0		
Bahrain	TF	3,914	..	..	..	..	VF											12.8	-3.7	1.1	1.0
Egypt	TF	8,244	12,296	11,914	15.9	-3.1	VF	18.7	28.9	14.7		5.0	25.1	16.4	19.0	4.4		-13.4	-4.0	0.7	6.5		
Jordan	TF	2,987	3,729	3,789	8.7	1.6	TF	29.0	33.4	28.5		33.0	27.9	24.2	24.2			-0.5	4.4	0.6	1.9		
Kuwait	THS	104	259	297	-11.6	14.7	THS											4.8	3.7	60.3	-3.2		
Lebanon	TF	1,140	1,333	1,851	31.1	38.9	TF	22.1	32.1	23.1		23.9	25.8	20.6	11.6			53.6	65.7	32.8	18.2		
Palestine	THS	88	387	396	46.6	2.2	THS	57.9	67.1	50.5		114.3	17.4	37.8				-6.1	-24.8	32.2	10.7		
Qatar	TF	913	1,405	1,659	45.8	18.1	THS											24.3	14.8	36.7	2.0		
Saudi Arabia	TF	8,037	14,757	10,896	28.0	-26.2	TF	3.6	1.0	5.8		29.9	-6.6	-7.9				-60.1	-43.9	-13.4	43.6		
Syrian Arab Republic	TF	3,571	5,430	6,092	30.6	12.2	VF	46.1	72.4	55.0	27.2	61.2	51.7	52.0	37.6	3.8	39.7	2.1	13.5	14.3	11.0		
Untd Arab Emirates	THS	7,126	..	..	..	..	THS(2)	9.0	5.1	13.3								3.0	-1.5	-5.7	-10.9
Yemen	THS	336	404	434	6.6	7.3	TF											7.9	27.1	17.1	-17.1		

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO October 2010)

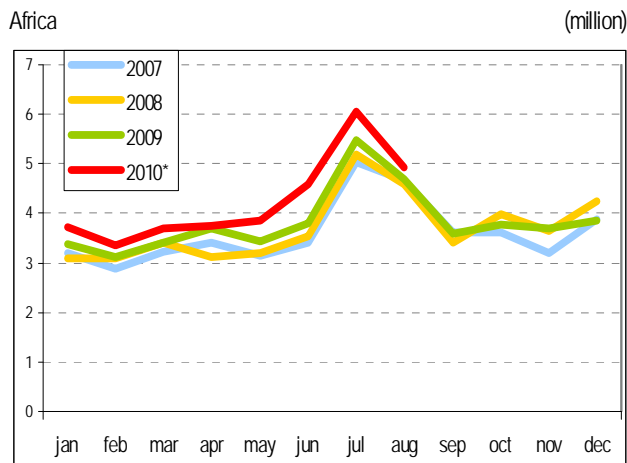
See box at page 2 for explanation of abbreviations and signs used

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

(2) Dubai only

Swaziland (+1%, after a good performance last year) reports growth from within Africa but declines from many European markets, although some (including Switzerland, the Netherlands and Portugal) have shown large increases in individual months. International arrivals to hotels in Mozambique increased by a notable 19%, more than sufficient to make up for last year's decrease.

International Tourist Arrivals, monthly evolution



Source: World Tourism Organization (UNWTO) ©

Some very strong arrivals' figures have been recorded in East Africa. In Kenya (+15%) the Kenya Tourism Board is confident that 2010 will be the destination's best tourism year yet, exceeding its record performance in 2007. Troubled elections held in the country at the end of that year caused tourism arrivals to decline in 2008, followed by only a partial recovery in 2009.

The Tanzania Tourist Board (TTB), meanwhile, has trimmed down its 2010 tourism estimates as a result of the ripple effects of the global economic slump. The second East African economic powerhouse, after Kenya, had previously forecast to hit a million tourist arrivals in 2010 and earn nearly US\$ 1.7 billion in tourism receipts. The board now expects around 800,000 visitors, generating close to US\$ 1.4 billion. Most of Tanzania's arrivals are from the UK, Germany, the USA, Italy, France, Spain and Scandinavia but it also receives a sizeable number of tourists from South Africa and Kenya. TTB is now trying to attract new interest from Russia, the Czech Republic and Poland, as well as India, China, Australia and other parts of Africa which have not been hit as hard by the financial crisis as developed Western countries.

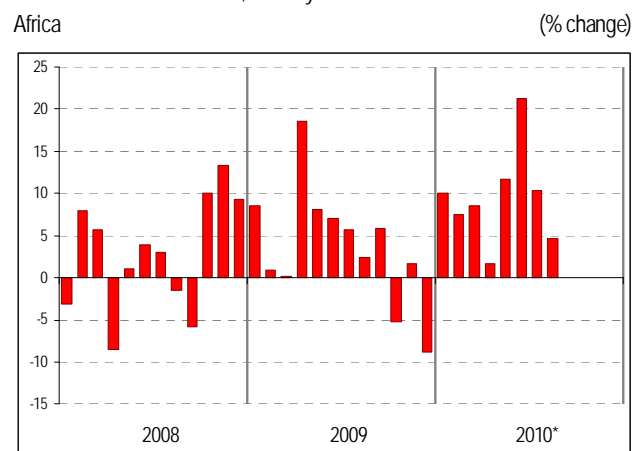
Among the Indian Ocean Islands, Mauritius is up 6%, largely due to a 21% increase in arrivals from Asia, with India leading the growth. The overall total was subdued by a sluggish performance from many European markets. Mauritius reports increases in air capacity (including the possibility of direct flights from China) and a new 'Vanilla Islands' concept for the Indian Ocean islands' marketing. The Seychelles seems to have staged a full recovery (+11) and reports by Experts from UNWTO's Panel point to healthy growth for Reunion. International arrivals to Madagascar increased by 20%, after a considerable decline in arrivals in 2009 (-57%) generated by the co-occurrence

of the global economic downturn and political unrest on the island.

Statistical information from West and Central Africa scarcely exists. Of the few destinations with data available, monthly air arrivals statistics for Senegal (-2%), show an upwards trend, from a low start in January (-7%) towards a peak in July (+11%). International arrivals to hotels in Cape Verde (+5%) turned positive in Q1 2010, with real growth in Q2.

Reports help to sketch the picture of tourism development in this area for destinations without monthly or quarterly data available. Reports from Liberia suggest that tourism is benefitting from a growing economic and political stability, with investments in hotels, beaches and historical sites across the country.

International Tourist Arrivals, monthly evolution



Source: World Tourism Organization (UNWTO) ©

Ghana is prospering even more emphatically, with increased air capacity from the USA (Delta now has nine flights a week and American Airlines plans seven), the Middle East (including Emirates, Egyptair and Ethiopian) and Europe (Brussels Airlines and Virgin Atlantic) – all associated with increased promotion – and increased investment in accommodation, including Holiday Inn, Best Western and Golden Tulip. Business travel continues to predominate due to investments in new oil, aluminium and steel industries, but eco / cultural tourism is also doing well. There are increased arrivals from neighbouring countries, especially Nigeria, by air and road (including by minibus and cross-country taxis) – both for holidays and to shop for electronics, textiles and auto parts. Ghana is also becoming more popular in the subregion for educational and health travel.

Rwanda has recently received a lot of media attention, mainly for the presidential elections held in August, but also for the investments in the tourism sector by aid programmes and private companies. A new hanging platform, called the Canopy Walkway – the third on the whole continent of Africa – was opened on 15 October in Nyungwe Forest, in south-western Rwanda. Nyungwe is one of the least visited forests in Rwanda but has good tourism potential. Chimpanzee tracking and/or bird watching are seen by a growing

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

	US\$				Local currencies, current prices (% change over same period of the previous year)																
	2005	2007	2008	2009*	Series 08/07		09/08		2010*							2009*					
	(million)						YTD	Q1	Q2	Q3	May	Jun	Jul	Aug	Sep	YTD	Q1	Q2	Q3	Q4	
Africa	21,989	29,515	30,217	28,790																	
<i>North Africa</i>	7,026	10,218	10,752	9,959																	
Algeria	184	219	300	330	\$	37.0	10.0														
Morocco	4,610	7,162	7,168	6,557		-5.3	-4.9	6.4	12.9	6.6	3.2	7.7	4.7	-1.4	-3.4	24.9	-4.9	-23.3	-8.2	-2.4	14.1
Sudan	89	262	331	299	\$	26.3	-9.7										-9.7	33.6	5.9	-53.5	-10.6
Tunisia	2,143	2,575	2,953	2,773		10.3	2.9	0.4	-4.4	3.8							2.9	8.1	2.3	2.2	1.2
<i>Subsaharan Africa</i>	14,963	19,297	19,465	18,831																	
Botswana	562	546	553	422		12.6	-20.0														
Cape Verde	123	303	350	291		8.0	-12.2	-0.2	8.8	-8.4							-12.2	-24.1	-15.0	7.4	-13.7
Eritrea	66	61	46	26																	
Ethiopia	168	176	377	329	\$	113.7	-12.7										-12.7	12.3	-26.9	-42.8	17.7
Ghana	836	908	919	968	\$	1.2	5.4														
Kenya	579	917	752	690	\$	-17.9	-8.3	16.7	3.3	33.1							-8.4	-1.3	-37.4	-19.4	28.4
Madagascar	183	269	349	280		18.4	-8.3														
Malawi	24	36	43	43		20.7	1.0														
Mauritius	871	1,299	1,449	1,117		1.3	-13.4	9.4	7.4	10.1		24.4	1.3	4.6	20.9		-13.4	-14.1	-21.9	-13.8	-3.9
Mozambique	130	163	190	196	\$	16.3	2.9										2.9	-14.0	-13.9	1.3	47.1
Namibia	348	434	378	380		2.1	3.3	-57.2	-49.7	-64.0							3.3	1.7	4.7	20.1	-13.2
Nigeria	54	215	573	608	\$	166.1	6.3														
Reunion	384	401	505	469	€	17.2	-2.0										0.1	8.8	8.8	-7.0	-7.0
Rwanda	49	152	186	174	\$	22.7	-6.2														
Sao Tome Prn	7	3	8	9	\$	126.5	17.9														
Seychelles	192	285	258	..		28.1											16.6	49.5	16.3	23.8	-19.4
South Africa	7,508	8,754	7,925	7,543	sa	6.2	-2.4	6.4	-6.1	19.1							-2.4	3.1	-3.2	-2.2	-6.9
Middle East	26,599	34,983	39,652	41,218																	
Egypt	6,851	9,303	10,985	10,755	\$	18.1	-2.1	17.6	24.2	12.0							-2.1	-17.2	-1.6	-1.6	13.0
Jordan	1,441	2,311	2,943	2,911		27.5	-1.0	28.0	31.7	25.3							-1.0	3.5	1.6	-3.5	-3.0
Kuwait	164	222	257	247		9.5	2.9														
Lebanon	5,532	5,216	5,819	6,774	\$	11.6	16.4														
Oman	429	648	804	700		24.1	-12.9														
Qatar	760	28	145	179		423.8	22.9														
Saudi Arabia	4,622	5,968	5,910	5,964		-0.9	0.9	-41.2	-41.2								-20.1	-54.7	-30.5	-3.4	32.2
Untd Arab Emirates	3,218	6,072	7,162	7,352		17.9	2.7														
Yemen	181	425	453	496	\$	6.6	9.5														

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO October 2010)

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

number of tour operators as an ideal complement to mountain gorilla safari and tourists can stay in the five-star Nyungwe Forest Lodge, owned by Dubai World, which opened in early 2010. Funded by USAID, the walkway allows tourists to be at 'eye-to-eye level' with different primate and bird species. Also important for Rwanda's tourism growth potential is the recent announcement of a new direct airline service by KLM from Amsterdam, which should stimulate demand from a number of northern and western European markets.

If stability returns in the Côte d'Ivoire, as a consequence of the recent elections (after a five-year deferral), there is hope that the tourism industry there will also get back to the prosperity some of its neighbouring destinations are currently enjoying.

Prospects

There are many factors fuelling the recent growth of many African economies. One is heavy investments in oil and other minerals, and in related infrastructure. Another is the combination of high agricultural commodity prices and the technological revolution of mobile telephone, mobile-payment systems and microfinance banking, which is allowing people in remote and relatively poor communities to share in the resulting prosperity. A third is the growth of modern urban centres, with middle-class populations wealthy enough to travel. All these developments not only generate travel and tourism themselves, but the resulting improvements in infrastructure, urban conditions, communications and air networks facilitate the growth of inbound leisure tourism, both intra-regional and long-haul.

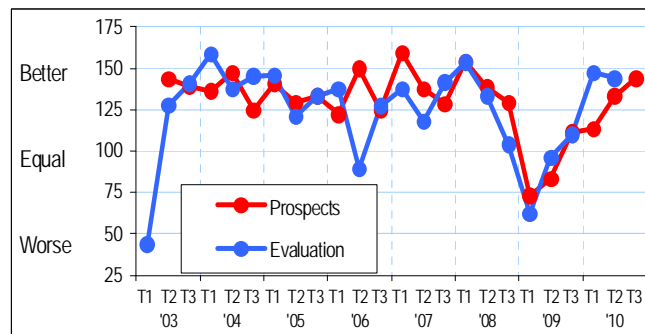
Tourism in Africa has been as buoyant as it has in the Middle East and Asia in recent years and a change of trend is not in sight. The range of markets interested in, and available to, Africa is extending beyond Europe, North America and Australia-New Zealand to the Middle East, large parts of Asia and Latin America.

the games the country dispelled the doubts about its capability to host such a large event, which has boosted the country's self-confidence. Authorities are confident that it will reach its target of 10 million visitors by the end of the year, after seeing arrivals swell by almost a third during the World Cup.

North Africa's growth potential is strongly linked to Europe's economy, but competitive prices can sustain growth through 2011.

UNWTO Panel of Tourism Experts

Middle East



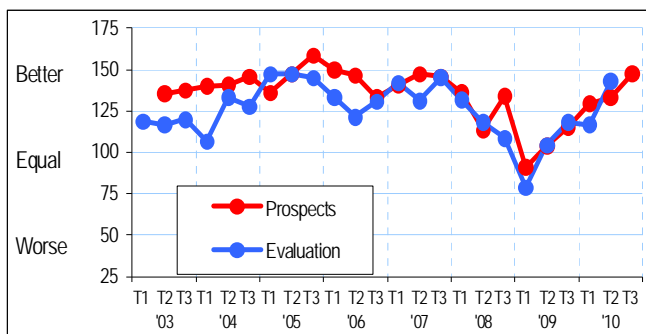
Source: World Tourism Organization (UNWTO) ©

Just as commodity prices are underwriting prosperity in Africa, oil prices are underwriting prosperity throughout the Middle East. These high prices, and the resulting prosperity and travel demand, seem set to persist.

The UAE, and in particular Dubai, suffered badly during the recent financial and economic crisis. However, in the medium and long term, Dubai should share in the regional prosperity, using its excellent infrastructure to meet the regional demand for trade, logistical and financial services. The Middle East tourism sector will benefit from investments in large infrastructure projects, such as the Dubai Metro, Burj Khalifa, Al Maktoum International Airport, DubaiLand, the Yas and Saadiyat Island developments in Abu Dhabi, regaining its momentum in the coming years.

UNWTO Panel of Tourism Experts

Africa



Source: World Tourism Organization (UNWTO) ©

South Africa is the continent's biggest economy, has a strong tourism heritage and can be expected to benefit from the visibility offered by the FIFA World Cup. During

In focus

Industry trends

This section covers issues related to different clusters of the tourism sector, such as transport and accommodation. For this 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 pleased to count on the permanent participation of Deloitte in the section dedicated to the hospitality industry and of Euromonitor with regard to business intelligence.

UNWTO Affiliate Members

Javier Bustamante Moreno

President of SEGITTUR

< www.segittur.es >



SEGITTUR
turismo e innovación



The State Corporation for Innovation and Tourism Technology Management SEGITTUR (Sociedad Estatal para la Gestión de la Innovación y las Tecnologías Turísticas S.A.) is a state-owned company attached to the General Secretariat of Tourism of Spain whose mission is to serve as a nexus for the provision of high-value-added services to the institutions and enterprises of the tourism sector. SEGITTUR aims to bring together three concepts: tourism as an essential economic activity for many countries of the world and especially for Spain; technology as an instrument of competitiveness of tourism enterprises, and innovation as the driving force of improvement and sustainability.

The fundamental objective of SEGITTUR is to support tourism promotion and the marketing of products and services of Spanish tourism enterprises by assisting them to enhance their competitiveness through innovation, technological tools and the Internet.

SEGITTUR complements the marketing and promotion abroad carried out by the Institute of Tourism of Spain (Turespaña) through developing new technologies and fostering R&D&i. The management of Spain's official tourism promotion portal www.spain.info is one of the actions geared towards the achievement of this objective.

1. What is the best way for the tourism sector to confront economic challenges using new technologies?

In the first place one should not “confront” but rather “immerse” oneself in technology in its full scope and this implies being present on the web and doing so in an active manner. This attitude entails dedication on the part of managers in the entire tourism sector to attend to clients throughout the tourist cycle: when tourists collect information, when they buy, during the trip and after the trip.

The use of technology should permeate the entire management process, and not just sales. For example, in the area of energy efficiency, suitable tools are already available for the optimisation of energy consumption, covering everything from the conception of building projects to overall energy management.

More and more, tourism destinations as a whole, and not just enterprises, are going to need technology, and this is precisely what we are going to do in the Playa de Palma Development Project in Mallorca.

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



2. What are your principal projects at this time, and how are they contributing to modernise/dynamise/support the tourism sector in Spain?

SEGITTUR, on behalf of the General Secretariat of Tourism of Spain, carries out numerous and diverse key actions. Among these are: ensuring that the promotion of Spain as a tourist destination becomes more effective day by day, fostering innovation with Innovative Enterprise Groups (AEIs), ensuring that all tourism enterprises have sufficient technological capabilities for optimal development and competitiveness, promoting and managing the new programme Europe Senior Tourism fighting against seasonality, and many other actions that bring together tourism, technology and innovation.

3. SEGITTUR is working with the UNWTO on the development of a web 2.0 platform called 'Platma'. How can the Affiliate Members benefit from this new initiative?

This is a pioneering initiative at the global level within the United Nations system which, thanks to a technological platform developed by SEGITTUR, makes it possible to create a channel of communication and interaction between the sector's civil society, its enterprises, its destinations and its universities within the programme of work of the UNWTO and the National Tourism Administrations of its member countries.

Platma allows a much higher level of interaction and communication among the Affiliate Members. This is

much faster, cheaper and essentially more efficient than what currently exists. Through Platma, the Affiliate Members can access information and documentation, share knowledge and best practices, and offer tourism-related services in a more flexible and user-friendly manner.

4. What phase is the project in and when will it be open to the Affiliate Members?

The project is currently in its final phase of development; content is being loaded and different Affiliate Members are being registered in order to begin an initial pilot phase. This will test the different functionalities and services Platma offers to members.

Based on the results of the functional trials being carried out, we are confident that it can be opened up to the community of Affiliate Members at the beginning of the coming year. Anyhow, it is actually the Secretariat of the UNWTO Affiliate Members who will decide the specific date of the official inauguration.

5. Are there plans to open Platma to external organisations?

The objective is to allow the greatest possible interaction between the Affiliate Members, the UNWTO and all other organisations and institutions interested in contributing to the objectives of the UNWTO with a view to the sustainable development of the tourism sector, its enterprises, its destinations and its workers.

The screenshot displays the Platma website, a community platform for UNWTO Affiliate Members. The interface includes a top navigation bar with language options (Español, English, Français, Русский) and a search bar. Below the navigation, there are several content sections:

- Home / What is platma? / Who are UNWTO Affiliate Members? / Community**: The main navigation menu.
- NEWS**: A section with a featured article titled "Publication – 'The Best of UNWTO: Policy and Best Practice for the Tourism Industry'" and another about "Tourism and Biodiversity - UNWTO completes Key Projects in Thailand".
- events**: A list of upcoming events such as "SITEV - International Travel and Tourism Fair" and "EIBTM 2009 - The Global Meetings & Incentives Exhibition".
- documentation centre**: A section for reports and documents, including "World Overview and Tourism Topics" and "Special Report No 23: Inbound Tourism to the Middle East and North Africa".
- blogs**: A section for news and updates, including "Social tourism will take off in 2010" and "TUI Travel profits increased by 11% in 2009".
- our members**: A section listing member profiles, including Pedro Arroyo (Spain), Jonel Webster (AH Hoteles), and Veronica Smith (Air France).
- MORE...**: A section with various links and updates, such as "Big changes in the platma community" and "What's your plan for crisis recovery?".

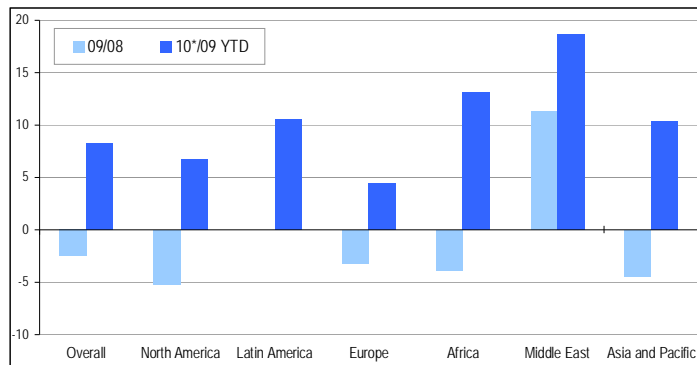
 A large banner at the top of the main content area reads: "Global network of tourism intelligence, integrated in the World Tourism Organization. 409 members across 3 continents".

Transport

IATA's Monthly International Statistics (MIS)

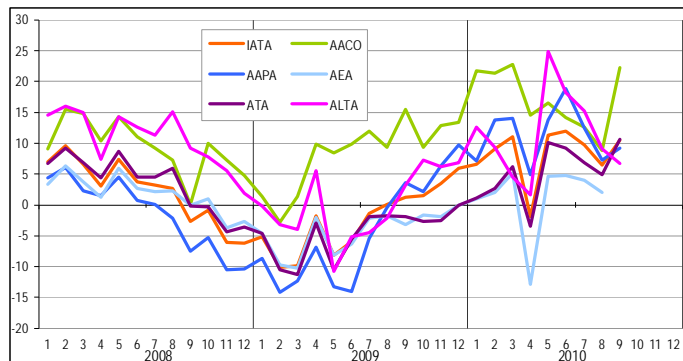
In a clear reflection of the positive trends in travel and tourism demand since the beginning of the year, the 260 or so member airlines of the International Air Transport Association (IATA) reported an 8% increase in passenger traffic on international scheduled routes, expressed in revenue passenger-km (RPK), for the months of January through September. All six IATA-defined world regions recorded growth, four of them in double digits – the Middle East, including Israel (+19%); Africa, including Egypt (+13%); Latin America (+11%); and Asia and the Pacific (+10%). North American routes registered a 7% increase in traffic and Europe 4%.

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



Source: compiled by UNWTO from IATA

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

The increase in available capacity (ASK) over the period was contained at 3.6%, resulting in a rise in system-wide seat load factor to 78.7% (compared to 75.7% in 2009).

The month of September showed a welcome return to double-digit monthly growth following softer numbers in August. Air traffic increased 11% following a 6% rise the previous month. This was partly a function of the timing of Ramadan, which overlapped more in August than in September this year. However, there was a different picture in airfreight where volumes (FTKs) weakened more than expected, although freight traffic still remains 15% higher than at September 2009, and is level with the pre-crisis

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.

peak. Compared to September 2009, freight capacity has increased by 12%, below the 15% increase volumes, pushing cargo load factors to 52%.

"It is good news that the recovery in passenger markets continued in September. But the freight numbers are worrying. Freight activity has fallen 6% since May's post-crisis peak. What we see in air cargo markets is inevitably reflected in the broader economy," said Giovanni Bisignani, IATA's Director General & CEO. "As international air cargo accounts for 35% of the value of goods traded internationally, it is a leading indicator of economic activity."

"Stronger air travel but weaker air freight volumes in September offer a very mixed picture of the situation in air transport markets," Bisignani said. "The higher passenger seat loads may not persist over the months ahead, especially if the broader trend seen this year of accelerating capacity combined with moderating traffic growth continues." While freight markets were expected to weaken towards year-end, September's decline was larger than anticipated. Consumer and business confidence remains weak in many parts of the world. Re-stocking lifted freight markets earlier in the year, but this has not been followed by spending to solidify the economic recovery.

Airports

As might be expected, Airports Council International (ACI) has reported very similar results to those of IATA airlines for the world's airports in the January-September period. September turned in the best monthly performance

Preliminary Air Transport Statistics

	Revenue Passenger-Km (RPK)										Capacity		Load factor		Passengers		
	2009	08/07	09/08	10*/09 Monthly data							09/08	10*/09	09/08	10*/09	09/08	10*/09	
				YTD	Mar	Apr	May	Jun	Jul	Aug	Sep		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	2,805 ¹	2.2	-2.5	8.3	11.0	-1.9	11.3	12.0	9.7	6.5	10.5	-2.2	3.6	75.7	78.7
North America	430	3.2	-5.2	6.7	7.7	-1.9	11.0	10.7	8.0	5.3	11.1	-5.0	2.1	79.6	82.8
Latin America	116	8.1	0.0	10.5	4.9	1.5	24.1	15.5	15.0	8.7	6.6	1.4	4.6	72.9	76.0
Europe	1,121	3.1	-3.2	4.4	7.5	-11.0	7.7	7.3	6.7	4.9	8.4	-2.9	1.4	77.5	79.8
Africa (incl. Egypt)	92	2.2	-3.9	13.1	16.9	9.0	13.8	20.7	12.5	10.8	16.0	-1.2	9.3	67.1	68.9
Middle East (incl. Israel, Iran)	279	7.9	11.3	18.7	25.3	12.6	16.3	16.9	16.5	12.0	23.9	13.6	13.2	73.0	76.1
Asia and Pacific	766	-2.1	-4.5	10.4	13.1	4.4	13.4	17.2	11.9	6.7	8.6	-5.3	3.0	73.8	77.9

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

Scheduled mainline service	1,075	0.3	-5.9	2.5	2.8	-1.4	4.3	4.5	2.2	2.5	6.5	-6.9	0.1	81.0	82.9	-6.9	0.7
Domestic (incl. USA-Canada)	726	-1.2	-6.5	1.0	1.3	-0.5	1.6	2.2	0.0	1.3	4.4	-8.1	-0.2	81.9	83.1	-7.4	0.0
International	348	3.5	-4.6	5.6	6.2	-3.4	10.1	9.2	6.8	5.0	10.7	-4.3	0.6	79.3	82.6	-3.5	5.3
Atlantic	173	7.7	-4.4	1.2	2.8	-13.7	2.2	5.3	3.6	1.4	7.2	-5.4	-3.2	80.1	83.1	-5.0	0.9
Latin	89	3.9	-1.2	8.5	5.0	2.7	19.7	10.8	12.3	9.3	13.2	0.4	5.9	77.8	79.5	-0.8	6.8
Pacific	87	-3.9	-8.3	11.6	13.6	12.0	20.4	16.9	8.5	8.9	16.3	-6.7	3.0	79.1	84.9	-7.6	10.5

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

Total	179	9.1	3.0	14.0	10.7	5.9	23.3	16.8	13.9	14.3	11.0	4.0	8.1	70.5	72.6	3.6	14.4
Domestic	77	5.6	8.0	17.6	19.4	11.7	21.3	15.0	12.2	21.3	16.3	8.0	11.4	67.7	69.4	6.3	16.5
International	102	11.5	-0.5	11.4	4.5	1.6	25.0	18.3	15.2	9.1	6.8	1.0	5.4	72.8	75.5	-1.7	10.1
Latin America	38	15.5	-2.1	15.9	8.8	7.6	28.5	23.9	26.2	17.2	12.0	1.4	7.6	69.1	72.1	0.6	13.4
Extra Latin America	64	9.3	0.4	8.4	1.8	-1.9	22.8	14.8	8.7	4.2	3.4	0.6	3.8	75.2	78.0	-5.1	4.3
North America	35	3.1	3.7		0.0	-3.9						2.9		74.7		-2.8	
Europe	23	19.5	1.8		11.8	3.4						2.1		75.9		6.2	
Asia and the Pacific	3	10.2	-10.0		-12.1	1.1						-7.4		76.5		-6.6	
Charter	2	11.3	-37.5		-53.7	-41.2						-32.1		73.6		-36.2	

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

Total scheduled	755	1.1	-4.3	1.3	5.0	-13.1	4.3	4.6	4.0	2.2		-3.9	-2.1	75.9	77.9	-5.6	1.1
Domestic	48	-7.4	-5.8	-0.1	1.9	-16.0	0.4	0.9	4.0	4.4		-5.6	-1.9	65.9	67.3	-7.3	-0.2
Total International	707	1.9	-4.2	1.4	5.2	-12.9	4.6	4.8	4.0	2.1		-3.8	-2.1	76.7	78.7	-5.0	1.5
Intra Europe (cross-border)	178	2.0	-4.7	1.1	6.2	-18.7	3.7	3.3	4.8	4.7		-4.5	-1.7	68.6	70.3	-5.8	1.2
North Africa	10	5.5	4.5	5.3	12.9	-9.1	7.7	6.3	7.3	-1.7		8.3	2.6	68.2	69.6	2.6	6.0
Middle East	31	7.8	5.9	3.1	11.7	-9.7	4.7	1.3	6.2	-1.5		12.5	-0.6	69.4	72.1	7.0	7.3
Total long-haul among which:	489	1.4	-4.7	1.3	4.3	-10.9	4.9	5.6	3.4	1.4		-4.6	-2.4	80.9	83.1	-4.8	1.1
North Atlantic	188	0.1	-5.2	-0.9	4.4	-12.2	1.3	1.1	0.7	-1.5		-6.3	-4.5	82.4	84.2	-5.3	-1.4
Mid Atlantic	49	2.1	-5.2	3.9	3.9	-8.9	10.8	5.2	8.1	9.0		-3.2	2.6	81.7	83.4	-6.6	1.9
South Atlantic	50	8.1	-4.4	7.5	10.3	-0.7	16.6	8.5	5.7	5.9		-3.3	-0.7	80.2	84.8	-5.6	7.5
Far East/Australasia	146	0.8	-5.7	1.4	3.8	-13.2	5.6	10.3	4.3	1.4		-5.1	-3.8	80.4	83.4	-5.9	2.0
Sub Saharan Africa	56	2.9	1.2	1.3	0.6	-10.4	3.1	10.0	5.5	2.6		1.5	1.8	77.7	77.4	2.1	2.6

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

International operations	638	-1.4	-4.7	11.1	14.1	5.0	13.8	18.9	12.5	7.3	9.3	-4.8	3.3	74.5	78.9	-2.9	14.5
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Arab Air Carriers Organization (AACO) - AACO members' scheduled operations

Total	311	15.7	10.0	16.8	22.8	14.6	16.6	14.2	12.6	8.9	22.3	12.0	12.4	71.3	73.6	6.2	12.8
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Source: compiled by UNWTO from IATA, ATA, ALTA, AEA, AAPA and AACO

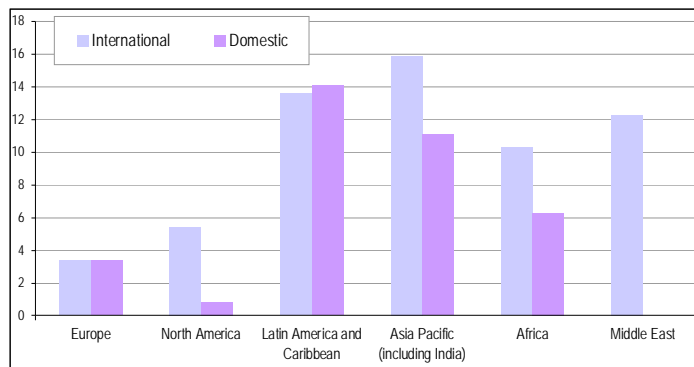
¹ All IATA carriers

so far in 2010, with airports seeing 9% average growth in international and domestic passengers, bringing total global growth for the first nine months of the year to 6%. Performance through September was strongest in Latin America and the Caribbean (+14%), followed by Asia and the Pacific (+13%), the Middle East (+12%) and Africa (+9%). Growth was quite weaker in North America (+2%) and Europe (+3%)

International traffic (+7%) outperformed domestic traffic (+6%) marginally through September, but with the divergence being particularly pronounced in North America where international passengers (+4%) increased at a much faster rate than domestic traffic (+1%).

Interestingly, says ACI, the large international hubs are at the forefront of positive results. Shanghai Pudong (+36%), Moscow Sheremetyevo (+32%), São Paulo (+29%), Dubai (+25%), Seoul Incheon (+22%), Hong Kong (+17%), Singapore (+11%), Frankfurt (+11%), Munich (+11%) and London Heathrow (+8%) contributed to booming international travel, driven by a strong return of business travel to the market and demand for long-haul flights. The figures also largely reflect the economic growth numbers reported by Brazil, China and Germany, generating strong business activity and consumer confidence in emerging and export oriented markets.

Airport passenger traffic trends ACI PaxFlash (% change, 2010 YTD)



Source: compiled by UNWTO from Airports Council International (ACI)

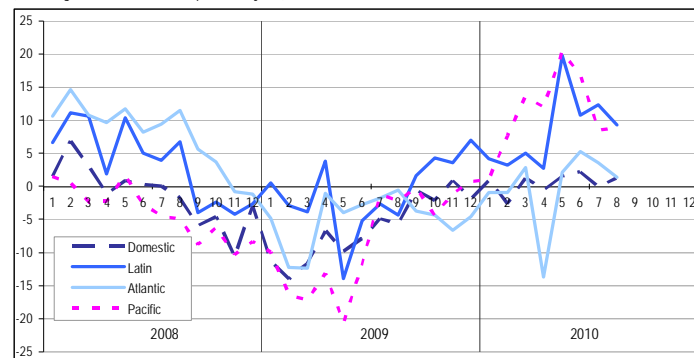
North America

There is also welcome good news in terms of trends from the Air Transport Association of America (ATA), the industry trade organisation for the leading US airlines, which has reported nine consecutive months of revenue growth this year.

Scheduled mainline services overall increased by 2% (RPK), with domestic traffic (including USA-Canada routes) up 1% and international growing 6%. Passenger numbers remained static on domestic routes but rose by 5% on international scheduled services.

“Once again, the global economy is driving spending on air travel with passenger revenue exceeding last year’s depressed levels,” said ATA President and CEO James C May. “The industry remains hopeful that the nation’s economic recovery will progress in the months ahead.”

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



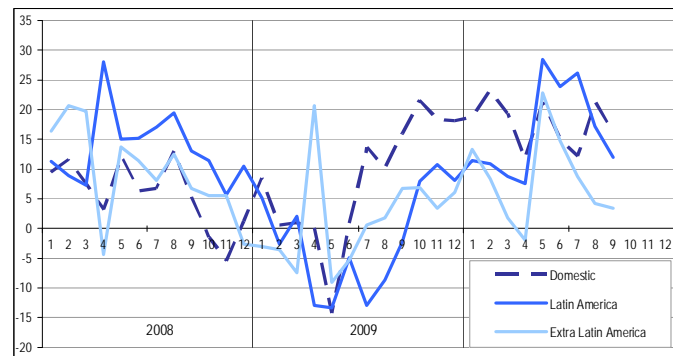
Source: compiled by UNWTO from ATA

Latin America

The Latin American and Caribbean Air Transport Association (ALTA by its Spanish initials) has reported that the number of passengers carried by its member airlines on both domestic and international routes increased by 14% in the year to September. Traffic in RPK was also up 14%, thanks to double-digit increases every month since May.

Traffic through September was stronger on domestic (+18%) and intra-regional routes within Latin America (+16%) than on routes outside Latin America (+8%). A detailed breakdown of results by segment is not yet available for September but, in the year through August, ALTA’s Pacific routes turned in the best performance, up 11% in passenger traffic. Transatlantic traffic managed only a 0.3% increase over the eight-month period.

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



Source: compiled by UNWTO from ALTA

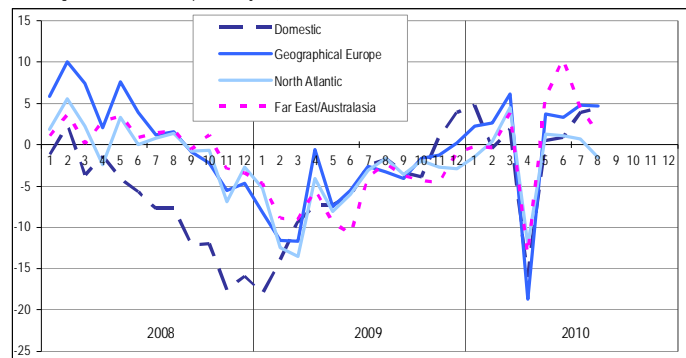
Europe

In line with the trends in arrivals, Europe was the weakest performer on the world stage in terms of air transport, with the Association of European Airlines (AEA) showing a modest 1.3% growth on total operations through August. Traffic on domestic routes stagnated (-0.1%) while international routes managed a modest 1.4% rise.

All major route groups were roughly in line with the general trends. European cross-border traffic was up 1.1%, the North Atlantic was -0.9%, and the Far East +1.4%. The best performers were the South Atlantic (+8%), North Africa (+5%) and the Mid Atlantic (+4%).

The outlook for the remainder of 2010 is more of the same, with little prospect of an improvement in the current economic situation. Moreover, the nominal growth rate will be restrained because the base level in the last few months of 2009 was already up on the earlier part of the year. More disappointingly, the revenue picture is gloomy since the average price AEA's passengers have been paying per km of travel is well down on AEA's peak in 2008. In normal trading conditions, airlines can build up reserves in the summer months to see them through the less profitable winter period. This year, this was not really possible.

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



Source: compiled by UNWTO from AACO

Asia and the Pacific

Traffic results for the month of September released by the Association of Asia Pacific Airlines (AAPA) indicate that market conditions in the region's international passenger and freight markets remained robust as the economic recovery maintained its momentum. Asia Pacific-based airlines carried a total of 15.2 million international passengers in September, an increase of 13% compared to the same month last year, boosted by particularly strong demand on regional routes.

January through September, international passenger traffic in RPK terms grew by 11%. Capacity expanded by 3%, resulting in a 5.5 percentage point rise in the average international passenger load factor to 78.9%.

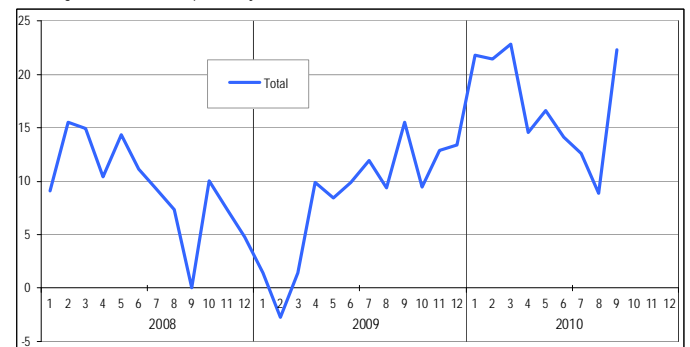
Commenting on the results, Andrew Herdman, AAPA Director General said: "Asian economies have been leading the way out of the global downturn, and this has resulted in a tremendous boost to the fortunes of carriers across the region. Over the past nine months, we have seen a 15% increase in international passenger numbers, and an even more dramatic 30% growth in international air cargo traffic, compared to the same period last year. Unlike some other regions of the world, Asian consumers are already displaying confidence in the future. At the same time, a broad-based pick-up in business sentiment is evident in the marked recovery in demand for premium-class seats, a segment of the market in which Asian carriers have traditionally excelled. Asian carriers have responded to these increases in demand with disciplined capacity and yield management, which has generally been rewarded by

a welcome return to profitability, following two very difficult years for the industry."

Middle East and North Africa

Results for the Arab Air Carriers Organization (AACO) for AACO's member airlines on scheduled operations show that passenger numbers were up 13% from January through September. Traffic in RPK rose by 17% as against a 12% rise in capacity (ASK), resulting in a 2.3 percentage point increase in average seat load factor, to 73.6%.

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



Source: compiled by UNWTO from AACO

Current outlook

According to AAPA, the overall outlook for Asian carriers remains very positive over the next 12 months, with prospects for further sustained growth in demand in line with established long-term trends.

AAPA Director General Herdman says that Asia Pacific airlines have led the way out of the economic downturn, and are destined to play an increasingly important role in shaping the future of the global air transport industry. IATA's Bisignani concurs with Herdman's forecast, adding that the industry recovery generally had been "stronger and faster than anyone predicted".

Increasing demand and stable costs are driving the worldwide recovery for the airlines. However, Bisignani warns that there is still uncertainty surrounding the strength of the recovery: "The US\$ 8.9 billion profit that we are projecting will start to recoup the nearly US\$ 50 billion lost over the previous decade. But a reality check is in order. There are lingering doubts about how long this cyclical upturn will last." In June, IATA had predicted a much smaller profit of US\$ 2.5 billion while, in March, it had expected a loss of US\$ 2.8 billion.

IATA also says that Europe still "lags in the red" and is the only region the association still expects to make a loss this year. However, it now expects a smaller loss of US\$ 1.3 billion, compared with June's forecast of US\$ 2.8 billion.

Hospitality



Hospitality industry is bouncing back

With consumers feeling increasingly optimistic to spend money and business confidence on the same upward path, more people are travelling and hotel performance is benefitting. According to data prepared by STR Global, Asia and the Pacific leads the way in hotel performance recovery while the Middle East is at the other end of the spectrum and remains in the red. Despite the strong rebound so far this year, no region has reached the levels achieved in the comparable period in 2008. This, coupled with improving economic conditions globally, points to hotel performance having the potential to further improve.

Asia Pacific

Asia and the Pacific is bouncing back faster than other world regions, achieving the strongest growth year-to-August 2010 in revenue per available room (revPAR), up 23% to US\$ 83. This growth was driven by a 7 percentage points increase in occupancy, while average room rates grew by just over 10%. Shanghai experienced the strongest year-to-August revPAR jump, up 61% in local currency, as hoteliers benefited from World Expo 2010. Despite this, occupancy has remained in the sixties for much of the year and average room rates remain low compared to other cities in the region. Beijing came in fourth place, with a 36% rise in revPAR. Increases in both cities were driven by occupancy, from a low base last year at 49% in Beijing and 47% in Shanghai. Although the percentage change is inflated by the previous year low base, hotel performance should continue to grow in the long-term in both cities. In the short-term, pricing pressures look set to remain given the number of new rooms that have recently opened, and the considerable number of rooms currently under construction. Hong Kong is also recovering well with

revPAR up 38% with a higher occupancy than most major cities on the mainland and a 21% growth in average room rates. This gives Hong Kong the second most expensive rate in the region at US\$ 191 (behind Tokyo's US\$ 235). This strong performance can be attributed to the growing economy in the region, the city's role as an important trade link between China and advanced economies, as well as a limited amount of new room supply entering the market. Singapore achieved the third strongest revPAR growth – up 31%. This was mostly due to the 14 percentage points jump in occupancy to 83% – the strongest in the region. The city-state has propelled its way out of the downturn by giving tourists more reasons to visit. Gaming is the most notable addition, with the opening of two resorts: Resorts World Sentosa and Marina Bay Sands. In addition to the

Hotel performance by region (year-to-August)

		Occupancy (%)		
		2010*	2009	Change (%p)
Asia and the Pacific		64.9	58.2	6.7
China	Beijing	62.0	48.6	13.4
	Shanghai	63.9	46.6	17.3
Hong Kong (China)	Hong Kong	79.5	69.8	9.7
Taiwan (pr. of China)	Taipei	73.9	67.0	6.9
Japan	Osaka	77.6	71.5	6.1
	Tokyo	74.7	67.9	6.8
Korea, Republic of	Seoul	80.8	78.5	2.3
Vietnam	Hanoi	64.0	52.9	11.1
Thailand	Bangkok	51.1	51.4	-0.3
	Phuket	63.0	53.5	9.5
Malaysia	Kuala Lumpur	68.4	62.9	5.5
Singapore	Singapore	83.4	69.9	13.5
Indonesia	Jakarta	66.6	62.4	4.2
	Bali Island	74.2	69.8	4.4
Philippines	Manila	71.3	66.4	4.9
India	Mumbai	58.1	54.2	3.9
	New Delhi	67.8	59.6	8.2
Australia	Sydney	82.5	75.5	7.0
New Zealand	Auckland	72.5	67.0	5.5

Source: STR Global

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Hotel performance by region

	Occupancy (%)			Average Room Rate - US\$			RevPAR - US\$		
	Year-to-August			Year-to-August			Year-to-August		
	2010*	2009	Change (%p)	2010*	2009	Change (%)	2010*	2009	Change (%)
Europe	63.0	59.8	3.2	127	130	-2.2	80	77	3.0
Europe (in euros)	63.0	59.8	3.2	98	95	2.9	62	57	8.4
Northern Africa	68.1	64.0	4.1	88	84	5.3	60	54	12.1
Southern Africa	56.8	58.4	-1.6	148	118	25.2	84	69	21.6
Middle East	60.2	61.9	-1.7	193	205	-5.8	116	127	-8.4
Asia and the Pacific	64.9	58.2	6.7	127	115	10.3	83	68	23.1
North America	58.9	56.1	2.8	99	99	-0.4	58	56	4.6
Central and South America	63.3	57.5	5.8	117	109	7.2	74	63	18.0

Source: STR (North America) and STR Global. © 2010 STR and STR Global. All rights reserved; (%p: percentage points)

pull of the casinos, the mixed use developments include attractions, accommodation, dining, retail and MICE venues. At the other end of the spectrum lies Bangkok, with the largest drop in revPAR, down 7% as a result of the conflict between anti-government protesters and the government. The capital of Thailand remains in a state of emergency, but declines in hotel performance are subsiding and should continue to do so if the situation does not escalate again. Other destinations in Thailand are not being affected in the same way. For instance, Phuket achieved the fifth strongest revPAR growth in Asia and the Pacific up 21% year-to-August. More direct flights from Australia and Europe resulted in an occupancy jump of 9.5 percentage points to 63%, allowing hoteliers to increase average room rates by 3%.

Hotel performance by region (year-to-August)

		Occupancy (%)		
		2010*	2009	Change (%p)
Europe		63.0	59.8	3.2
Iceland	Reykjavik	54.8	59.5	-4.7
Norway	Oslo	60.0	61.4	-1.4
Denmark	Copenhagen	63.7	61.5	2.2
Sweden	Stockholm	68.3	65.9	2.4
Finland	Helsinki	65.4	58.8	6.6
Estonia	Tallinn	41.7	37.7	4.0
Latvia	Riga	39.1	33.7	5.4
Lithuania	Vilnius	35.5	36.1	-0.6
Ireland	Dublin	65.8	63.4	2.4
United Kingdom	London	81.3	79.2	2.1
Netherlands	Amsterdam	73.1	66.2	6.9
Belgium	Brussels	64.3	60.0	4.3
Luxembourg	Luxembourg	65.7	63.5	2.2
Germany	Frankfurt am Main	63.4	55.8	7.6
	Berlin	67.1	65.5	1.6
France	Paris	75.1	72.7	2.4
Austria	Vienna	70.7	62.2	8.5
Switzerland	Geneva	65.4	60.7	4.7
	Zurich	71.8	66.2	5.6
Czech Rep	Prague	60.0	55.7	4.3
Slovakia	Bratislava	40.3	41.3	-1.0
Hungary	Budapest	56.5	51.7	4.8
Poland	Warsaw	63.9	57.8	6.1
Russian Federation	Moscow	60.1	54.5	5.6
Portugal	Lisbon	63.4	57.6	5.8
Spain	Madrid	61.3	54.3	7.0
	Barcelona	67.0	62.9	4.1
Italy	Milan	58.1	54.1	4.0
	Rome	65.7	60.0	5.7
Greece	Athens	57.0	59.0	-2.0
Turkey	Istanbul	71.8	63.5	8.3
Israel	Tel Aviv	76.4	62.5	13.9

Source: STR Global

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Central and South America

Central and South America (CSA) achieved the strongest revPAR growth globally in August, up 21% in US dollars, taking the lead from Asia and the Pacific for the first time this year. However, the robust monthly performance was not strong enough to take the year-to-date lead, but has allowed CSA to narrow the gap on Asia and the Pacific – now only five percentage points behind. In local currency, Venezuela continues to lead the recovery process, with revPAR rising a staggering 59% year-to-August 2010. While average room rates rose here 50%, occupancy grew by 3.4 percentage points. Argentina is the second best performer, with 27% revPAR growth. The main driver of growth here is the 11 percentage points increase in occupancy to 59%. Buenos Aires, the country's capital city, was the best performing city across the region year-to-August with revPAR rising 26% in local currency. Although average room rates grew only marginally, occupancy was boosted 12.7 percentage points to 63%. With a low exchange rate between the Argentinean Peso (which is still falling) and the US Dollar, the future of the second most popular destination in South America looks promising. Sao Paulo in Brazil was the second best performing city in the region, with revPAR rising 22% in local currency. Increases in occupancy are also driving growth here, up 7.5 percentage points to 65% – the second highest occupancy in CSA after Rio de Janeiro.

Europe

Given the mixed messages about the health of the European economy and the austerity measures introduced throughout European countries, hotel performance is recovering relatively well, with revPAR overall up 8% to €62 year-to-August. Performance, though, is far from uniform. Hoteliers in Munich, benefitted from hosting more exhibitions and events this year, having seen the strongest revPAR increase – up 31%. Hoteliers in London have also turned in outstanding results with 11% revPAR growth in local currency and the highest occupancy in Europe at 81%. The UK capital not only benefitted from the Farnborough Air Show (which takes place every two years) but also saw an influx of Arab travellers during the summer months. Among the cities still in negative territory were Dublin and Athens with revPAR down 7% and 6% respectively, reflecting the general economic travails in those countries.

North America

North America saw revPAR rise 5% year-to-August 2010 to US\$ 58. While average room rates fell marginally to less than US\$ 100, occupancy increased by 3 percentage point to 59%. Vancouver remains the leader in North America following the success of the 2010 Winter Olympic Games in February, resulting in a 22% rise in revPAR year-to-date.

Hotel performance by region (year-to-August)

		Occupancy (%)		
		Change		
		2010*	2009	(%p)
North America		58.9	56.1	2.8
Canada	Montreal	62.4	58.0	4.4
	Toronto	68.7	61.8	6.9
	Vancouver	70.1	66.1	4.0
United States	Atlanta	58.4	53.6	4.8
	Boston	69.1	61.4	7.7
	Chicago	61.7	56.0	5.7
	Dallas	55.1	52.3	2.8
	Denver	64.2	58.7	5.5
	Houston	56.1	57.6	-1.5
	Los Angeles	69.2	64.8	4.4
	Miami	71.5	66.5	5.0
	New Orleans	66.0	59.0	7.0
	New York	80.3	74.7	5.6
	Orlando	65.2	62.9	2.3
	Philadelphia	65.1	61.4	3.7
	Phoenix	56.6	53.4	3.2
	San Diego	69.5	65.6	3.9
	San Francisco	75.2	70.6	4.6
	Seattle	67.7	63.3	4.4
	St Louis	57.9	55.4	2.5
	Washington DC	69.6	67.1	2.5
Mexico	Cancun	62.2	56.5	5.7
	Mexico City	57.2	47.1	10.1
Central and Southern America		63.3	57.5	5.8
Costa Rica	San Jose	59.2	54.6	4.6
Panama	Panama City	66.3	65.2	1.1
Peru	Lima	62.2	54.9	7.3
Brazil	Rio de Janeiro	69.3	65.6	3.7
	Sao Paulo	64.8	57.3	7.5
Argentina	Buenos Aires	63.2	50.5	12.7
Chile	Santiago	61.5	58.3	3.2
Middle East		60.2	61.9	-1.7
Egypt	Cairo	62.4	64.3	-1.9
	Sharm El-Sheikh	78.4	69.5	8.9
Jordan	Amman	58.8	57.0	1.8
Lebanon	Beirut	65.1	70.8	-5.7
Kuwait	Kuwait City	50.6	55.0	-4.4
Qatar	Doha	59.4	57.3	2.1
Untd Arab Emirates	Dubai	69.7	67.8	1.9
	Abu Dhabi	55.3	74.0	-18.7
Saudi Arabia	Riyadh	61.5	61.0	0.5
Oman	Muscat	51.5	51.6	-0.1
Southern Africa		56.8	58.4	-1.6
Kenya	Nairobi	62.9	65.0	-2.1
South Africa	Greater Cape Town	54.5	58.0	-3.5
	Greater Johannesburg	60.9	60.8	0.1

Source: STR Global

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Data for North America sourced STR

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Of the top 25 markets covered by Smith Travel Research (STR) in the US, New York was the front runner, with revPAR rising 15%. Growth was led almost equally by a 7% rise in average room rates to US\$ 208, while 5.6 percentage points were added to occupancy to reach 80% – the highest occupancy in the US. According to STR, there are more than 8,000 rooms under construction in the city. However, with demand so high there is every prospect that the new rooms will be absorbed into the market without any significant impact on existing hotels. New Orleans was the second best performing city in the US, as it continues to recover from Hurricane Katrina. RevPAR grew 14% here to US\$ 77, as seven percentage points were added to occupancy to 66%. Other cities across the US to also report double-digit revPAR growth year-to-August included Boston and Miami – up 13% and 10% respectively.

Middle East

Year-to-August revPAR in the Middle East remains in negative territory – down 8% to US\$ 116. After 18 consecutive months of decline, the month of August saw an increase in average room rates for the first time this year due to Ramadan taking place from 11 August to 9 September. It is too early to expect this growth to kick start the recovery trend, though, and we expect several more months of downward pressure on average room rates, as more rooms open throughout the Middle East. Despite this, the region remains the top average room rate and revPAR earner globally. After achieving the strongest revPAR growth in the world for two consecutive years, Beirut remains the top performer in the region with revPAR up 8% in local currency driven by an 18% increase in average room rates while occupancy contracted 6 percentage points. The business and leisure destination is enjoying this run of growth due to increased popularity as a result of continued peace and stability. On the flip side, Abu Dhabi experienced the most serious decline in the region – down 49%. New room supply opening in the market is putting downward pressure on average room rates and occupancy, falling 32% and 19 percentage points to respectively. Hotel performance in the emirate should receive a boost later this year when Ferrari World opens and the emirate holds its second annual Formula One Grand Prix in November. Meanwhile, neighbouring Dubai is on the way back with revPAR down only 4% to US\$ 147 with occupancy growing 2 percentage points year-to-August.

Southern Africa

Although the full economic impact of the World Cup has yet to be tallied, the tournament brought astounding success to South African hoteliers during the month of June, with revPAR growth in excess of 120% in local currency. This jump is far greater than the 33% increase experienced by Germany, when the country hosted the 2006 World Cup.

However, it should be noted that the location of South Africa ensured that supporters stayed in the country for a longer period of time. As time passes, the legacy of the event will become apparent but so far, South Africa has already seen an overhaul to its tourism infrastructure and improved international perceptions in terms of being a safe destination to visit. The benefits reach beyond the borders of South Africa and the profile of tourism across Africa has also been raised with the flood of media covering its tourism offerings.

Outlook

While global financial stress indicators have fallen considerably this year, normal levels are nowhere in sight for most of the developed world. Debt ridden balance sheets and the fading need for inventory rebuilding are providing headwinds in the choppy yet continuing recovery. However, the hospitality industry is bouncing back and recovery continues to gather momentum, especially in emerging economies.

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 Laura Baxter, Assistant Manager in the Tourism, Hospitality and Leisure team at Deloitte. For further information please call the team at Deloitte on +44 (0) 20 7007 1099 or visit www.deloitte.co.uk/tourismhospitalityleisure.

Business intelligence



In this contribution Euromonitor International reveals findings from its latest report “Travel and Tourism in an Increasingly Polarised World”. The global recession is accelerating the polarisation between emerging economies, experiencing higher economic growth, compared to sluggish advanced economies, having to cope with unemployment, sovereign debt and austerity measures. This divergence in performance is leading to structural changes in travel and tourism demand that will impact travel operators and destinations alike.

Emerging destinations to receive over half of international and domestic tourism demand

Currently, advanced economies still account for the majority of international arrivals globally (in volume terms) with a share of slightly over half. Due to stronger growth in incoming demand, emerging countries are expected to steal the balance of power in the next few years, marking a major shift.

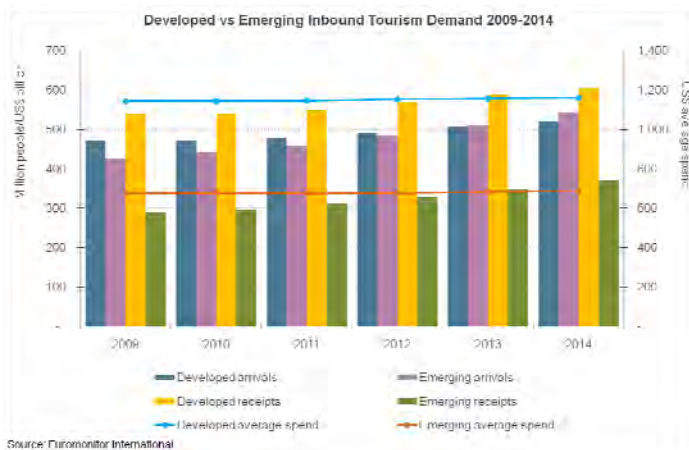
Growth in arrivals to emerging economies of 5% per annum is double that of advanced economies thanks to favourable demographic and economic factors, leading to a rising middle class. This tipping point in income of middle class households enables consumers to translate their desire to travel beyond their borders into action, with intra-regional tending to benefit most.

The shift in power to emerging destinations has already occurred in domestic tourism. In 2008 and 2009, emerging destinations record the dominant share of domestic trips. For 2010 3.5 billion domestic trips are forecast to take place in emerging destinations, compared to 3 billion in advanced. Emerging destinations will continue to pull away with an annual growth rate of 7% versus 1% for developed destinations. A domestic trip is often seen as the first step into travel and tourism and trips home for migrant workers to visit friends and family also help to boost demand.

Tourism expenditure concentrated in advanced economies

Yet for tourism expenditure, the balance of power will remain in the hands of advanced economies for some more time, despite emerging economies enjoying a much faster rate of growth of 5% compared to 2% for advanced. The existing gap between average spend per inbound trip is set to widen somewhat between advanced and emerging economies, as developed markets enjoy greater pricing power, while in emerging countries tourism demand is

driven primarily by demographic growth, with spending restrained by lower average income levels and the popularity of mid-priced options.



New Tourism Demand from Emerging Markets

Thanks to huge domestic markets, countries such as China and India are set to be the largest generators of new tourism demand. One billion additional visitors are expected to holiday in these two countries alone over 2009-2014, and of these new tourists, the vast majority will be domestic visitors.

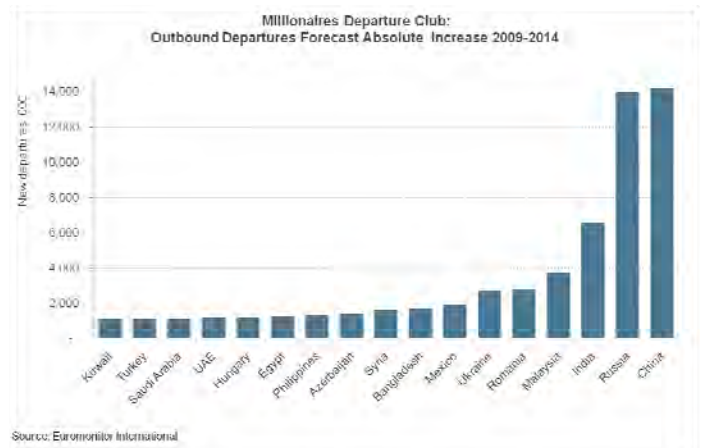
China's vast size and population of 1.3 billion contribute significantly to its domestic tourism industry, where many work away from home and an annual trip back to family is common. 2010 is likely to see a 10% increase in domestic trips as the government's push to encourage homegrown tourism proves successful and travel demand keeps pace with economic growth.

However, when considering inbound and domestic demand combined, the sheer volume of incremental demand from emerging countries helps to push them up the ranking for new sources of tourism expenditure. The US is forecast

to be the leading country for new tourism revenue streams, generating an additional US\$ 113 billion in tourism expenditure between 2009 and 2014. China is not far behind on US\$ 109 billion, and combined with India's US\$ 28 billion, exceeds the US for incremental expenditure. Despite the lower average spend per visitor, the potential of new revenue sources in emerging markets is very attractive to travel operators and destinations that pitch appropriately priced products.

Euromonitor Millionaires Departure Club

In addition, Euromonitor International has identified some 17 countries that are members of its "Millionaires Departure Club", with membership based on countries generating in excess of 1 million new departures between 2009 and 2014, on top of existing outbound levels. China and Russia are in joint first place, adding an extra 14 million new outbound visitors each, thanks to their population size and increasing disposable incomes.



This contribution has been kindly provided by Euromonitor International. For further information please visit www.euromonitor.com or contact Caroline Bremner, Global Travel and Tourism Manager, tel: + 44 (0)20 7251 8024.

Meetings industry



ICCA – Country and city ranking of International meetings organised in 2009

The International Congress and Convention Association (ICCA) publishes a yearly country and city ranking by number of meetings organised. The ICCA rankings cover meetings organised by international associations which take place on a regular basis and which rotate between a minimum of three countries. The data represents a “snapshot” of qualifying events in the ICCA Association Database as sampled on 11 May 2010.

The ICCA Database has identified 8,294 events which took place in 2009, a rise of 800 over 2008, partly reflecting the strength of the association meetings market despite the economic downturn. “It is a fact that many international association events suffered from falling numbers, reduced size exhibitions, and fewer sponsors in 2009,” said Martin Sirk, ICCA CEO, “but at least as many others have seen stable figures or even surprisingly robust growth.”

Countries

As has been the case since 2004, the United States and Germany have been the number one and two over the past ten years measured by the number of international meetings organised in 2009. The USA is widening its gap with Germany. Spain remains third. Italy jumps from 6th to 4th place with an increase of 54 events compared to 2008, and the UK remains 5th. China and Austria (sharing 10th place with the Netherlands) are newcomers in the top 10.

Cities

For the fifth year in a row, Vienna is the most popular city with an increase of 21 meetings over 2008. Barcelona jumps from 3rd to 2nd place and Paris, which shared 1st place with Vienna last year, is now 3rd. The only newcomer in the top 20 is Madrid, at 13th place. In general most cities have gradually attracted more meetings over the past decade. A closer look at the top ten destinations seems to show more growth for the bigger destinations.

As in the 2009 ranking by total number of events, Vienna is on top of the estimated total number of participants per city ranking, followed by Paris. They are the only two cities to have been in the top 10 each year and

both never have ranked lower than 6th place. Next in line are Barcelona (3rd) and Berlin (4th), they have both been in the top 10 each year except for 2000.

The ICCA Statistics Report 2000-2009 released in August 2010 reveals additional facts related to trends in association meetings. Regarding favourite months and frequency, the period from May until November has always been the most popular time to organise meetings. The relative popularity of July and August has been decreasing over the past 10 years. Most international association meetings over the past 10 years were annual meetings. The market share of annual meetings has increased over the past 10 years.

Over the last decade the usage of meeting facilities in hotels has been gradually increasing at the expense of the conference/exhibition centre; they became the most popular venue in 2005. The most popular subject by far is still Medical Science, although the absolute numbers of meetings organised on this subject increased almost each year over the past ten years, the relative popularity went down over the decade to a presumably all-time low of 17.8% of all meetings in 2009.

Finally, over the first half of the decade the average registration fee per delegate per meeting increased until 2005, when meetings became shorter and less expensive. Ever since this setback in 2005 the fees have been increasing, leading up to US\$ 590 per delegate per meeting in 2009, which is the highest average registration fee of at least the last 10 years.

For further information please visit www.iccaworld.com.

ICCA country and city ranking measured by number of meetings organised in 2009

Rank	Country	# Meetings	Rank	City	# Meetings
1	United States	595	1	Vienna	160
2	Germany	458	2	Barcelona	135
3	Spain	360	3	Paris	131
4	Italy	350	4	Berlin	129
5	United Kingdom	345	5	Singapore	119
6	France	341	6	Copenhagen	103
7	Brazil	293	7	Stockholm	102
8	Japan	257	8	Amsterdam	98
9	China	245		Lisbon	98
10	Austria	236	10	Beijing	96
	Netherlands	236	11	Buenos Aires	90
12	Switzerland	214		Seoul	90
13	Canada	213	13	Budapest	87
14	Sweden	184		Madrid	87
15	Republic of Korea	176	15	Prague	86
16	Australia	169	16	London	83
17	Portugal	168	17	Istanbul	80
18	Denmark	151	18	Sao Paulo	79
19	Argentina	145	19	Bangkok	76
20	Belgium	130	20	Athens	75

Source: International Congress and Convention Association (ICCA)

The economic environment

High unemployment a major economic and social challenge

The world economic recovery is proceeding as expected, but at varying speeds and intensities in different parts of the world. The recovery is sluggish in advanced economies, but much stronger in emerging and developing economies. Downside risks remain large, including uncertainties in financial markets, weakness in real estate markets, and the risks involved in withdrawing fiscal stimuli. High unemployment is a major economic and social challenge in many countries. In this setting, the International Monetary Fund (IMF) expects growth in the world economy, led by emerging and developing economies, to increase to 4.8% in 2010 before falling back to 4.2% in 2011.

The global recovery remains fragile as most advanced economies still face major adjustments, including the need to strengthen household balance sheets, stabilise and subsequently reduce public debt, and repair and reform their financial sectors. In order to achieve a more balanced recovery, the key policy challenge is to effect a smooth transition from public- to private sector-led growth in many advanced economies, and from externally to domestically driven growth in key emerging economies.

Since the publication of the last *UNWTO World Tourism Barometer*, the IMF has published its October 2010 edition of the *World Economic Outlook (WEO)*.

IMF *World Economic Outlook*, October 2010

(www.imf.org/external/ns/cs.aspx?id=29)

According to the IMF's October 2010 *World Economic Outlook (WEO)*, the economic recovery continued to strengthen during the first half of 2010, with growth at an annual rate of about 5.2%. A surge in inventory and, lately, fixed investment accounted for a dramatic rise in manufacturing and global trade. Weak consumer confidence and reduced household incomes and wealth are holding private

consumption down in many advanced economies. Growth in advanced economies reached about 3.5% during the first half of 2010 – a low rate considering that they are emerging from the deepest recession since World War II. Their recoveries will remain fragile for as long as the improving climate for business investment does not translate into higher employment growth. In contrast, household spending is doing well in many emerging market economies, which expanded by close to 8% and where investment is propelling job creation.

Global financial stability suffered a major setback with the turmoil in sovereign debt markets in the second quarter of 2010. Market volatility increased and investor confidence dropped. Risks have been reduced by unprecedented European policy initiatives and by fiscal adjustments. However, underlying sovereign and banking vulnerabilities remain a significant challenge amid lingering concerns about the risks to the global recovery.

Against this backdrop, the IMF forecast global activity to expand by 4.8% in 2010 and by a more moderate 4.2% in 2011, although downside risks continue to predominate. Emerging and developing economies, which did not have major financial excesses prior to the 'Great Recession', will expand at rates of 7.1% and 6.4%, respectively, in 2010 and 2011. In advanced economies, however, growth is projected at only 2.7% and 2.2%, respectively, with some economies slowing noticeably during the second half of 2010 and the first half of 2011. As a result, economic slack will remain substantial and unemployment persistently high for some time. Inflation is projected to stay generally low, amid continued excess capacity and high unemployment (with a few exceptions among the emerging economies). Even if risks to the growth forecasts are mainly to the downside, the probability of a sharp global slowdown, including stagnation or contraction in advanced economies, still appears low.

The global recovery remains fragile because strong policies to foster internal rebalancing of demand from public to private sources and external rebalancing of current accounts are not yet in place. Sustained, healthy recovery rests on these two rebalancing acts: internal rebalancing, with a strengthening of private demand in advanced economies, allowing for fiscal consolidation; and external rebalancing, with an increase in net exports in deficit countries, such as the United States, and a decrease in net exports in surplus countries, notably emerging Asia.

Overview of the economic growth projections by the International Monetary Fund (IMF), *World Economic Outlook*, October 2010

	GDP US\$ bn	Current projections												Trend ¹			Average (%) 1995-2009	
		2009	2004	2005	2006	2007	2008	2009	2010*	2011*	2012*	2013*	2014*	2015*	09-08	10*-09		11*-10*
		2009	2004	2005	2006	2007	2008	2009	2010*	2011*	2012*	2013*	2014*	2015*	09-08	10*-09		11*-10*
World (purchasing power parity (PPP) weighted)	57,843	4.9	4.6	5.2	5.3	2.8	-0.6	4.8	4.2	4.5	4.6	4.6	4.6	--	++	-	3.8	
Memorandum: at market exchange rates		4.0	3.5	4.0	3.9	1.6	-2.0	3.7	3.3	3.7	3.7	3.7	3.7	--	++	-	2.9	
of which:																		
Advanced economies	39,881	3.2	2.7	3.0	2.7	0.2	-3.2	2.7	2.2	2.6	2.6	2.5	2.4	--	++	-	2.3	
Emerging market and developing countries	17,962	7.5	7.3	8.2	8.7	6.0	2.5	7.1	6.4	6.5	6.6	6.6	6.7	--	++	-	5.9	

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

Overview of the economic growth projections by the International Monetary Fund (IMF), World Economic Outlook, October 2010

	GDP														Trend ¹			Average (%)
	US\$ bn							Current projections										
	2009	2004	2005	2006	2007	2008	2009	2010*	2011*	2012*	2013*	2014*	2015*	09-08	10*-09	11*-10*	1995-2009	
<i>By UNWTO regions:</i>																		
Europe	19,877	3.8	3.1	4.4	4.2	1.6	-4.4	2.4	2.3	2.6	2.7	2.7	2.6	--	++	=	2.6	
European Union (27)	16,415	2.7	2.2	3.5	3.2	0.8	-4.1	1.7	1.7	2.1	2.2	2.2	2.2	--	++	=	2.1	
Euro area	12,484	2.2	1.7	3.0	2.9	0.5	-4.1	1.7	1.5	1.8	1.8	1.8	1.7	--	++	=	1.8	
Germany	3,339	1.2	0.8	3.4	2.7	1.0	-4.7	3.3	2.0	2.0	1.8	1.7	1.3	--	++	--	1.2	
France	2,656	2.3	2.0	2.4	2.3	0.1	-2.5	1.6	1.6	1.8	2.0	2.1	2.1	--	++	=	1.9	
Italy	2,118	1.5	0.7	2.0	1.5	-1.3	-5.0	1.0	1.0	1.4	1.4	1.3	1.3	--	++	=	0.8	
Spain	1,468	3.3	3.6	4.0	3.6	0.9	-3.7	-0.3	0.7	1.8	2.1	2.1	2.0	--	++	++	3.2	
Netherlands	797	2.2	2.0	3.4	3.9	1.9	-3.9	1.8	1.7	1.7	1.8	1.9	1.9	--	++	=	2.4	
Belgium	472	3.1	2.0	2.7	2.8	0.8	-2.7	1.6	1.7	1.7	1.8	1.8	1.9	--	++	=	2.0	
Austria	382	2.5	2.5	3.6	3.7	2.2	-3.9	1.6	1.6	1.8	1.8	1.8	1.8	--	++	=	2.2	
Greece	331	4.6	2.2	4.5	4.5	2.0	-2.0	-4.0	-2.6	1.1	2.1	2.1	2.7	--	--	++	3.6	
Ireland	222	4.6	6.0	5.3	5.6	-3.5	-7.6	-0.3	2.3	2.4	2.9	3.2	3.5	--	++	++	5.7	
Finland	239	4.1	2.9	4.4	5.3	0.9	-8.0	2.4	2.0	1.9	1.9	1.9	1.8	--	++	--	3.0	
Portugal	233	1.6	0.8	1.4	2.4	0.0	-2.6	1.1	-0.1	0.6	1.1	1.2	1.2	--	++	--	2.0	
United Kingdom	2,179	3.0	2.2	2.8	2.7	-0.1	-4.9	1.7	2.0	2.3	2.4	2.5	2.6	--	++	+	2.3	
Sweden	406	4.2	3.2	4.3	3.3	-0.4	-5.1	4.4	2.6	3.0	3.5	3.4	3.4	--	++	--	2.5	
Denmark	310	2.3	2.4	3.4	1.7	-0.9	-4.7	2.0	2.3	2.2	2.1	2.0	1.9	--	++	+	1.5	
Poland	431	5.3	3.6	6.2	6.8	5.0	1.7	3.4	3.7	3.9	4.2	4.3	4.3	--	++	+	4.8	
Norway	379	3.9	2.7	2.3	2.7	0.8	-1.4	0.6	1.8	2.3	2.2	2.0	2.0	--	++	++	2.6	
Switzerland	492	2.5	2.6	3.6	3.6	1.9	-1.9	2.9	1.8	1.8	2.0	2.0	2.0	--	++	--	1.8	
Russian Federation	1,232	7.2	6.4	8.2	8.5	5.2	-7.9	4.0	4.3	4.4	4.2	4.1	4.0	--	++	+	4.0	
Turkey	614	9.4	8.4	6.9	4.7	0.7	-4.7	7.8	3.6	3.7	3.8	4.0	4.0	--	++	--	3.9	
Americas	19,420	4.2	3.5	3.4	3.0	1.2	-2.4	3.5	2.8	3.3	3.2	3.1	3.0	--	++	--	2.9	
United States	14,119	3.6	3.1	2.7	1.9	0.0	-2.6	2.6	2.3	3.0	2.9	2.8	2.6	--	++	--	2.7	
Canada	1,336	3.1	3.0	2.8	2.2	0.5	-2.5	3.1	2.7	2.7	2.4	2.1	2.0	--	++	--	2.8	
Latin America and Caribbean	3,965	6.0	4.7	5.6	5.7	4.3	-1.7	5.7	4.0	4.2	4.1	4.0	3.9	--	++	--	3.3	
Brazil	1,574	5.7	3.2	4.0	6.1	5.1	-0.2	7.5	4.1	4.1	4.1	4.1	4.1	--	++	--	3.0	
Mexico	875	4.0	3.2	4.9	3.3	1.5	-6.5	5.0	3.9	5.0	4.7	4.3	3.8	--	++	--	3.0	
Argentina	310	9.0	9.2	8.5	8.7	6.8	0.9	7.5	4.0	3.0	3.0	3.0	3.0	--	++	--	3.6	
Venezuela	326	18.3	10.3	9.9	8.2	4.8	-3.3	-1.3	0.5	1.0	1.1	1.3	1.7	--	++	++	2.7	
Colombia	232	5.3	5.0	7.1	6.3	2.7	0.8	4.7	4.6	4.6	4.5	4.5	4.5	--	++	=	3.0	
Chile	162	6.0	5.5	4.6	4.6	3.7	-1.5	5.0	6.0	4.6	4.5	4.5	4.5	--	++	+	4.1	
Peru	127	5.0	6.8	7.7	8.9	9.8	0.9	8.3	6.0	5.7	5.7	5.7	5.7	--	++	--	4.6	
Asia and the Pacific	15,991	6.6	6.8	7.6	8.5	4.9	3.5	7.6	6.6	6.7	6.8	6.9	6.9	--	++	--	5.7	
Japan	5,069	2.7	1.9	2.0	2.4	-1.2	-5.2	2.8	1.5	2.0	1.9	1.8	1.7	--	++	--	0.7	
Australia	994	3.6	3.2	2.6	4.8	2.2	1.2	3.0	3.5	3.5	3.3	3.3	3.2	--	++	+	3.7	
New Zealand	118	4.4	3.2	1.0	2.8	-0.1	-1.6	3.0	3.2	3.1	2.9	2.7	2.6	--	++	=	2.7	
Newly Industrialized Asian Economies	1,604	5.9	4.8	5.8	5.8	1.8	-0.9	7.8	4.5	4.4	4.4	4.3	4.3	--	++	--	4.5	
Korea, Republic of	833	4.6	4.0	5.2	5.1	2.3	0.2	6.1	4.5	4.2	4.1	4.0	4.0	--	++	--	4.7	
Taiwan (pr. of China)	379	6.2	4.7	5.4	6.0	0.7	-1.9	9.3	4.4	4.7	4.9	5.0	5.0	--	++	--	4.2	
Hong Kong (China)	211	8.5	7.1	7.0	6.4	2.2	-2.8	6.0	4.7	4.3	4.3	4.3	4.3	--	++	--	3.6	
Singapore	182	9.2	7.4	8.6	8.5	1.8	-1.3	15.0	4.5	4.4	4.2	4.1	4.0	--	++	--	5.4	
Developing Asia	7,876	8.7	9.5	10.4	11.4	7.7	6.9	9.4	8.4	8.4	8.5	8.5	8.5	--	++	--	8.2	
China	4,985	10.1	11.3	12.7	14.2	9.6	9.1	10.5	9.6	9.5	9.5	9.5	9.5	--	++	--	10.6	
India	1,237	8.1	9.2	9.7	9.9	6.4	5.7	9.7	8.4	8.0	8.2	8.1	8.1	--	++	--	7.3	
Pakistan	162	7.4	7.7	6.1	5.6	1.6	3.4	4.8	2.8	4.0	5.0	5.5	6.0	++	++	--	4.5	
Indonesia, Malaysia, Philippines, Thailand	1,158	5.9	5.2	5.4	6.1	4.5	1.3	6.6	5.3	5.4	5.6	5.8	5.9	--	++	--	3.9	
Iran	326	5.1	4.7	5.8	7.8	1.0	1.1	1.6	3.0	3.0	3.0	3.0	3.0	=	+	++	4.9	
Africa	1,217	6.7	5.8	6.2	6.3	5.2	2.8	4.8	5.3	5.5	5.5	5.3	5.3	--	++	+	5.3	
South Africa	287	4.6	5.3	5.6	5.5	3.7	-1.8	3.0	3.5	3.9	4.2	4.4	4.5	--	++	+	3.5	
Algeria, Morocco, Tunisia,	275	5.2	4.3	4.4	3.5	3.8	3.3	3.9	4.2	4.5	4.6	4.7	4.7	--	+	+	4.5	
Nigeria	169	10.6	5.4	6.2	7.0	6.0	7.0	7.4	7.4	7.2	7.1	6.1	6.0	+	+	=	7.5	
Middle East	1,315	6.4	5.7	5.8	5.6	6.8	2.0	5.1	6.0	5.5	5.4	5.6	5.7	--	++	+	4.8	
Saudi Arabia	376	5.3	5.6	3.2	2.0	4.2	0.6	3.4	4.5	4.4	4.5	4.6	4.7	--	++	++	3.2	
Untd Arab Emirates	224	9.7	8.2	8.7	6.1	5.1	-2.5	2.4	3.2	3.9	4.1	4.1	4.1	--	++	+	6.1	
Egypt	188	4.1	4.5	6.8	7.1	7.2	4.7	5.3	5.5	5.7	5.9	6.2	6.5	--	+	+	5.7	
Kuwait	98	11.2	10.4	5.3	4.5	5.5	-4.8	2.3	4.4	5.1	5.2	5.3	5.3	--	++	++	4.3	

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

To spur a stronger recovery and more employment growth, policies need to become more proactive and coordinated to achieve the required internal and external rebalancing required for robust real GDP and employment growth. In this regard, IMF's Economic Counsellor Olivier Blanchard indicates four points to achieve rebalancing:

- Where private demand is weak, central banks should continue with accommodating monetary policy
- Wherever needed, governments must continue both financial repairs and financial reforms
- Wherever needed, governments must address fiscal consolidation
- Those emerging market countries with large current account surpluses must accelerate rebalancing towards domestic consumption.

Blanchard warns that “Unless advanced countries can count on stronger private demand, they will be very reluctant to achieve fiscal consolidation. If fiscal consolidation is in question, then worries about sovereign risks can easily derail growth. If growth were to slow or even stop in advanced countries, emerging market countries would have a hard time decoupling. Its downside risks should definitely not be ignored.” He concludes that “the need for careful design at the national level, and coordination at the global level, may be even more important today than they were at the peak of the crisis a year and a half ago.”

Regional and country outlook

USA – slowdown due to sluggish private consumption

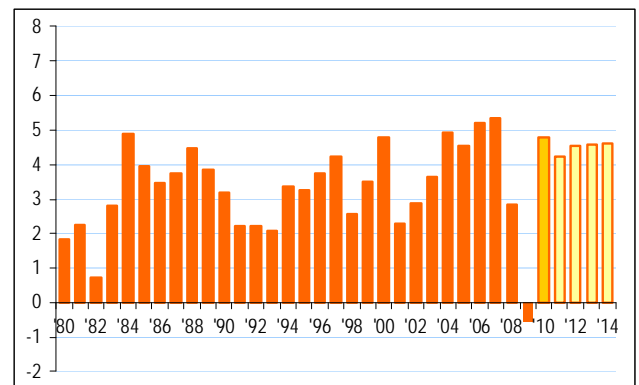
The US economy is recovering, thanks to unprecedented macroeconomic policy stimulus, emergency financial stabilisation measures, and a modest cyclical upswing. But the pace of recovery in the USA has moderated. The economy grew at an annualised rate of 1.7% in the three months to June, a slower pace than the 3.7% growth rate posted in the first quarter. This slowdown is mostly due to sluggish private consumption – by far the biggest component of US GDP. Consumers face headwinds of high debt and fallen asset values, weak credit growth (despite extraordinarily loose monetary conditions), and persistently high unemployment (currently 9.6% of the workforce).

Reflecting these conditions, the most likely prospect for the US economy is for a continued but slow recovery, with growth far weaker than in previous recoveries, considering the depth of the recession. GDP growth is projected to be 2.6% in 2010 (down 0.7% from July 2010 WEO estimates) and 2.3% in 2011. Against this backdrop, personal saving rates are estimated to remain higher than pre-crisis levels for a sustained period, and public fiscal balances will deteriorate further. The unemployment rate is expected to remain high and inflation is projected to remain subdued.

By contrast, the Canadian economy is less hampered by these factors and is set to recover more strongly (+3.1% in 2010).

World

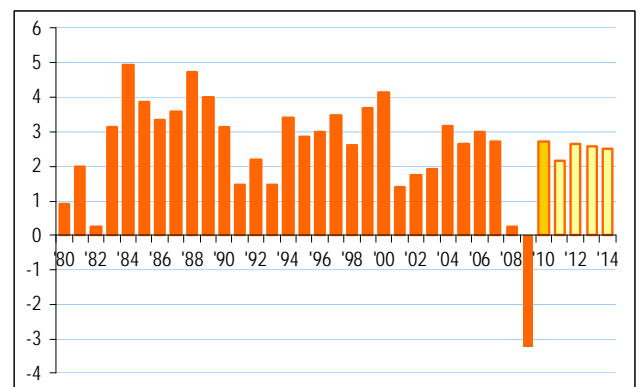
Growth of Gross Domestic Product (GDP), constant prices (%)



Source: International Monetary Fund

Advanced economies

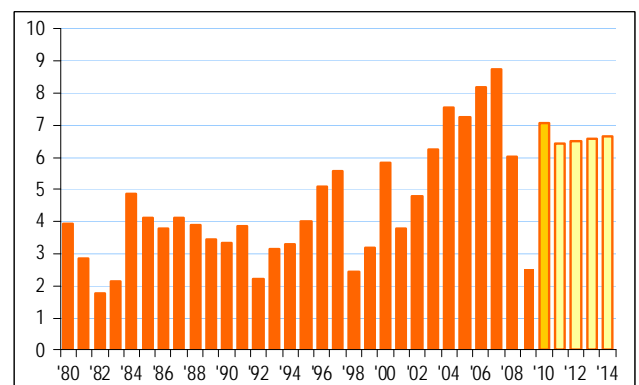
Growth of Gross Domestic Product (GDP), constant prices (%)



Source: International Monetary Fund

Emerging market and developing countries

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



Source: International Monetary Fund

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 overall growth rate as emerging economies tend to grow faster. For instance, at market value the weight of the USA is 24% and of China 9%, while at PPP their weights are respectively 20% and 13%.

Asia – leading the global recovery

Asia continues to lead the global recovery. Economic activity has bounced back thanks to resilience in domestic demand and rebounding exports. Robust import demand from China – particularly for commodities, machinery, and capital goods – has supported activity in both emerging and advanced Asia.

Against this backdrop, the region is projected to grow by about 7.9% in 2010 and 6.7% in 2011. This growth is projected to moderate from the second half of 2010 and in 2011 in response to the winding down of policy stimulus and policy tightening in economies facing demand pressures. In both China and India strong domestic demand will support growth. In China, growth is expected to average 10.5% in 2010 and 9.6% in 2011. In India, GDP growth is forecast at 9.7% in 2010 and 8.4% in 2011.

The strong regional upswing is also benefiting the Newly Industrialised Asia Economies – Republic of Korea, Taiwan (pr. of China), Hong Kong (China) and Singapore – where real activity is projected to be up 7.8% in 2010 and 4.5% in 2011. By contrast, the appreciation of the yen and the recent cooling of the US economy are affecting Japanese exports. In addition, the unwinding of fiscal stimulus and the sluggish labour market are likely to weigh on Japan's short-term growth. As a result, real GDP growth in Japan is projected at 2.8% in 2010 and 1.5% in 2011.

Notwithstanding an impressive performance so far, risks to near-term growth in both advanced and emerging Asia are predominantly to the downside. A slower recovery in the USA and the eurozone, for instance, or a greater-than-anticipated slowdown in China, could also slow the pace of recovery in Asia. In advanced Asia, risks also reflect domestic vulnerability. These risks include yen appreciation and worsening deflation in Japan and higher risk premiums, given high external debt in New Zealand. Looking beyond the crisis, Asia's medium-term prospects depend on how successfully it is able to rebalance the drivers of growth – with greater reliance on domestic sources compared with external demand.

Europe – gradual and uneven recovery

The recovery in Europe has finally gained some vigour, after the financial turmoil caused by the sovereign debt crisis. Europe's GDP is projected to expand by 2.3% in 2010 and 2.2% in 2011, after a 4.6% contraction in 2009. However, the recovery is moderate and projected growth rates are low by historical standards.

The recovery remains uneven. In advanced Europe, where policy actions helped contain sovereign debt troubles in early 2010, growth is projected at 1.7% in 2010 and 1.6% in 2011. Despite recent strength, however, the upswing is projected to remain weak compared with previous recoveries and also compared with advanced economies in other regions. In part, these growth differen-

tials are due to the lingering impact of the crisis and the accelerating fiscal adjustment in 2011. But they also reflect well-known structural rigidities in the labour, goods and services markets that will limit potential growth.

Despite robust manufacturing exports in recent months, moderate recovery is expected in Germany because weak growth is expected among its trading partners. In France, growth is projected to be modest, as private consumption is weakened by high unemployment and the withdrawal of stimulus measures. In Italy, the recovery is expected to be even more subdued, as a persistent competitiveness problem limits the scope for export growth, and planned fiscal consolidation weakens private demand. Constrained by fiscal and competitiveness imbalances, growth in Greece, Ireland, Portugal, and Spain is projected to be much lower. Outside the eurozone, in the United Kingdom domestic demand is expected to remain relatively subdued, particularly following the recent measures to cut the budget deficit.

Although the crisis in emerging Europe has been deep, banking and currency crises have largely been avoided. As a result, emerging Europe's growth is expected to be 3.7% in 2010 and 3.1% in 2011, with the outlook depending crucially on developments in advanced Europe. Growth in economies that experienced the mildest downturns (Poland), and in others that faced the crisis with relatively strong household and bank balance sheets (Turkey), is projected to continue gaining strength, helped by the normalisation of global trade and capital flows. However, those that had experienced unsustainable domestic booms (Bulgaria, Latvia) or have vulnerable private or public sector balance sheets (Hungary, Romania) are expected to recover more slowly.

The pronounced differences in economic prospects across the region depend on the condition of public and private sector balance sheets and the extent to which macroeconomic policies can support the recovery. In its latest Regional Economic Outlook (REO) for Europe (www.imf.org/external/pubs/ft/reo/reorepts.aspx), the IMF noted that significant risks remain, and urged policymakers to implement appropriate policies. Fiscal consolidation, while inevitable, should be undertaken in a way that minimises the negative impact on growth and unemployment; if growth threatens to slow appreciably more than is expected, countries with fiscal room could postpone some of the planned consolidation. Monetary policy must steer carefully between the need to normalise policies on the one hand and the necessity to mitigate sovereign market volatility and ensure bank liquidity on the other. The recent health check-up on European banks should be followed by rapid action to eliminate remaining weaknesses in balance sheets while continuing to safeguard lending capacity.

Risks to the outlook have become more balanced. Although downside risks continue to threaten Europe's recovery, some upside risks have recently emerged. The main upside risk comes from higher-than-expected real activity in Germany, which could lift growth in Europe

more generally, given the country's substantial trade and production linkages.

Commonwealth of Independent States – recovery gaining traction

The recovery in the Commonwealth of Independent States (CIS) is gaining traction, supported by high commodity prices, normalising trade and capital flows, accommodative policies, and positive regional spillovers. The region is benefiting from Russia's gradual recuperation. Some economies in the region have already experienced an increase in remittances from Russia. In a more favourable external environment, capital flows are expected to pick up, but to lower levels than before the crisis. In Russia, the more flexible exchange rate regime, alongside cuts in policy interest rates, has helped deter speculative capital inflows. But the focus now should be on inflation control. Real activity for the CIS region is expected to grow at 4.3% in 2010 and 4.6% in 2011, and for the Russian Federation alone at 4.0% and 4.3% respectively.

Latin America and the Caribbean – robust domestic demand sustains growth

The Latin America and Caribbean (LAC) region is exiting the global crisis at a faster pace than expected, driven by a proactive crisis response and favourable terms of trade. Growth in many economies appears to be self-sustained and based on robust domestic demand, meaning their near-term prospects are positive even if recovery in advanced economies continues to be sluggish.

Growth in the region is projected to expand by 5.7% in 2010 and 4.0% in 2011. Prospects within LAC region are quite diverse given the varying strength of macroeconomic policy frameworks, the roles of domestic demand, and different degrees of exposure to spillovers from global trade and financial markets. Most commodity-exporting countries in South America enjoy very favourable external conditions – high international commodity prices, increasing demand from emerging Asia and easy access to international finance – and growth in some countries (Brazil, Argentina, Uruguay and Paraguay) is projected to exceed 7% in 2010. However, Mexico is lagging, partly because of its strong trade linkages with the USA. Growth in Mexico recently picked up on the back of strengthening exports to the USA, but the output gap remains large. Mexico, with its deep social, trading and financial links to the US economy, and the product-importing Central American and Caribbean regions, with their dependence on tourism and remittance flows from the USA, will be more vulnerable than others to weak US economic conditions.

“The marked heterogeneity across the region means varied challenges for economic policy formulation,” Nicolas Eyzaguirre, Director of the IMF's Western Hemi-

sphere Department, said. “For most of South America, it is all about the risks of too much of a good thing, to avoid possible excesses of demand and finance. In Central America, governments have to continue to be prudent, to rebuild their defences and continue pursuing reforms to boost competitiveness. Caribbean countries generally have no space for fiscal stimulus due to their high debts and still have to push ahead with fiscal consolidation plans.” (Press release No. 10/389, 19 October 2010, *IMF's Western Hemisphere Regional Economic Outlook Shows Domestic Demand Leading Recovery in Many Latin American Countries; Risk of Overheating Must be Watched*, www.imf.org/external/np/sec/pr/2010/pr10389.htm)

Middle East and North Africa –supported by rebound in oil prices

The strength of the recent economic recovery in the Middle East and North Africa is supported largely by the rebound in oil prices from their trough in 2009, which has boosted receipts for oil exporters in the region. In addition, government spending programmes, especially in the oil-exporting economies, have played a significant role in supporting the non-oil sector in these economies. This fiscal stimulus has had positive spillovers to the oil-importing economies, which have close trade and financial links with the oil exporters.

These positive factors contribute to an expected growth rate for the Middle of 5.1% in 2010 and 6.0% in 2011, while for Algeria, Morocco and Tunisia growth is projected at 3.9% in 2010 and 4.2% in 2011.

Africa – strong macroeconomic fundamentals

As Sub-Saharan Africa rebounds from the slowdown in 2009, strong macroeconomic fundamentals through much of the region leave it well positioned to benefit from the global recovery now underway. The slowdown in real GDP growth in 2009, to 2.6%, was brief, in part because of rapid implementation of countercyclical policies. A recovery in exports and commodity prices is helping support the rebound, as is robust domestic demand in many economies. Output growth in the region is projected to accelerate to 5.0% in 2010 and 5.5% in 2011. Should this prevail, economic growth in most countries in the region would have effectively bounced back to close to the high levels registered in the mid-2000s.

Nevertheless, as highlighted in the IMF's October 2010 Regional Economic Outlook: Sub-Saharan Africa (www.imf.org/external/pubs/ft/reo/reorepts.aspx), risks remain weighted on the downside. Globally, the recovery in advanced countries still looks shaky and financing flows could be jeopardised by fiscal retrenchment in these countries. Domestically, the busy election calendar (elections are scheduled in 17 countries) could delay required reforms.

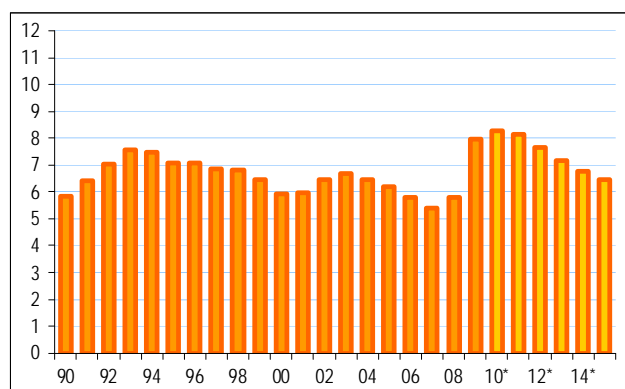
Unemployment is a major social challenge

Unemployment has ceased to rise in advanced economies but has receded only modestly from peak rates. It is projected to remain above 8% in both 2010 and 2011. In the USA, the unemployed face record-long periods of joblessness and recent payroll data point to a slowdown in employment growth in the second quarter. Unemployment in the USA is currently 9.6% of the workforce, but a broader measure (which takes into account those seeking full-time jobs but finding only part-time work) is as high as 16.7%. The euro area offers a mixed picture. The labour market in Germany is showing continued resilience, in fact it is one of the few advanced economies to see unemployment already decreasing in 2010. On the other hand, considering the depth of the recession, unemployment in Spain is not showing any signs of abating from very high levels. The unemployment rate in the euro area is expected to reach 10.1% in 2010 and to remain at the same level in 2011.

The IMF estimates that more than 210 million people across the globe are unemployed, an increase of more than 30 million since 2007. Three-fourths of the increase has occurred in the advanced economies (with the remainder in emerging economies). The International Labour Organization (ILO) calls it a “labour market recession” and warns that if current policies persist, a recovery in employment to pre-crisis levels will be delayed until 2015 in advanced economies, instead of 2013 as it projected one year ago. Both international bodies urge action to tackle high and persistent unemployment before it becomes a structural problem.

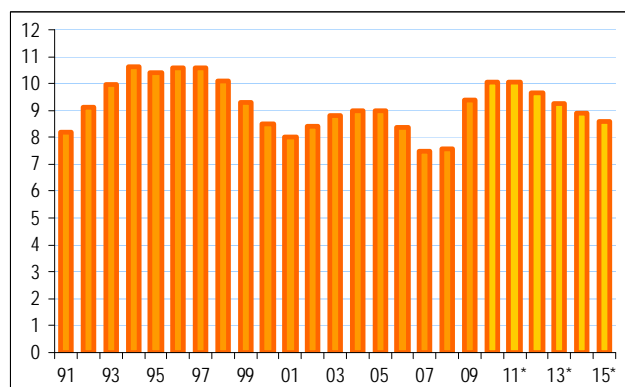
Unemployment rate

Advanced economies (%)



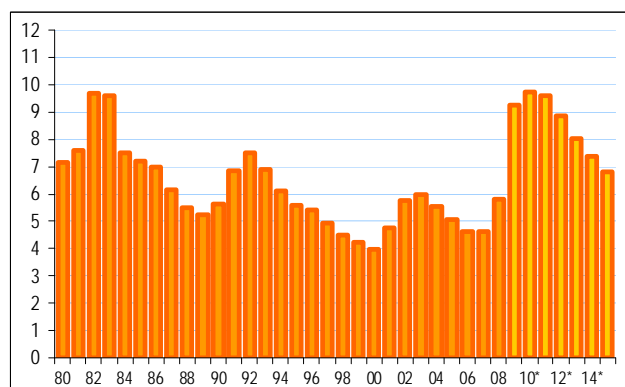
Source: International Monetary Fund

Euro area (%)



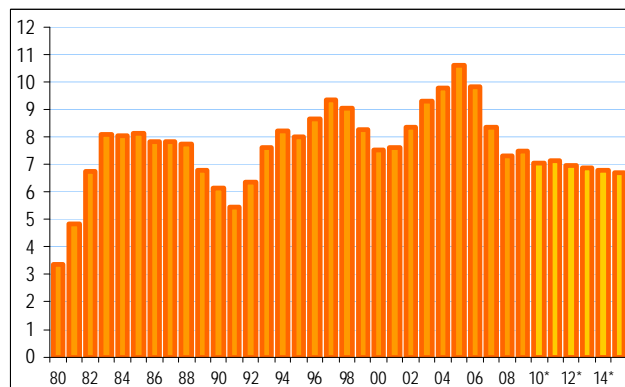
Source: International Monetary Fund

United States (%)



Source: International Monetary Fund

Germany (%)



Source: International Monetary Fund

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Commodities, inflation, interest rates

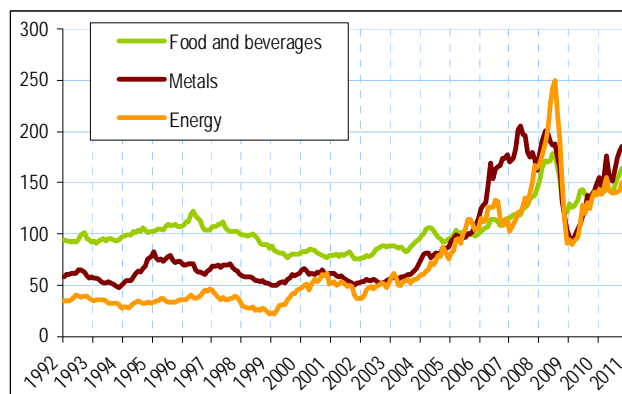
Commodity prices have responded strongly so far to changing expectations about the prospects for the global economic recovery. Prices of energy, metals and agricultural products including food, have all continued to recover from their lows in the first quarter of 2009.

According to the IMF, crude oil prices have fluctuated in a range of US\$ 75 – US\$ 80 per barrel, a level higher than usual at this stage of a recovery. In early October, oil prices breached the US\$ 80 mark, supported by a weak dollar. Based on recent GDP prognoses by the IMF and price assumptions, the International Energy Agency (IEA) has revised its forecast for global oil demand upwards to +2.5% in 2010 and +1.4% in 2011 (October 2010 Oil Market Report, www.oilmarketreport.org). However, the IEA points out that markets could remain comfortably supplied until well into 2011. The IMF adds that the huge spare capacity in the extractive industries will probably be enough to meet demand through 2011. Consistent with this view, upward price pressures will likely remain moderate over the near term.

The recovery of commodity prices has raised the level of consumer prices during 2010. Inflation, however, is in general expected to stay low amid continued excess capacity and high unemployment. With market indicators suggesting that commodity prices should remain stable and with downward pressure on wages gradually diminishing, the IMF projects inflation to average 1.4% in advanced economies and 6.2% in emerging and developing economies in 2010, with no major changes in 2011.

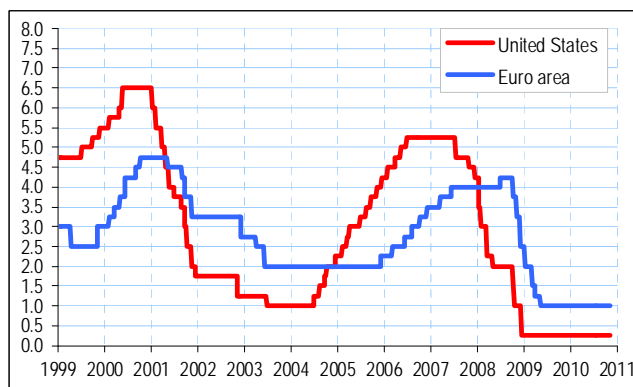
Monetary policy remains appropriately supportive in most economies. Amid rising uncertainty about future prospects, expectations for further interest rate hikes have been pushed further into the future, especially in advanced economies. The Federal Reserve, Bank of Japan, ECB, and Bank of England have kept their main policy rates near to zero. The Federal Reserve indicates that economic conditions, subdued inflation trends and stable inflation expectations are likely to warrant exceptionally low interest rates for an extended period. By contrast, central banks in some other advanced economies, such as Australia, Canada, New Zealand and Sweden, have recently raised interest rates. In the case of Australia, for instance, interest rates increased in response to growing inflationary pressures due to strong Asian demand for Australian commodities.

Commodity price index (2005=100, in terms of U.S. dollars)



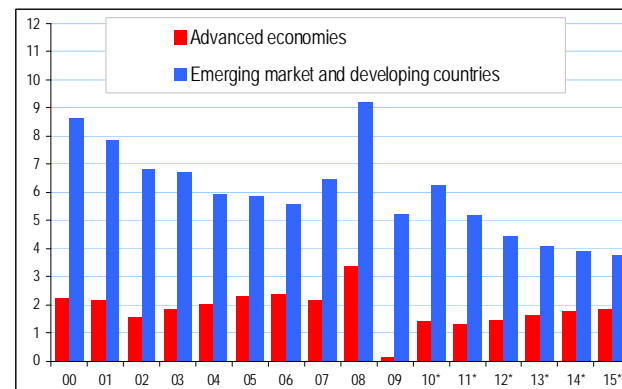
Source: International Monetary Fund

Interest rate Federal Reserve and ECB (%)



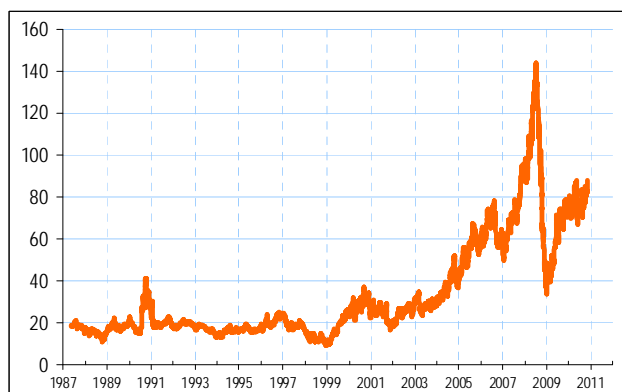
Source: Federal Reserve and European Central Bank (ECB)

Inflation (%)



Source: International Monetary Fund

Crude Oil Spot Price Brent (daily) (US\$ per barrel)



Source: US Department of Energy, Energy Information Administration

Exchange rates

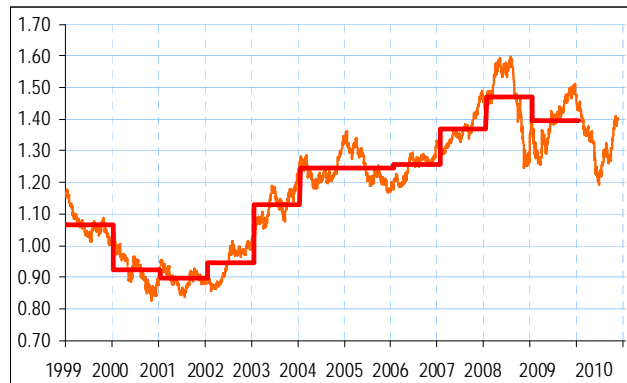
The most significant and recent shift has been the depreciation of the US dollar against the euro and other major world currencies, reflecting a slowdown in USA’s economic recovery and global economic imbalances in the world. The US dollar has weakened further as a result of quantitative easing rounds launched by the Federal Reserve – an injection of US\$ 650 billion to the economy through the purchase of bonds.

Following a loss of around 12% in the first half of 2010, the euro recovered its strength with some 11% increase against the US dollar between May and October. In October, the euro exchange rate was US\$ 1.39 to €1.00 (1 US\$ =€0.72) as against US\$ 1.26 (1 US\$ =€0.80) in May. This could turn eurozone’s exports more expensive and diminish European tourism industry’s competitiveness. Outside the euro area, the US dollar lost ground to the Pound sterling (-8%) and the Swiss franc (-14%) during May-October. In Asia, the dollar weakened against most currencies, including the Chinese yuan (-2%), the yen (-11%) and the Australian dollar (-11%). In the Americas, the US dollar weakened against major trade partners’ currencies such as the Chilean peso (-9%) and the Brazilian real (-7%).

Currencies have become a source of tension between some of the world’s biggest economies, especially the United States and China. The USA complains that China keeps the yuan artificially undervalued, but China is reluctant to let its currency rise more quickly. Emerging economies such as Brazil claim that a strong currency threatens their competitiveness. The so-called “currency war” –with measures ranging from quantitative easing to currency intervention and capital controls– has led to rising concerns over a return to protectionism, disrupting global trade. This will certainly be a major issue to be addressed at the forthcoming G20 Summit in the Republic of Korea this November.

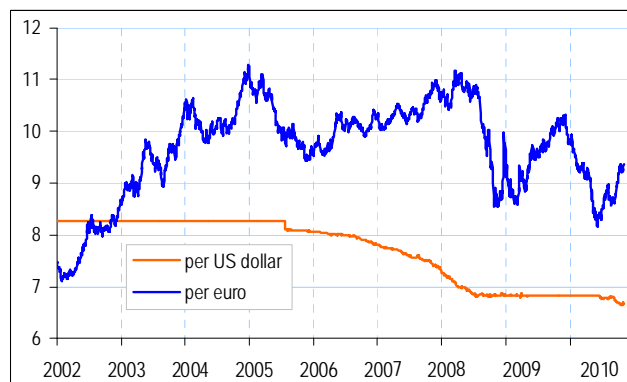
Exchange rate euro to US dollar

(US\$ per €)



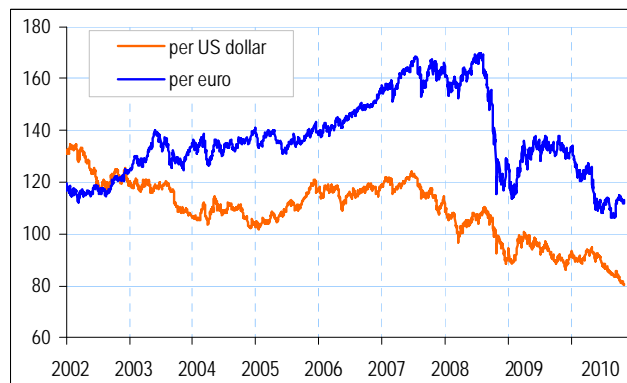
Source: De Nederlandse Bank

Exchange rate Chinese yuan renminbi



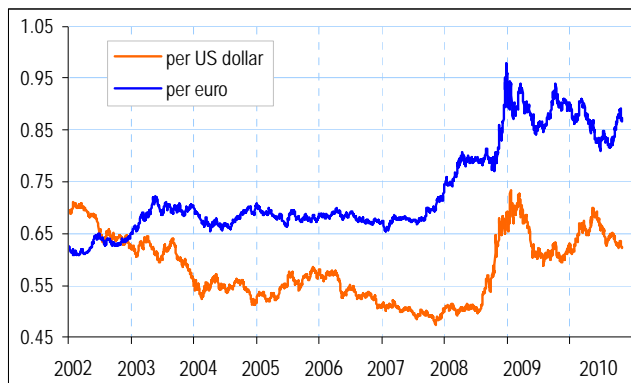
Source: De Nederlandse Bank

Exchange rate Japanese yen (100)



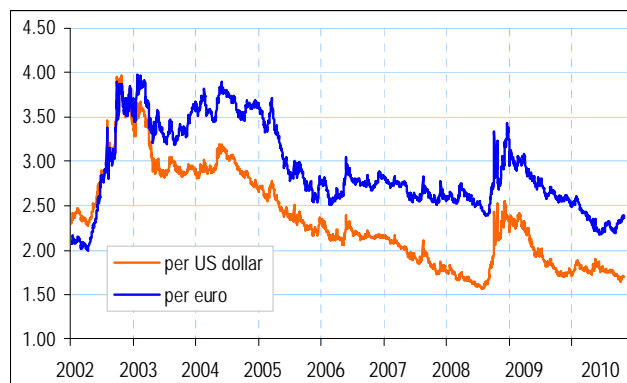
Source: De Nederlandse Bank

Exchange rate British pound



Source: De Nederlandse Bank

Exchange rate Brazilian real



Source: De Nederlandse Bank

Exchange rates

	Currency units per US dollar									Currency units per euro								
	Average		08/07	09/08	2009	2010	year ago	M.-O.10	%	Average		08/07	09/08	2009	2010	year ago	M.-O.10	%
	2008	2009	%	%	Oct	May	Oct			2008	2009	%	%	Oct	May	Oct		
US dollar										1.47	1.39	7.3	-5.2	1.48	1.26	1.39	-6.2	10.6
Canadian dollar	1.06	1.14	-1.0	7.2	1.05	1.04	1.02	-3.4	-2.0	1.56	1.59	6.2	1.6	1.56	1.31	1.42	-9.4	8.4
Mexican peso	11.08	13.48	1.4	21.7	13.22	12.72	12.44	-5.9	-2.2	16.29	18.80	8.8	15.4	19.59	15.99	17.28	-11.7	8.1
Jamaican dollar	72.43	87.49	4.9	20.8	88.66	88.27	85.27	-3.8	-3.4	106.54	122.04	12.6	14.5	131.36	110.91	118.51	-9.8	6.9
Guatemalan quetzal	7.55	8.14	-1.7	7.8	8.33	8.00	8.04	-3.4	0.5	11.11	11.35	5.5	2.2	12.34	10.05	11.18	-9.4	11.2
Honduran lempira	18.88	18.87	-0.1	-0.1	18.90	18.88	18.90	0.0	0.1	27.77	26.32	7.2	-5.2	28.00	23.72	26.27	-6.2	10.8
Argentine peso	3.20	3.77	1.7	17.7	3.83	3.93	4.02	5.1	2.3	4.71	5.26	9.2	11.6	5.67	4.94	5.59	-1.4	13.1
Brazilian real	1.82	1.98	-6.5	9.1	1.74	1.81	1.68	-3.3	-7.1	2.67	2.77	0.4	3.5	2.58	2.28	2.34	-9.3	2.8
Chilean peso	518	557	-0.7	7.4	545	534	484	-11.1	-9.2	762	777	6.6	1.9	807	670	673	-16.6	0.4
Colombian peso	1952	2143	-5.9	9.8	1908	1983	1812	-5.0	-8.6	2870	2989	1.0	4.1	2827	2491	2518	-10.9	1.1
Peruvian new sol	2.91	3.00	-6.8	3.0	2.87	2.84	2.79	-2.8	-1.8	4.29	4.19	0.0	-2.3	4.26	3.57	3.88	-8.8	8.6
Euro	0.68	0.72	-6.8	5.4	0.67	0.80	0.72	6.6	-9.6									
Danish krone	5.07	5.34	-6.8	5.3	5.02	5.92	5.37	6.8	-9.4	7.46	7.45	0.1	-0.1	7.44	7.44	7.46	0.2	0.2
Swedish krona	6.54	7.61	-3.1	16.5	6.96	7.69	6.68	-4.1	-13.2	9.62	10.62	3.9	10.4	10.31	9.66	9.28	-10.0	-4.0
Pound sterling	0.54	0.64	8.4	18.0	0.62	0.68	0.63	2.0	-7.6	0.80	0.89	16.4	11.9	0.92	0.86	0.88	-4.3	2.2
Czech koruna	16.96	18.95	-16.3	11.7	17.45	20.42	17.65	1.1	-13.6	24.95	26.43	-10.2	6.0	25.86	25.66	24.53	-5.1	-4.4
Hungarian forint	171	201	-6.8	17.5	181	220	197	8.8	-10.5	252	280	0.1	11.5	268	277	274	2.1	-1.0
Polish zloty	2.39	3.10	-13.5	29.9	2.84	3.23	2.84	-0.1	-12.0	3.51	4.33	-7.2	23.2	4.21	4.06	3.95	-6.3	-2.6
Croatian kuna	4.91	5.26	-8.3	7.1	4.89	5.78	5.27	7.9	-8.8	7.22	7.34	-1.5	1.6	7.24	7.26	7.33	1.2	0.9
Norwegian krone	5.59	6.26	-4.4	11.9	5.64	6.28	5.84	3.4	-7.1	8.22	8.73	2.6	6.1	8.36	7.89	8.11	-3.0	2.8
Swiss franc	1.08	1.08	-10.0	0.3	1.02	1.13	0.97	-5.3	-14.2	1.59	1.51	-3.4	-4.9	1.51	1.42	1.35	-11.1	-5.1
Russian rouble	24.76	31.64	-3.1	27.8	29.44	30.46	30.33	3.0	-0.4	36.42	44.14	4.0	21.2	43.62	38.27	42.15	-3.4	10.1
Turkish lira	1.30	1.55	-0.6	19.6	1.47	1.55	1.42	-3.3	-8.0	1.91	2.16	6.7	13.5	2.18	1.95	1.98	-9.3	1.8
Israeli new shekel	3.57	3.92	-13.0	9.7	3.73	3.79	3.61	-3.1	-4.8	5.25	5.46	-6.6	4.0	5.52	4.77	5.02	-9.1	5.2
UAE dirham	3.67	3.67		0.0	3.67	3.67	3.67	0.0	0.1	5.40	5.12		-5.2	5.44	4.61	5.10	-6.2	10.7
Moroccan dirham	7.71	8.07	-5.8	4.6	7.68	8.80	8.11	5.5	-7.9	11.35	11.25	1.1	-0.8	11.39	11.05	11.27	-1.0	1.9
Tunisian dinar	1.23	1.35	-4.1	9.8	1.29	1.49	1.40	8.2	-6.0	1.80	1.88	2.9	4.1	1.91	1.87	1.94	1.5	3.9
South African rand	8.20	8.37	16.3	2.1	7.49	7.65	6.92	-7.6	-9.5	12.06	11.67	24.8	-3.2	11.09	9.61	9.62	-13.3	0.0
Japanese yen	104	93	-11.9	-9.8	90	92	82	-9.5	-11.3	152	130	-5.5	-14.5	134	116	114	-15.1	-1.9
Chinese yuan renminbi	6.95	6.83	-8.6	-1.7	6.83	6.83	6.67	-2.3	-2.4	10.22	9.53	-1.9	-6.8	10.12	8.58	9.27	-8.4	8.0
Hong Kong dollar	7.79	7.75	-0.2	-0.5	7.75	7.79	7.76	0.1	-0.4	11.45	10.81	7.1	-5.6	11.48	9.78	10.78	-6.1	10.2
Taiwan dollar	31.47	33.00	-4.2	4.9	32.32	31.90	30.88	-4.5	-3.2	46.28	46.03	2.8	-0.5	47.89	40.09	42.92	-10.4	7.1
Singapore dollar	1.41	1.45	-6.3	2.8	1.40	1.39	1.30	-6.8	-6.4	2.08	2.02	0.6	-2.5	2.07	1.75	1.81	-12.5	3.5
Korean won	1092	1271	17.6	16.4	1174	1167	1123	-4.4	-3.8	1606	1773	26.2	10.4	1740	1466	1560	-10.3	6.4
Thai baht	32.96	34.27	2.2	4.0	33.41	32.40	29.96	-10.3	-7.5	48.48	47.80	9.6	-1.4	49.50	40.71	41.64	-15.9	2.3
Malaysian ringgit	3.32	3.52	-3.2	5.8	3.40	3.25	3.10	-8.9	-4.7	4.89	4.91	3.9	0.4	5.04	4.09	4.31	-14.5	5.4
Indonesian rupiah	9,631	10,355	5.4	7.5	9,488	9,166	8,927	-5.9	-2.6	14,165	14,444	13.1	2.0	14,057	11,517	12,407	-11.7	7.7
Philippine peso	44.31	47.56	-3.6	7.3	46.85	45.61	43.38	-7.4	-4.9	65.17	66.34	3.4	1.8	69.42	57.32	60.29	-13.2	5.2
Vietnamese dong	16392	17793	1.8	8.5	17883	18889	19579	9.5	3.7	24109	24818	9.3	2.9	26495	23735	27212	2.7	14.6
Australian dollar	1.18	1.27	-0.7	7.3	1.10	1.15	1.02	-7.6	-11.3	1.74	1.77	6.5	1.8	1.63	1.44	1.42	-13.3	-1.9
New-Zealand dollar	1.41	1.59	3.9	12.3	1.35	1.43	1.33	-1.7	-7.1	2.08	2.21	11.5	6.5	2.01	1.80	1.85	-7.8	2.7
Fiji dollar	1.58	1.95	-1.5	22.9	1.89	1.97	1.85	-2.3	-6.2	2.33	2.71	5.8	16.6	2.81	2.48	2.57	-8.4	3.8
Indian rupee	43.25	48.29	5.1	11.7	46.72	45.85	44.42	-4.9	-3.1	63.61	67.36	12.8	5.9	69.22	57.62	61.74	-10.8	7.2
Pakistan rupee	70.21	81.59	15.5	16.2	83.27	84.40	85.99	3.3	1.9	103.26	113.80	23.9	10.2	123.38	106.04	119.51	-3.1	12.7
Sri Lanka rupee	108	115	-2.2	6.1	115	114	112	-2.7	-1.7	159	160	5.0	0.7	170	143	155	-8.7	8.8

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

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



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€ 70, 3 issues
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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 English and Spanish



Published: 2008
Price: € 80

Demographic Change and Tourism

The structure of societies is continuously changing: The world population is forecast to grow to 8.3 billion in 2030, life expectancy is projected to increase in most of the world, households and families are becoming more diverse, and migration is changing the face of societies. All these changes will impact upon the types of tourists, where they originate from, where they travel to, the types of accommodation they require and the activities they engage in while travelling. The UNWTO/ETC Report on Demographic Change and Tourism aims to be a reference for destinations and the industry to achieve a better understanding of current and future changes and to anticipate and react upon them in the most competitive way. It includes a comprehensive analysis of major demographic trends and how these will impact on tourism in specific generating markets focusing on three major trends: Population growth and ageing; Household composition and travel parties; Migration.

Available in English



Published: 2009
Price: € 75

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

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 advices 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

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

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 154 countries, 7 territories, 2 permanent observers and over 400 Affiliate Members representing local governments, tourism associations and private sector companies including airlines, hotel groups and tour operators.

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