

24 Tourism

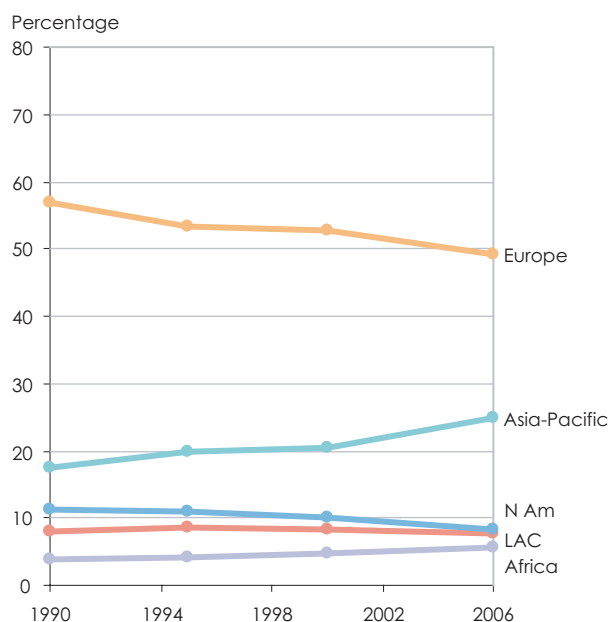
For the period up to 2006, tourism data presented a robust picture. But the situation is likely to become more difficult as a result of the current financial and economic crises.

Over the period 1990-2006, worldwide tourism arrivals grew on average by 3.5 per cent – and between 2005 and 2006 they increased by 4.7 per cent to reach a record high of 845 million. This success can be attributed to a number of factors: improvements in transportation, including the introduction of low-cost air carriers; the emergence of new markets such as China and India; and diversification into new market niches, such as cultural tourism and ecotourism.

For tourism, the Asia-Pacific region has outperformed the rest of the world. Between 1990 and 2006, its share of total arrivals increased from 17.4 to 24.7 per cent – 209.2 million arrivals. Arrivals also increased in Europe and the Americas but less rapidly, leading to declines in their shares of the market.

Figure 24.1

Shares in international tourist arrivals, global regions, 1990 to 2006



Within Asia and the Pacific, some of the strongest growth in 2006 was in South-East Asia, where total international arrivals increased by 9.2 per cent. Several destinations enjoyed growth of over 20 per cent, albeit in some cases from a low base – as in Cambodia, Lao People’s Democratic Republic and Thailand.

In South and South-West Asia in 2006, total arrivals declined by 1.8 per cent. However, some countries in the region continued to thrive. India, for example, saw an increase of 16.4 per cent as a result of enhanced promotion and product development. The Maldives too has done well: the tourism sector rebounded strongly after a downturn following the 2004 tsunami, with growth in 2006 of 52.4 per cent, thanks also to increased air access and successful marketing campaigns.

Growth was strong in East and North-East Asia. Macao, China, for example, saw international tourist arrivals grow by 18.5 per cent, mainly due to the availability of new hotels and casinos as well as increased access to low-cost air carriers. Arrivals to China (+6.6 per cent) and Hong Kong, China (+7.1 per cent) also grew steadily in 2006, although at a slower pace than in the previous year. The Republic of Korea, also enjoyed growth, but only by 2.2 per cent – a result of its strong currency which made the destination less competitive. The Pacific developing economies averaged some 4.5 per cent annually during 1990-2006, but recently their performance has been mixed.

As a result of an ever-increasing number of arrivals many destinations have seen their tourism receipts growing substantially. Globally in 2006, international tourists spent \$670 billion, or \$408.5 billion more in absolute terms than in 1990, averaging a 6.0 per cent annual increase over the period. Almost half this revenue, \$326 billion, went to Europe, and almost one quarter, \$157 billion, to Asia and the Pacific. Between 1990 and 2006, the region increased its share of global tourism receipts from 16.3 to 23.5 per cent. As was the case for tourist arrivals, Europe and the Americas have been receiving lower shares.

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Figure 24.2

International tourist arrivals, Asia and the Pacific, by region and by income group, 1990 and 2006

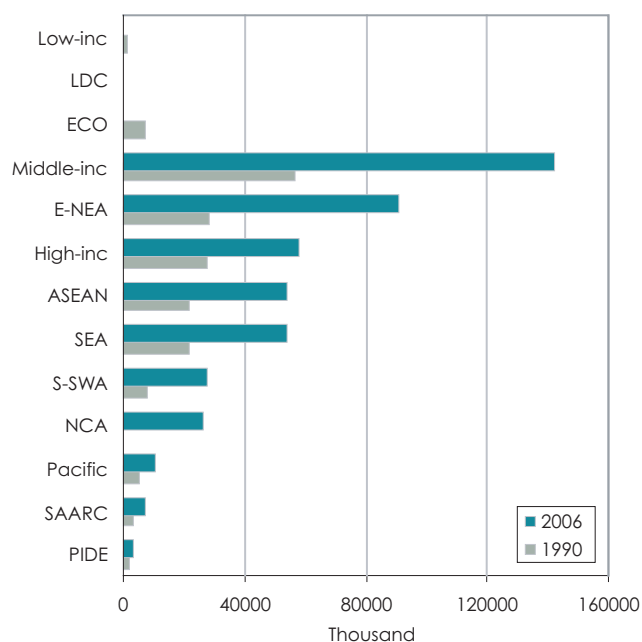
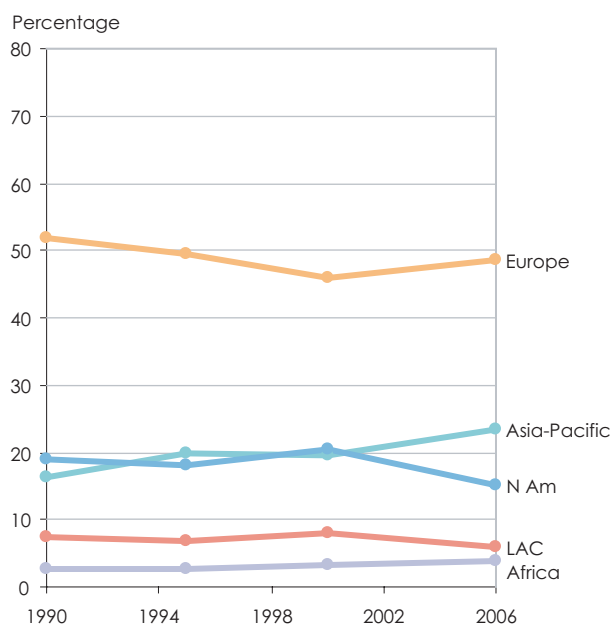


Figure 24.3

Market shares in international tourism receipts, by global region, 1990 to 2006



International tourist arrivals (thousands)

The number of inbound non-resident travellers received by any destination in a country. Only visitors who stay at least one night in a collective or private accommodation are included; in the country visited. Same-day visitors are not included. A person who makes several trips to a given country during a given period will be counted as a new arrival each time, as well as a person who travels through several countries on one trip is counted as a new arrival each time. **Aggregates:** Sum of individual country values.

In several Asia-Pacific destinations, tourism accounts for a substantial percentage of GDP. In Macao, China, for example, revenues from tourism in 2005 provided two thirds of GDP. Dependence on tourism is also high in many island States. The share of tourism in their GDP varied from 15 per cent (Fiji) to two thirds (Palau). Countries in the Greater Mekong Subregion are now reaping increasing benefits from tourism due to their natural and cultural resources and improving infrastructure. In 2005, tourism accounted for 13.3 per cent of GDP in Cambodia and 5.1 per cent in the Lao People's Democratic Republic.

In other countries, the share of tourism in GDP varied widely depending on the diversity of the economy. For example, over the last four years tourism contributed on average 3.5 per cent of GDP in South-East Asia, but only 1.7 per cent in South and South-West Asia.

As well as adding to foreign exchange earnings, the tourism industry also creates employment. The World Travel and Tourism Council estimated that in 2006 the tourism sector in the Asia-Pacific region contributed 8.9 per cent of total employment – about 140 million jobs. A large proportion of this was in China, where one person in ten works in a tourism-related industry.

In the Pacific, where tourism is often the leading industry, in 2006 the sector provided jobs for 1.9 million people, representing 14.5 per cent of total employment. In some Pacific islands the proportion is very high – 31.0 per cent of total employment in Fiji and 42.4 per cent in Vanuatu. Similarly, in the Maldives, where tourism is the economic mainstay, it accounted for 57.6 per cent of total employment. Other countries also have a significant share of their workforces in the tourism sector: 5.4 per cent in India; 10 per cent in both the Philippines and Thailand; and a significant 15.4 per cent in Cambodia.

Missing data have been imputed. **Source:** World Tourism Organization, Tourism statistics (online database, accessed in September 2007).

International tourism receipt (% of GDP)

The receipts earned by a destination country from inbound tourism resulting from expenditure made by visitors from abroad, on lodging, food and drinks, fuel, transport in the country, entertainment, shopping, etc. **Aggregates:** Averages are calculated using GDP in US dollars as weight. **Source:** World Tourism Organization, UNWTO World Tourism Barometer (online database, accessed on 15 October 2008).

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	International tourist arrivals					International tourism receipt				
	Thousands					% of GDP				
	1990	1995	2000	2005	2006	1990	1995	2000	2005	2006
East and North-East Asia	28 268	40 481	55 790	84 048	90 608	0.4	0.4	0.5	0.8	0.8
China	10 484	20 034	31 229	46 809	49 913	0.5	1.2	1.4	1.3	1.2
DPR Korea	115					0.2				
Hong Kong, China			8 814	14 773	15 822	6.1	5.4	3.5	5.8	6.1
Japan	3 236	3 345	4 757	6 728	7 334	0.1	0.1	0.1	0.1	0.2
Macao, China	2 513	4 202	5 197	9 014	10 683	49.3	44.7	52.6	66.9	
Mongolia	147	108	137			0.3	1.5	3.3	7.7	
Republic of Korea	2 959	3 753	5 322	6 023	6 155	1.3	1.0	1.3	0.7	0.7
South-East Asia	21 469	29 173	37 763	49 481	54 127	4.1	3.9	4.2	3.5	3.7
Brunei Darussalam	377	498	984							
Cambodia	17	220	466	1 422	1 700		1.6	8.3	13.3	
Indonesia	2 178	4 324	5 064	5 002	4 871	1.7	2.4	3.0	1.6	1.2
Lao PDR	14	60	191	672	842	0.3	2.9	6.6	5.1	
Malaysia	7 446	7 469	10 222	16 431	17 547	3.6	4.3	5.3	6.2	6.7
Myanmar	21	117	208	232	264	0.2	1.9	2.2		
Philippines	1 025	1 760	1 992	2 623	2 843	2.9	1.5	2.8	2.3	3.0
Singapore	4 842	6 422	6 917	7 080	7 588	13.4	9.1	5.5	4.9	5.2
Thailand	5 299	6 952	9 579	11 567	13 882	5.1	4.8	6.1	5.4	6.5
Timor-Leste										
Viet Nam	250	1 351	2 140	3 468	3 606	1.3				
South and South-West Asia	7 949	11 316	15 672	28 228	27 745	0.8	1.1	1.4	1.8	1.6
Afghanistan										
Bangladesh	115	156	199			0.0	0.1	0.1	0.1	
Bhutan	2	5	8	14	17	0.7	1.7	2.2	2.3	2.6
India	1 707	2 124	2 649	3 919	4 447	0.5	0.7	0.7	0.9	1.0
Iran (Islamic Rep. of)	154	489	1 342			0.1	0.1	0.5		0.5
Maldives	195	315	467	395	602	41.4	52.9	51.4	38.2	
Nepal	255	363	464	375		1.6	3.6	2.5	1.5	1.3
Pakistan	424	378	557		898	0.3	0.1	0.1	0.1	0.2
Sri Lanka	298	403	400	549	560	1.6	1.7	1.5	1.8	1.5
Turkey	4 799	7 083	9 586	20 273	18 916	2.1	2.9	3.8	5.0	4.2
North and Central Asia				25 856	26 177		1.0	1.3	0.8	0.8
Armenia		12	45	319	381		0.1	2.0	2.8	
Azerbaijan		93	681	1 177		3.5	2.3	1.2	0.5	
Georgia		85	387	548				3.2	3.8	4.0
Kazakhstan			1 471				0.6	1.9	1.2	
Kyrgyzstan		36	59	315			0.3	1.1		
Russian Federation				19 940	20 199		1.1	1.3	0.7	0.8
Tajikistan			4							
Turkmenistan		218								
Uzbekistan		92	302					0.2		
Pacific	5 173	8 106	9 237	10 509	10 557	2.0	2.8	3.0	2.9	2.8
Australia	2 215	3 726	4 530	5 020	5 064	1.3	2.1	2.3	2.3	2.3
American Samoa	26	34	44							
Cook Islands	34	48	73	88	92	27.3	30.0	44.6	50.1	
Fiji	279	318	294	550	545	15.3	14.8	10.8	14.6	13.9
French Polynesia	132	172	252	208	222	5.8				
Guam	780	1 362	1 287	1 228	1 212					
Kiribati	3	4	5	3	3	3.9	5.2	6.4		
Marshall Islands	5	6	5		6		2.9	3.7		
Micronesia (F.S.)			21					6.9	7.2	
Nauru										
New Caledonia	87	86	110	101	100	3.7	3.0	3.3		
New Zealand	976	1 409	1 787	2 366	2 409	2.3	3.8	4.3	4.4	4.4
Niue	1	2	2		3					
Northern Mariana Is.	426	669	517	498	435					
Palau	33	53	58	86	86			44.2	67.1	
Papua New Guinea	41	42	58	69	78	1.2	0.5	0.6		
Samoa	48	68	88	102	116	17.9	17.5	17.7	18.1	
Solomon Islands	9	12			13	3.4	4.4	1.2	0.8	0.9
Tonga	21	29	35			6.7	5.9	4.5	5.1	
Tuvalu	1	1	1							
Vanuatu	35	44	58	62	68	25.5	18.5	22.9		
Asia and the Pacific	85 313	111 530	142 073	198 122	209 214	0.8	0.9	1.0	1.3	1.3
LLDC			3 580			0.7	0.9	1.4	1.2	0.9
LDC	715	1 365	2 167			0.6	1.3	1.8	1.8	1.6
ASEAN	21 469	29 173	37 763	49 481	54 127	4.1	3.9	4.2	3.5	3.7
ECO	7 291	9 864	14 220			1.1	1.3	2.0	2.6	2.1
SAARC	2 996	3 744	4 744	6 296	7 170	0.5	0.7	0.7	0.8	0.9
Central Asia		2 011	3 167			0.7	0.7	1.2	1.2	0.9
Pacific island dev. econ.	1 982	2 971	2 920	3 123	3 084	18.7	16.0	19.0	15.1	13.9
Low-income	1 393	3 056	4 995			0.3	0.4	0.5	0.5	0.5
Middle-income	56 527	73 965	96 528	135 732	142 082	1.1	1.7	1.9	1.7	1.6
High-income	27 357	34 458	40 474	54 023	58 008	0.7	0.6	0.6	0.9	1.0
Other world regions										
Africa	18 873	23 592	33 416			1.6	6.1	2.5	2.8	2.8
Europe		297 192	366 605	393 738	415 063	1.8	2.1	2.4	2.2	2.2
Latin America & Carib.	38 773	48 285	56 960	65 282		1.6	2.1	1.7	1.8	1.7
North America	55 007	60 809	71 197	68 300	69 627	0.8	1.5	0.9	0.7	0.7
Other countries/areas	12 508	17 115	25 865	36 754	37 745	6.0	0.9	4.7	3.4	3.0
World	489 239	558 523	696 116	806 829	844 706	1.3	1.4	1.5	1.5	1.5