

Tourism 2020 Vision

# Volume 4

# REPORT ON THE WORLD TOURISM MARKET

World Tourism Organization

Capitán Haya 42, 28020 Madrid, Spain  
Tel: 34915678100; Fax: 34915713733  
E-mail: [omt@world-tourism.org](mailto:omt@world-tourism.org)  
Web: [www.world-tourism.org](http://www.world-tourism.org)

# Contents

	Page
Introduction .....	7
Executive Summary .....	9
1. Changes, Performance and Trends in the 1990s .....	13
1.1 Determinants and Influences .....	13
1.2 Analysis of Flows in Europe .....	14
2. Factors, Strategies, Plans and Trends .....	17
2.1. Survey of NTAs .....	17
2.1.1. Overview .....	17
2.1.2. Findings .....	17
2.2. Factors Determining Europe's Prospects .....	18
2.2.1. Competition .....	18
2.2.2. Technology .....	19
2.2.3. Timeshare .....	20
2.2.4. Theme Parks .....	21
2.2.5. The Euro .....	21
2.2.6. Airlines .....	22
2.2.7. Tour operators .....	24
2.2.8. Political, Social and Behavioural Trends .....	25
2.3. Destination Strategies .....	27
2.3.1. Overview .....	27
2.3.2. Individual Country Examples .....	27

	<b>Page</b>
3. Forecasts to 2020 .....	33
3.1. Forecasts of Inbound Tourism Worldwide .....	33
3.2. Forecasts of Inbound Tourism to Europe .....	36
3.2.1. Overall Europe .....	36
3.2.2. European Subregions .....	40
3.3. Forecasts of Outbound Tourism from Europe .....	48
3.3.1. Overall Europe .....	48
3.3.2. Outbound to Global Subregions .....	54
3.4. Mediterranean Forecasts .....	60
3.5. Balkan Forecasts .....	62
3.6. Origin and Destination Country Forecasts .....	63
3.6.1. Inbound Tourism: Country Overview .....	63
3.6.2. Inbound Tourism: Destinations by Countries of Origin .....	66
3.6.3. Outbound Tourism from Major Generating Countries .....	78
<b>Appendices</b>	
1. Methodology and Details of <i>Tourism 2020 Vision</i> Study .....	83
2. Technical Notes .....	85

The *Tourism 2020 Vision* programme of research and forecasting represents a continuation of WTO's work in the area of tourism forecasts initiated in 1990 with the general objective:

- to identify the key trends in tourism supply and demand world-wide, by region; and
- to determine their impact on the various sectors of the tourism trade; together with
- the implications for policy making and relevant strategies.

The first two phases produced a series of forecasting reports for the six WTO regions and a global volume (*Global Tourism Forecasts to the Year 2000 and Beyond*). These studies constituted part of the WTO's commitment to assist Members in developing the sophisticated tourism forecasting capabilities which are essential to support Governments and National Tourism Administrations (NTAs) role in tourism marketing and promotion, development planning and provision of infrastructure and services. WTO has continued its assistance in this area through inter alia a series of technical seminars and its regular *Tourism Market Trends* publications.

The response from Members to the first series of forecasting reports was strongly positive with a request for more detailed information such as: region-region (even country-country) flows, profiles of major outbound travel markets (both established tourism sources, and emergent origins), assessment of prospects for groupings of countries smaller than, or which constitute 'natural' groupings not in line with, the six WTO regions. Concise 'fact files' of a number of market segments (such as those that are already substantive, and those which have rapid-growth prospects) should also be included.

Phase 3 - *Tourism 2020 Vision* - was designed to take account of these expressed needs. An extensive programme of research and analysis was undertaken over a two-year period. The research included a new survey of NTA members of WTO with responses received from 85 countries. A follow-up response was also sought from 15 Asian countries in January and September 1998 as a consequence of the financial problems in the region. A survey was also carried out among 50 tourism 'visionaries' (i.e. tourism and travel companies, and their suppliers, researchers/writers/ publishers/academics specialising in tourism, economic and political specialists).

The results of the Phase 3 programme of work are presented in the following series of reports:

## 1 Executive Summary

A document entitled 'Executive Summary' was distributed at the General Assembly in Istanbul in October 1997 which contained: global tourism prospects and determinants; regional forecasts; the results of the NTA survey; and the 'Megatrends' which will need to be exploited (or taken into account) for success in the period to 2020. An updated version of the Executive Summary, distributed at the Ministerial Conference on Oceans and New Tourism Destinations in Lisbon in June 1998, was expanded to include key developmental and marketing factors; while a second revision was published in December 1999 taking the September 1998 Asian NTA survey results into account.

## 2 Global and Regional Forecasts

The detailed report on which the Executive Summary and its subsequent revisions are based.

## 3 Market Segments

This report contains a series of 'fact files' containing analysis of major and rapidly growing market segments/niches, presenting information on a comparable, action-oriented format for each subject segment on:

- Working definitions;
- Estimates of magnitude;
- Characteristics of demand and supply;
- Growth prospects; and
- Promotional guidelines for NTAs.

## 4 Six Regional Volumes

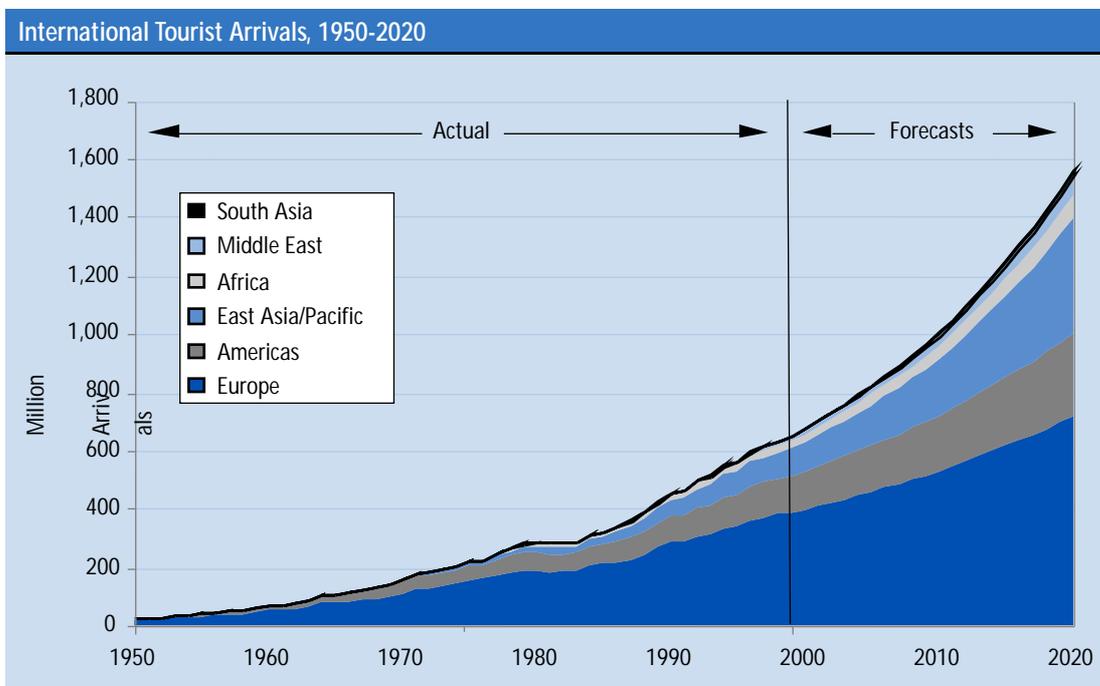
Examination of changes, performance and trends in the first half of the 1990s will preface detailed forecasts for each region, and special groupings of countries within these regions. Inbound and outbound tourism forecasts are presented, as well as principal origin-destination forecasts on a subregional and (in selected major cases) a country-country basis.

The present report constitutes *Tourism 2020 Vision*: Volume 4 Europe. It is structured in three parts (the first examining the development of tourism in Europe in the first half of the 1990s, the second dealing with the determinants governing the forecasts for the period to 2020, and the third presenting the forecasts themselves broken down by subregion).

There is also a summary of the main findings and conclusions, and this introduction. In addition, there are two appendices containing administrative, reference and technical information.

# Executive Summary

- Europe has been a long standing world leader in terms of tourist arrivals, but due to the growing amount of new destinations on offer in other regions, its world share has fallen by five percentage points over the period 1980 to 1998. Despite the average annual growth rate for Europe being less than the world average over this period, Europe's arrivals figures have seen strong growth, just doubling since 1980.

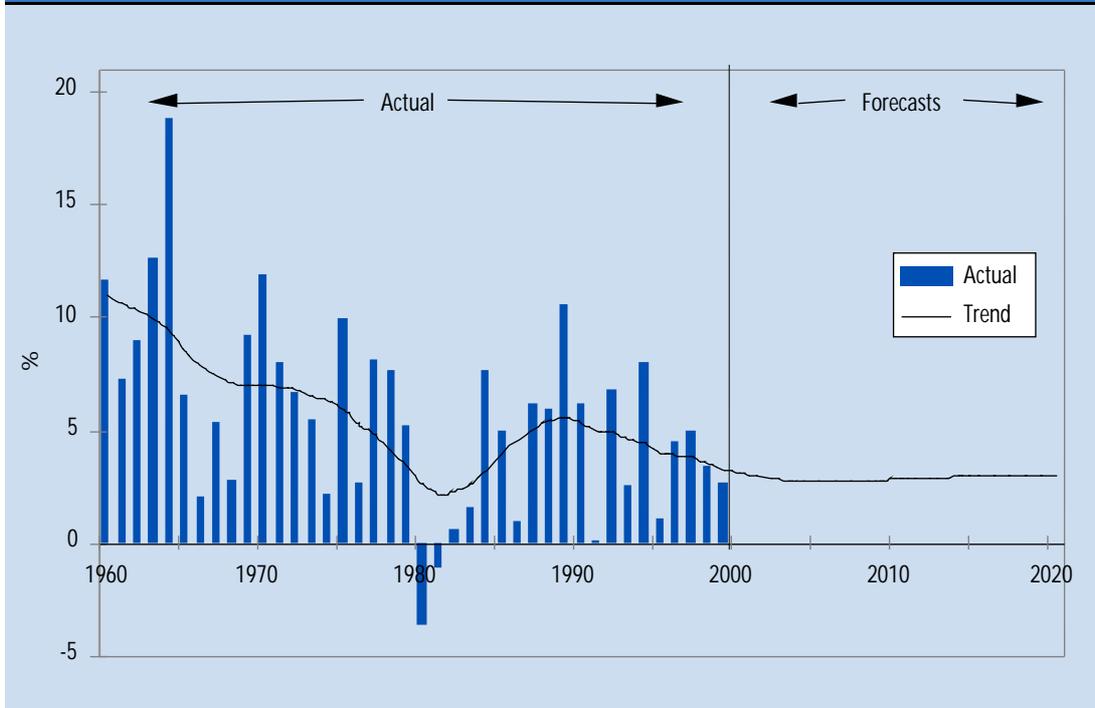


- A series of National Tourism Administration (NTA) surveys undertaken by WTO over the last two years show that NTAs are increasing their promotional activity and developing more aggressive marketing strategies. There is also an increasing number of NTAs entering into joint ventures with the private sector. Tourist offices are diversifying their tourism product to encourage new markets, spreading demand away from more traditional areas such as cities and coastal regions. The trend for visitors to take multiple short breaks rather than one longer holiday is encouraging many NTAs to develop tourist products to attract shorter staying and higher spending visitors. There is also an increased use of the Internet as a promotional and sales tool. Finally, most destinations anticipate continued but steady growth reflecting their relative maturity as tourism destinations. Strongest growth is anticipated in the East Mediterranean subregion, with Cyprus, Turkey and Israel all expecting growth rates more than double the European average. The countries of Central/Eastern Europe also expect strong growth rates to accompany a diversification of their tourism product away from the cities to more rural areas.

- The European tourism industry faces ever increasing levels of destination competition from other destinations and other goods and services which vie with travel and tourism for discretionary time and spending. The Internet will become increasingly important as a promotional and sales tool, as will Digital TV *when* it becomes more established. A shift towards the predominance of the service economy in Europe will lead to the rapid expansion in the number of call centres for marketing and sales. The timeshare market is increasing in importance, with some of the large tour operators entering the market. As leisure time continues to become a more valuable commodity, theme parks will become increasingly popular, by offering the visitor a wide range of attractions and facilities in a relatively compact area. The gradual introduction of the Euro as a single currency throughout the European Union will have a wide range of positive effects for the tourism industry in Europe, the main benefit coming from increased intraregional travel. The rapid increase in the number of low cost airlines starting up throughout Europe will continue to boost intraregional travel due to the low cost of fares. Consolidation of tour operators and travel agents throughout Europe will continue, with the medium size operator being swallowed up, leaving the large operators and the small specialist operators to serve the markets. Western society is experiencing an increased senior citizen segment, record divorce rates, later marriages and families and increased single parent households; environmental awareness is also on the increase. These factors mean that the travel and tourism industry must cater to a greater number of household and special interest segments.

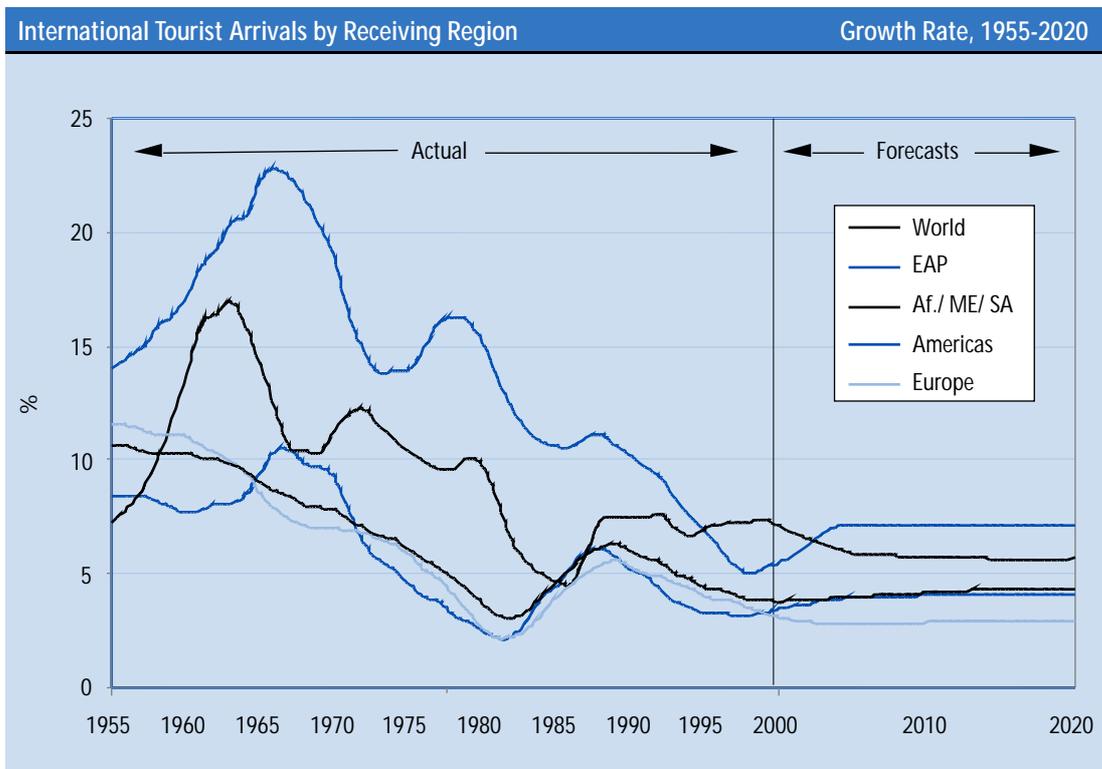
International Tourist Arrivals in Europe

Growth Rate 1960-2020



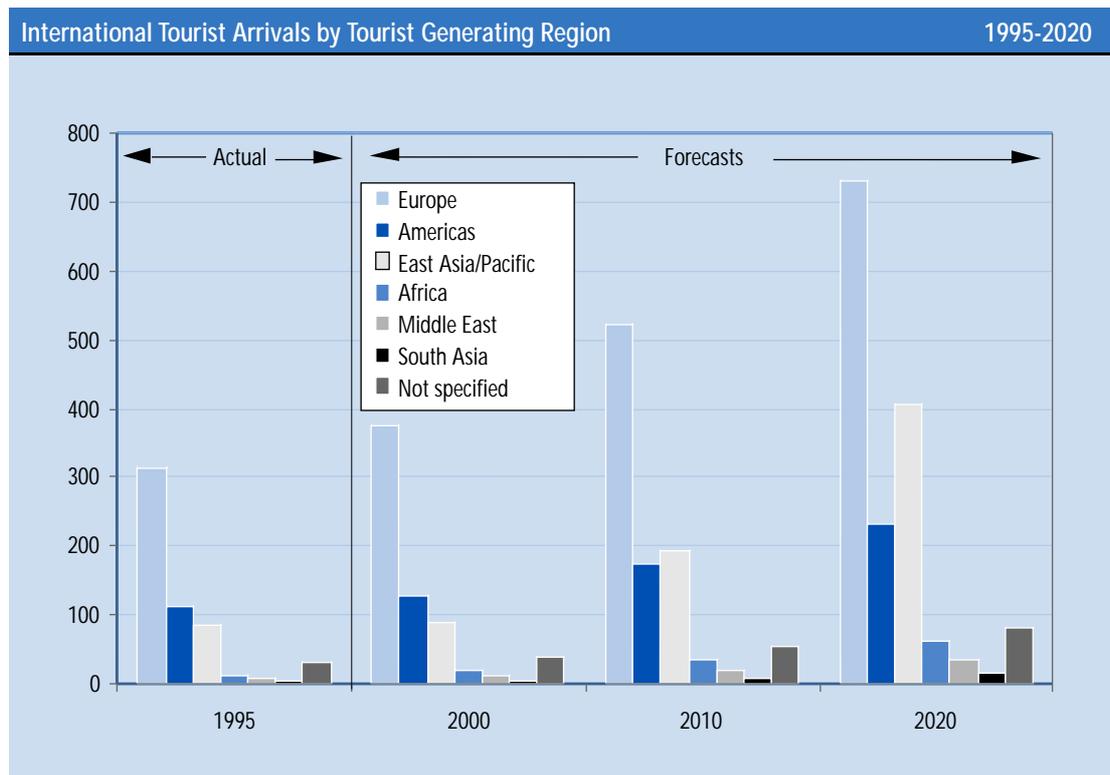
- The *Tourism 2020 Vision* forecasts show that international tourist arrivals are expected to reach over 1.56 billion by the year 2020. This demonstrates an annual growth rate of 4.1 per cent over the period 1995-2020. Long-haul travel worldwide will grow faster than intraregional travel. In 1995, long-haul travel accounted for 18 per cent of all international trips; by 2020 this is expected to increase to 24 per cent.

- Forecasts for international tourist arrivals to Europe show that there will be 717 million arrivals in 2020. This represents an annual growth rate of 3.0 per cent over the period 1995-2020, which is below the global growth rate of 4.1 per cent. Consequently the overall share of arrivals to the European region is expected to decrease over the forecast period. The growth rate of arrivals to Western Europe will be the lowest of all the European subregions, and by 2020 Central/Eastern Europe will attract more visitors than Western Europe. Strong growth is also expected for arrivals to the East Mediterranean subregion. Long-haul travel to Europe will grow at over one percentage point faster than intraregional travel over the period 1995-2020.



- The *Tourism 2020 Vision* study forecasts that there will be over 729 million outbound tourist arrivals generated from Europe in the year 2020. This represents an annual growth rate over the period 1995-2020 of 3.4 per cent, over half a percentage point below the global average of 4.1 per cent. Whilst Europe will remain the world's largest tourist generating region by some considerable margin, it is losing its market share. In 1995, 55 per cent of all outbound tourists were from Europe. By 2020, this will decline to around 47 per cent. Though Western Europe will remain the largest generating subregion within Europe over the forecast period, the East Mediterranean subregion will show the highest growth rate of outbound tourists. Long-haul travel from Europe will grow at over double the rate of intraregional travel between 1995 and 2020.
- By 2020, 346 million tourists will visit Mediterranean destinations, representing about 22 per cent of all arrivals worldwide. Despite the growth of the Mediterranean as the world's largest tourist receiving region, the region's share of global tourism is expected to decrease over the period 1995-2020.

- The ten Balkan countries are forecast to receive 79 million international tourist arrivals in the year 2020, thus recording an annual growth rate of 4.6 per cent over the period 1995-2020. The leading Balkan tourist destinations of Greece, Turkey, Bulgaria, Romania and Croatia will retain the majority of Balkan tourist arrivals; over 92 per cent in 2020.



- The individual inbound country forecasts for the main tourist destinations within Europe show that France will remain the region's largest tourist receiving country. By 2020, it is expected that there will be 106 million international tourist arrivals to the country.
- The outbound forecasts of the top five generating countries show that Germany will remain the region's largest generating country. However, the expected rate of growth of 2.9 per cent a year will be below European average. With an expected growth rate of 3.9 a year, France will be the fastest growing generating market of the five major ones analysed for this report.