

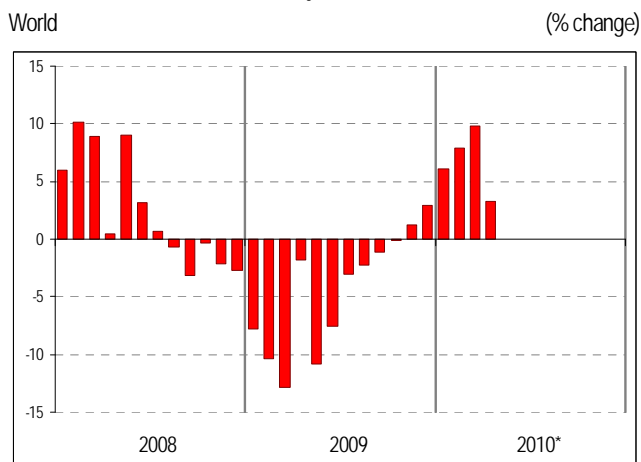


Recovery confirmed, but growth remains uneven

In the first four months of 2010 the expected rebound of international tourism materialised, according to the arrivals, receipts and expenditure data available from over 120 destination countries worldwide included in this issue of the *UNWTO World Tourism Barometer*.

Growth in international tourist arrivals through April is estimated at 7%. This confirms the recovery trend beginning in the last quarter of 2009, despite the challenging conditions of recent months. But it has been an uneven recovery, with emerging economies (+9%), and specifically destinations in Asia and the Middle East, storming ahead while advanced economies (+5%) lag somewhat behind, with many destinations showing sluggish (if any) growth.

International Tourist Arrivals, monthly evolution



Source: World Tourism Organization (UNWTO) ©

The overall positive trend during the first four months of 2010 is reflected in the rise of the UNWTO Tourism Confidence Index. 50% of the Experts participating in the UNWTO Panel of Tourism evaluate the period January-April as 'better' or 'much better'. This compares with 34% for the period September-December 2009 and is the best rating since January-April 2008 – before the onset of the global economic crisis. (Continued on page 5)

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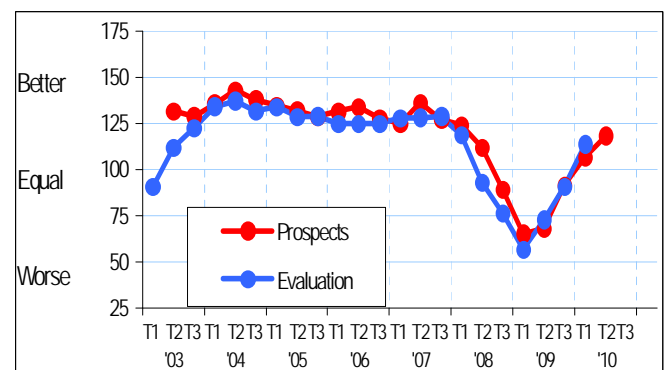
UNWTO Panel of Tourism Experts

Confidence picks up in line with the economy

After 20 months with scores in the doldrums – below the neutral 100 – the more than 330 specialists from around 100 countries and territories who constitute UNWTO's Panel of Tourism Experts gave a rating of 114 to their evaluation of world tourism performance during the first four months of 2010. In the context of UNWTO's World Tourism Barometer Confidence Index, this is the first positive score since the period January-April 2008 – i.e. before the world was faced with the housing and stock market collapses and the global economic crisis.

Expectations for the current May through August period, meanwhile, are even more optimistic, with prospects for the period rated higher, at 119, than for the previous six four-month periods. (Continued on page 18)

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 160 countries and territories and more than 350 Affiliate Members representing local governments, tourism associations and private sector companies including airlines, hotel groups and tour operators.

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The next issue of the *UNWTO World Tourism Barometer* will be published at the end of October 2010.

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, June 2010

Quick overview of key trends

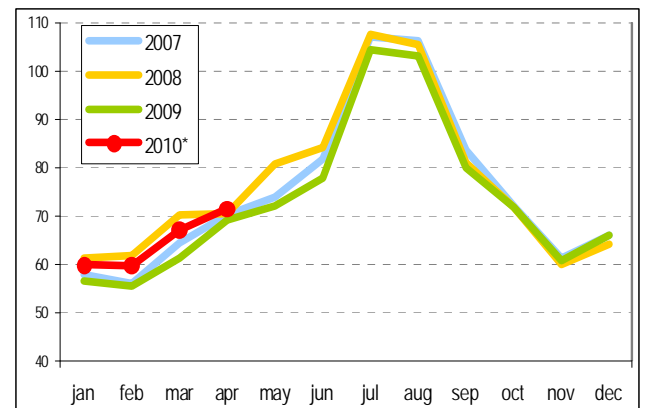
International tourism 2009

- Current 2009 totals for international tourist arrivals and receipts only show a very slight variation on earlier estimates. International tourist arrivals declined by 4.2% in 2009 to 880 million. International tourism receipts reached US\$ 852 billion (611 billion euros) in 2009, corresponding to a decrease in real terms of 5.7% on 2008, which shows that receipts were not very much more affected by the crisis than arrivals.
- In 2009, there were only slight changes in the ranking of the first ten destinations by international tourist arrivals and receipts. France continues to lead the ranking of the world's major tourism destinations in terms of arrivals and ranks third in receipts. The USA ranks first in receipts and second in arrivals. Spain maintains its position as the second biggest earner worldwide and the first in Europe, and ranks third in arrivals. China and Italy rank fourth and fifth, respectively, in arrivals, and in reverse order for receipts.
- The top ten ranking by international tourism spenders shows one remarkable change in 2009, as China overtook France, moving up into fourth position. The first three places continue to be led by Germany, the USA and the UK.

International tourism January-April 2010

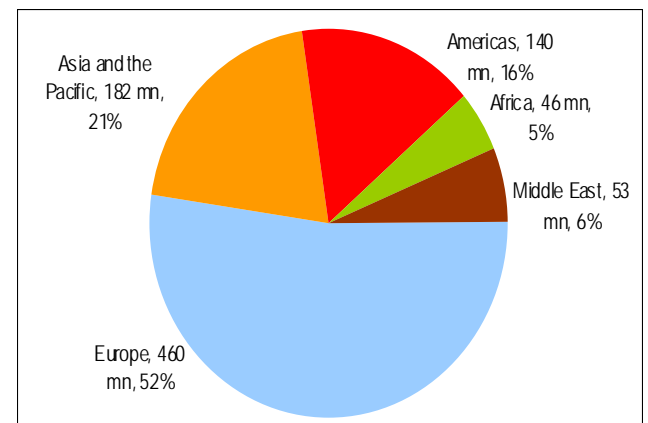
- Worldwide, international tourist arrivals increased by 7% between January and April, thus continuing the recovery trend that started in the last quarter of 2009. Arrivals grew faster in emerging markets (8%) than in advanced economies (5%).
- The 3% increase registered in April marks the seventh month of growth in international tourist arrivals after 14 consecutive months of negative results. Growth slowed in April as a consequence of the closure of European airspace for a week due to the ash cloud following the eruption of the Icelandic volcano. Although only around 30 countries have reported May data, the vast majority show positive growth trends, clearly pointing to a continuation of the current pace of growth.
- International tourist arrivals from January to April 2010 totalled over 258 million. This clear improvement has to be compared with the negative results of 2009, the worst period of the crisis, totalling 242 million arrivals. However, the current volume is still 2% short of the record achieved in 2008, with 264 million arrivals in the same four months.
- Growth was positive in all world regions but was very uneven from one to another.
 - **Asia and the Pacific** (+12%) showed strong growth, continuing the rebound that began in the second half of 2009. South Asia and South-East Asia (both +14%) were the fastest growing subregions.
 - In the **Americas** (+6%) growth was close to the world average. Central America (8%) and North America (+7%) grew the fastest, and South America (+5%) and the Caribbean (+4%) somewhat more slowly.

International Tourist Arrivals, monthly evolution
World (million)



Source: World Tourism Organization (UNWTO) ©

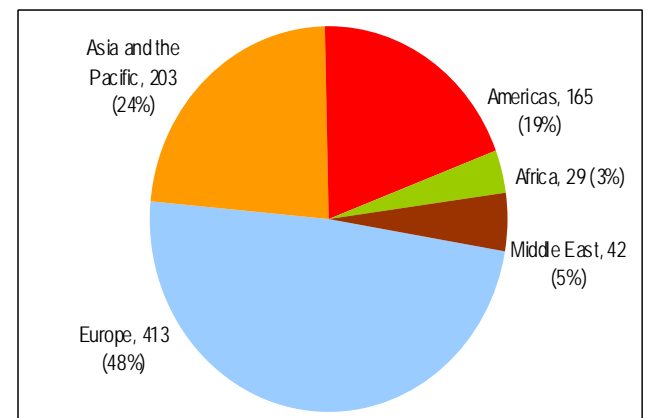
World Inbound Tourism: International Tourist Arrivals, 2009



Source: World Tourism Organization (UNWTO) ©

World: Inbound Tourism

International Tourism Receipts, 2009* (US\$ billion)

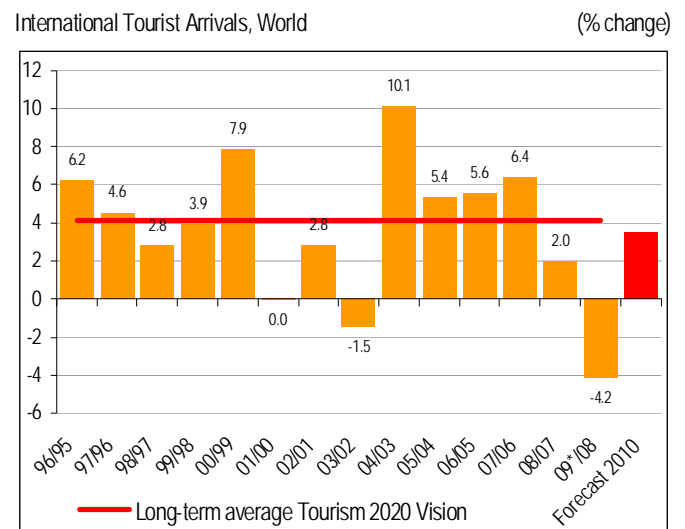


Source: World Tourism Organization (UNWTO) ©

- **Europe** (+0.3%) reported flat results. Western Europe (+3%) and Southern and Mediterranean Europe (+2%) did better than the region's average, but with varying performances across destinations. Recovery in Central and Europe (-2%) still lags behind while Northern Europe (-7%) was additionally affected by the closure of European airspace in April.
- The **Middle East** is currently running at +33%, although this should be compared to the same, very depressed months of 2009.
- **Africa** bucked the trend in 2009 and has continued to grow in 2010 at the same rate as the global average of 7%, with Subsaharan Africa at +8% and North Africa at +4%.
- Following a very challenging 2009, which resulted in a 2.5% drop in international passenger traffic, members of the International Air Transport Association (IATA) saw growth return in 2010 at 6% through April. Growth was positive in all regions, except Europe, which was flat.
- Data from the accommodation sector for the first four months of the year, as reported by Deloitte, also reflects an improved performance, with occupancy and average room rates on the rise again.
- The overall positive trend during the first four months of 2010 is reflected in the rise of the UNWTO Tourism Confidence Index. Half of the members participating in the UNWTO Panel of Tourism Experts evaluated the period January-April as 'better' or 'much better'. This compares to 34% for the period August-December 2009 and is the best rating since January-April 2008 – before the onset of the global economic crisis.

Prospects

- UNWTO maintains its January forecast for international tourist arrivals in 2010 at +3% to +4%. Current growth rates suggest that year-end results are likely to be closer to 4%, and may even exceed it. Much depends on the results of the upcoming summer tourism peak season for the world's leading regions in the northern hemisphere, and on whether Europe will finally pick up.
- The current trend and the confidence shown by the UNWTO Panel of Experts are encouraging. The Panel's rating of prospects for the period May-August improved further, up for the fourth consecutive period from the deep trough a year ago.
- 2010 results will continue to benefit from the gradually improving economic situation, as well as from a number of high profile events, including the FIFA Football World Cup in South Africa, the World Exposition in Shanghai and the Commonwealth Games in India. Sadly, tourism has also suffered the effects of a series of natural disasters from which destinations need time to recover, including earthquakes in Haiti, Chile, Southern California and Guatemala and severe flooding in a number of destinations including Machu Picchu (Peru) and parts of Europe.
- Nevertheless, serious challenges remain and the sector still has a long way to go to make up lost ground. Increasing unemployment continues to be a major cause of concern and, as anticipated by UNWTO, it is now clear that public deficits represent a clear challenge. This is particularly relevant for advanced economies and could affect leading outbound markets.
- The phasing-out of stimulus measures, combined with austerity measures and the rise in taxation introduced by many governments, have become main factors to be considered. The tourism sector itself may be confronted with increased taxes given the expected rise in the UK departure tax (November 2010) and Germany's intention to introduce a new air tax as part of its budget-cutting plans. UNWTO cautions against the potential adverse effects of one-sided decisions on taxation which might harm the tourism sector.
- On the consumer side, trends such as late booking, increasing use of the internet to look and book, travelling closer and for shorter periods of time, and demanding value for money, seem to have intensified during and since the end of the crisis. This changing marketplace will inevitably require changes in the business models of the industry and the tourism supply.

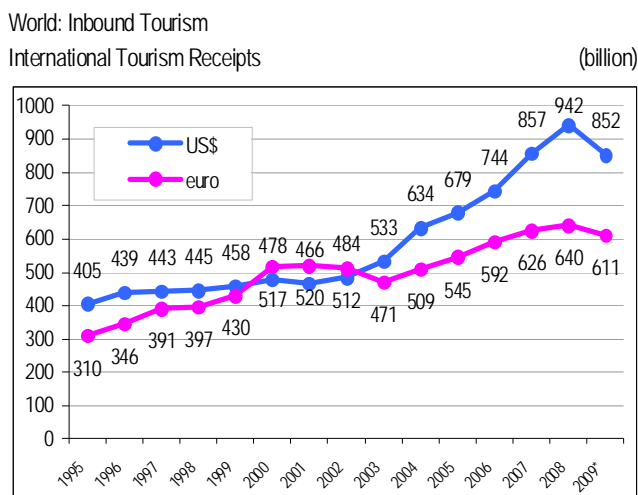


Source: World Tourism Organization (UNWTO) ©

International Tourism Receipts 2009

International tourism receipts down by 5.7% in 2009, somewhat more than arrivals

With the large majority of destination countries having reported their international tourism receipts for 2009 (including almost all the leading destination countries), UNWTO estimates that worldwide receipts from international tourism reached US\$ 852 billion (611 billion euros) last year, down from US\$ 942 billion (euro 640 billion) in the previous year. In absolute terms, international tourism receipts decreased by US\$ 90 billion, but only by euro 30 billion due to the appreciation of the US dollar against several world currencies and, in particular, the euro (from its historic low against the euro in 2008, the US dollar recovered some 5% in 2009).



Source: World Tourism Organization (UNWTO) ©

In real terms, i.e. using local currencies at constant prices in order to adjust for exchange rate fluctuations and inflation, international tourism receipts decreased by 5.7% in 2009. This was the first year of decline since 2003, when international tourism was hit by the Iraq war and the outbreak of SARS, decreasing by 1.3% in real terms.

All regions suffered a drop in receipts in real terms (and also in arrivals, with the exception of Africa), albeit

with varying rates of decline. The brunt of the losses were born by the Americas (-10%), with US\$ 22 billion less than in the previous year, and Europe (-7%), where receipts declined by around US\$ 60 billion (26 billion euro). Asia and the Pacific (-1%), the Middle East and Africa (both -4%) did comparatively better than the world average. In the case of Asia and the Pacific, the decline followed a series of five very strong years. The Middle East was the only region to post an increase in absolute terms – although the increase was less than half a billion US dollars – and the result must be interpreted with caution as coverage is still comparatively weak.

As a result, Europe's share of world tourism receipts fell by two percentage points to 48% and the Americas lost half a point, finishing the year with 19%. Asia and the Pacific's share was 24%, up from 22% in 2008. Africa gained a few decimal percentage points in terms of share, which remained at a little over 3%, and the Middle East's rose half a percentage point to 5%.

By subregion, only Oceania (+5%) and North-East Asia (+1%) showed positive growth in real terms. Despite negative results, Northern Europe (-3%), South Asia (-4%), the Caribbean (-4%), South America (-1%) and North Africa (-4%) performed above the world average.

For destination countries, receipts from international tourism count as exports and cover all transactions related to the consumption by international visitors of 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 total does not include receipts from international passenger transport contracted from companies outside the travellers' countries of residence, which are reported in a separate category (see below).

In order to account for exchange rate fluctuations and inflation, UNWTO computes international tourism receipts in US dollar values back to the local currencies of each destination, weighted by the share in the total, and deflated by the corresponding rate of inflation. Care should nevertheless be taken in interpreting the trends since statistics, in most cases, are still provisional and subject to revision. For the totals, an assessment is made by UNWTO for countries

International Tourism Receipts, World

	International Tourism Receipts												Change				Change				
	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009*	current prices (%)		constant prices (%)						
	(billion)																				
Local currencies														8.9	9.0	6.4	-4.2	5.4	5.5	1.4	-5.7
US\$	264	405	478	466	484	533	634	679	744	857	942	852	9.6	15.3	9.8	-9.5	6.1	12.1	5.8	-9.2	
Euro	207	310	517	520	512	471	509	545	592	626	640	611	8.6	5.7	2.3	-4.6	6.2	3.4	-0.9	-4.8	

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO June 2010)

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 often is revised upwards later in time.

Decline in receipts 1.5 percentage points greater than the decline in arrivals

After including additional and revised data, as well as a few revisions of series, current 2009 totals for international tourist arrivals and receipts only show a very slight variation on earlier estimates included in the January *UNWTO World Tourism Barometer* and the April *Interim Update*. According to the data currently available, international tourist arrivals fell by 4.2% on 2008's level to 880 million – even ending the year more than two percentage points below that of 2007.

At 5.7%, the decrease in international tourism receipts in 2009 (measured in real terms) was just 1.5 percentage points below that of arrivals, compared with a difference of

0.6 percentage point the previous year. Over a longer period, there is a fairly close correlation between the trends in international arrivals and in receipts. Receipts tend to follow the growth in arrivals, but are on average about one percentage point lower (see graph on next page). In times of crisis revenues tend to come under even more pressure than trips, as was the case in 2009. The differential, though, is fairly modest. One of the paradoxes here is that the decline in trip volume generally affects shorter secondary trips more than, for example, main annual holidays, thus lifting average expenditure over the remaining trips, even if per trip expenditure is under pressure.

The difference in the trend in receipts and arrivals was narrower for emerging economies, where arrivals decreased by 3.3% and receipts by 4.1%, than for advanced economies with a 5.0% decrease in arrivals and 6.6% in receipts. The gap in the trend in receipts and arrivals was not very different from one region of the world to another except in Africa, which recorded a 2.9% rise in arrivals compared with a 4.0% fall in receipts.

International Tourism by (Sub)region

	International Tourism Receipts										International Tourist Arrivals					
	Change			US\$		euro		Share	abs.		Change		Share			
	Local currencies, constant prices (%)			Receipts (billion)		Receipts (billion)			Receipts per arrival	Receipts per arrival		Receipts per arrival		Receipts per arrival		
	07/06	08/07	09*/08	2008	2009*	2008	2009*	2009		2008	2009*		2008	2009*	07/06	08/07	09*/08	2009*
World	5.5	1.4	-5.7	942	852	970	640	611	690	100	919	880	6.4	2.0	-4.2	100
Advanced economies	4.9	1.9	-6.6	612	547	1,160	416	392	830	64.2	495	470	4.5	-0.3	-5.0	53.4
Emerging economies	6.8	0.5	-4.1	329	305	740	224	219	530	35.8	424	410	8.9	4.9	-3.3	46.6
Europe	2.7	-1.2	-6.5	473.7	413.3	900	322.0	296.3	640	48.5	487.6	460.0	4.6	0.5	-5.7	52.2
Northern Europe	4.0	-2.0	-2.9	70.2	60.9	1,150	47.8	43.6	820	7.1	56.4	53.0	2.8	-2.9	-6.0	6.0
Western Europe	2.2	-2.3	-7.2	162.2	143.8	980	110.3	103.1	710	16.9	153.2	146.0	3.5	-0.4	-4.7	16.6
Central/Eastern Europe	8.9	2.1	-7.8	57.8	47.6	530	39.3	34.1	380	5.6	100.0	89.7	5.6	3.5	-10.2	10.2
Southern/Mediterr. Eu.	0.9	-0.8	-7.0	183.5	161.1	940	124.7	115.5	670	18.9	178.0	171.3	5.7	0.7	-3.8	19.5
Asia and the Pacific	10.0	4.6	-0.9	208.9	203.2	1,120	142.1	145.7	800	23.8	184.0	181.6	9.7	1.1	-1.3	20.6
North-East Asia	8.3	8.4	0.7	99.9	100.3	1,020	67.9	71.9	730	11.8	101.0	98.1	9.8	0.0	-2.9	11.1
South-East Asia	16.0	-1.0	-6.3	59.8	54.3	870	40.6	38.9	620	6.4	61.7	62.5	12.3	3.4	1.3	7.1
Oceania	6.4	2.9	5.2	33.7	33.5	3,080	22.9	24.0	2,210	3.9	11.1	10.9	1.7	-0.9	-1.8	1.2
South Asia	6.8	7.4	-3.6	15.5	15.1	1,490	10.6	10.8	1,070	1.8	10.3	10.1	3.1	1.1	-1.6	1.1
Americas	6.4	4.7	-9.8	187.6	165.2	1,180	127.5	118.4	850	19.4	146.9	140.1	5.3	2.8	-4.6	15.9
North America	7.3	6.7	-12.0	138.4	118.8	1,290	94.1	85.2	920	13.9	97.7	92.1	5.2	2.6	-5.7	10.5
Caribbean	0.9	-3.1	-4.4	23.6	22.4	1,140	16.1	16.0	820	2.6	20.1	19.6	2.0	1.2	-2.3	2.2
Central America	10.6	-1.1	-7.2	6.4	5.9	750	4.3	4.2	540	0.7	8.3	7.9	12.0	7.0	-5.1	0.9
South America	6.8	2.4	-1.3	19.2	18.2	890	13.1	13.0	640	2.1	20.8	20.5	6.5	3.9	-1.6	2.3
Africa	9.4	-3.8	-4.0	30.0	28.7	630	20.4	20.6	450	3.4	44.3	45.6	9.1	2.4	2.9	5.2
North Africa	7.4	-3.9	-4.5	10.8	9.9	560	7.3	7.1	400	1.2	17.1	17.6	8.5	4.8	2.5	2.0
Subsaharan Africa	10.5	-3.7	-3.8	19.2	18.8	670	13.1	13.5	480	2.2	27.2	28.0	9.5	1.0	3.1	3.2
Middle East	10.2	4.8	-3.7	41.5	41.8	790	28.2	30.0	560	4.9	56.0	53.2	14.6	19.3	-4.9	6.0

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO June 2010)

International passenger transport receipts

What is reported by UNWTO as international tourism receipts refers to the earnings in destination countries from expenditure by international visitors on accommodation, food and drink, local transport, entertainment, shopping, etc. It does not include, however, earnings from international passenger transport, which are reported separately. In simple terms, the latter category refers to receipts from international passenger transport services by companies registered in the reporting country rendered to residents of another country. It should be realised that it does not relate to all receipts from international passenger transport, but only to their export value, as many people travel with transport companies registered in their own country of residence (which is not included). (See box)

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).

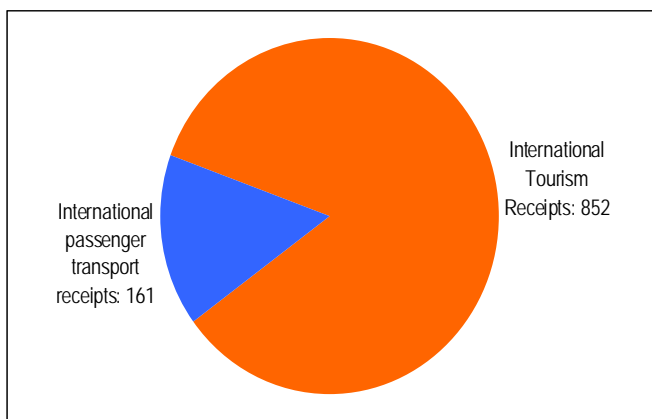
In order to account for exchange rate changes and inflation, international tourism receipts in US dollar values were computed back to the local currencies of each destination, weighted by the share in the total, and deflated by the corresponding rate of inflation.

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

that total receipts from international tourism, including international passenger transport, exceeded US\$ 1 trillion in 2009. In other words, close to US\$ 3 billion a day was earned by international tourism.

World: Inbound Tourism, 2009

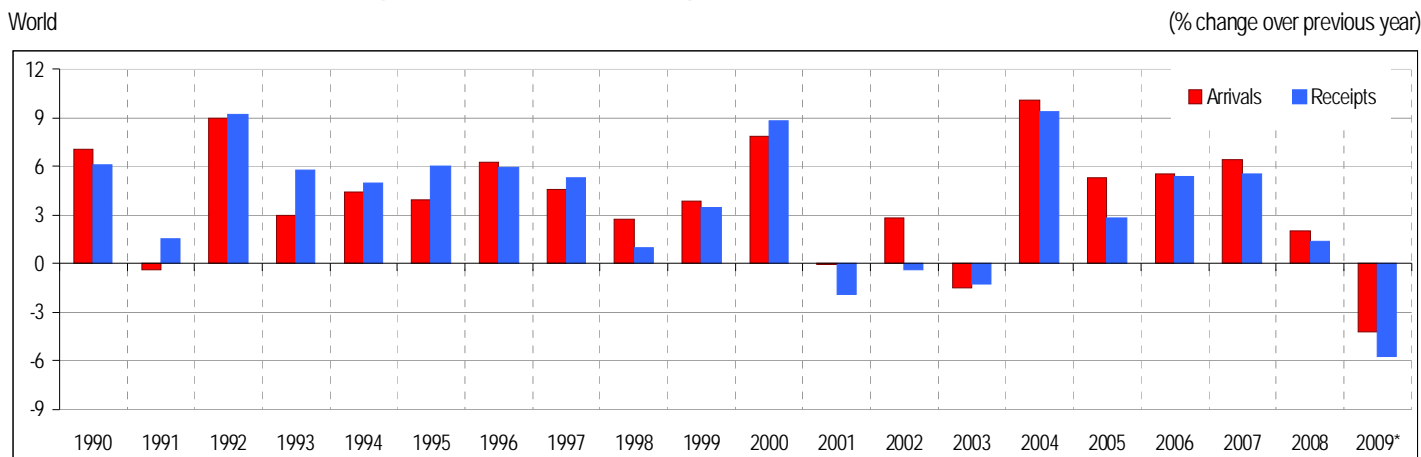
Receipts from international tourism and passenger transport (US\$ billion)



Source: World Tourism Organization (UNWTO) ©

Although the availability of comparable international data broken down at this level has its limitations, the export value of international passenger transport has in recent years been estimated at some 16% of the sum of international tourism and international passenger transport receipts. For 2009, this corresponds to some US\$ 161 billion, as against US\$ 185 billion in 2008. This implies

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

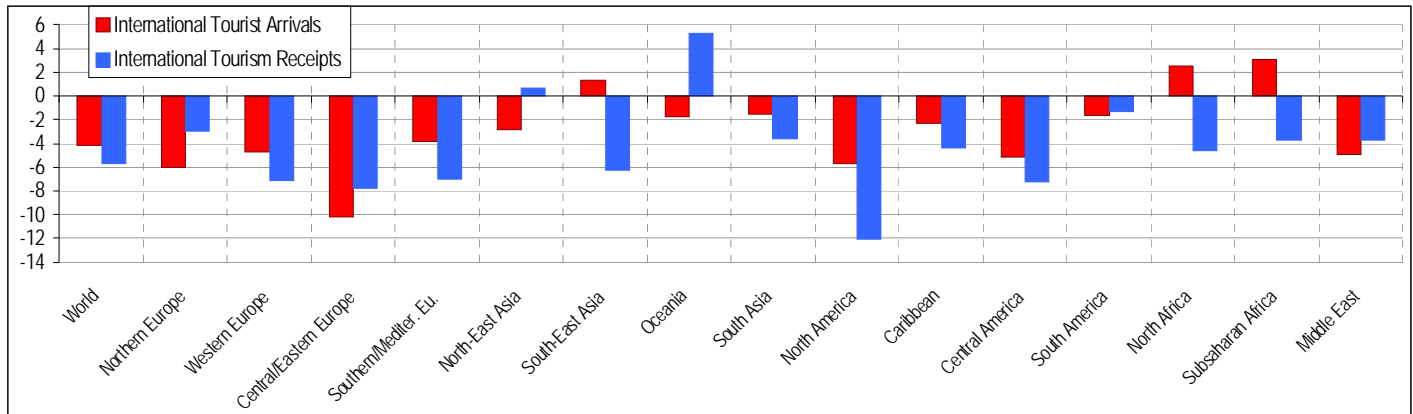


Source: World Tourism Organization (UNWTO) ©

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

World and subregions

(% change 2009/2008)



Source: World Tourism Organization (UNWTO) ©

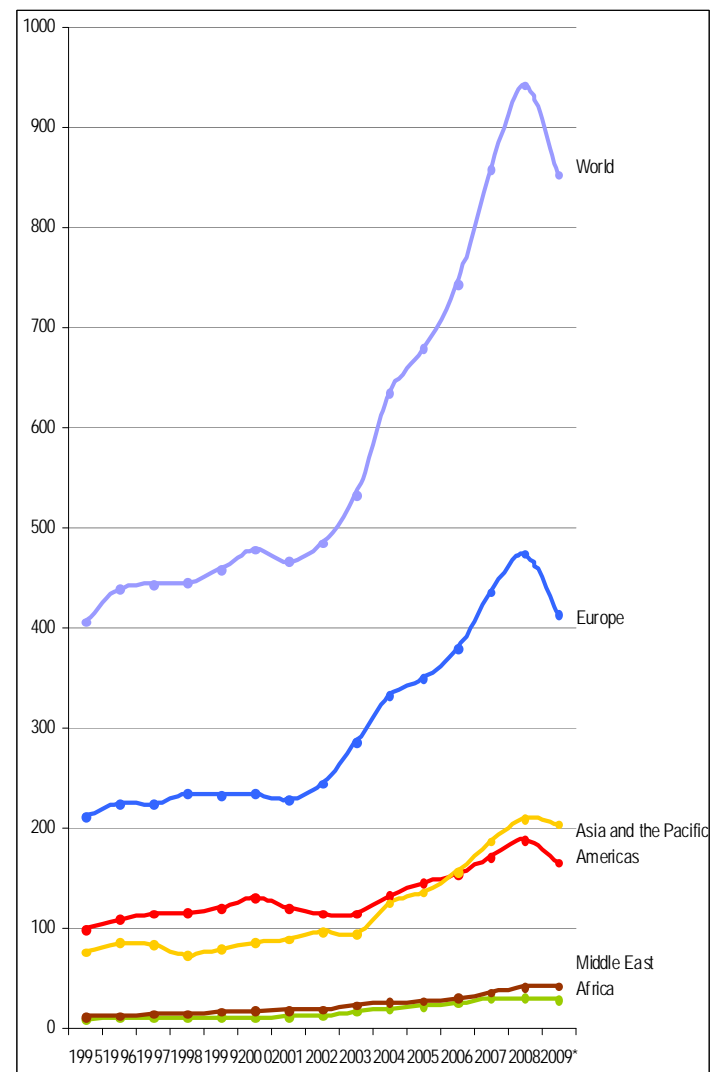
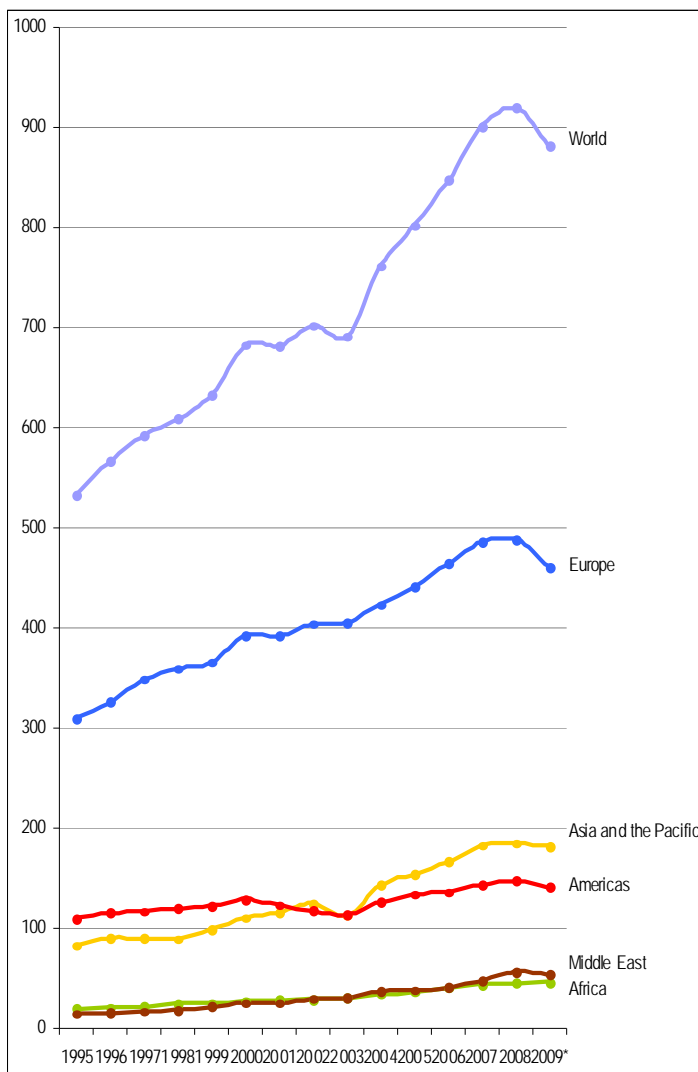
World and regions: Inbound tourism

International Tourist Arrivals

(million)

International Tourism Receipts

(US\$ billion)



Source: World Tourism Organization (UNWTO) ©

Source: World Tourism Organization (UNWTO) ©

In economic terms, both receipts from international tourism and from international passenger transport count as services exports and for many destinations they are a very important pillar of their economy, creating much needed employment and opportunities for development. World-

wide, as an export category, tourism ranks fourth after fuels, chemicals and automotive products, while for many developing countries it is the number one export category.

While 2009 results were unquestionably disappointing for an industry accustomed to continuous growth, the

results can also be read as a sign of comparative resilience given the extremely difficult economic environment in which they were achieved. This becomes even more evident when compared with the estimated 11% slump in overall exports as a consequence of the global crisis.

World's Top Tourism Destinations 2009

When ranking destinations for international tourism, it is always preferable to take more than just one indicator into account. Ranked according to the two key tourism indicators – international tourist arrivals and international tourism receipts – it is interesting to note that eight of the top ten destinations appear in both lists, even though they show marked differences in terms of the type of tourists they attract, as well as their average length of stay and their spending per trip and per night.

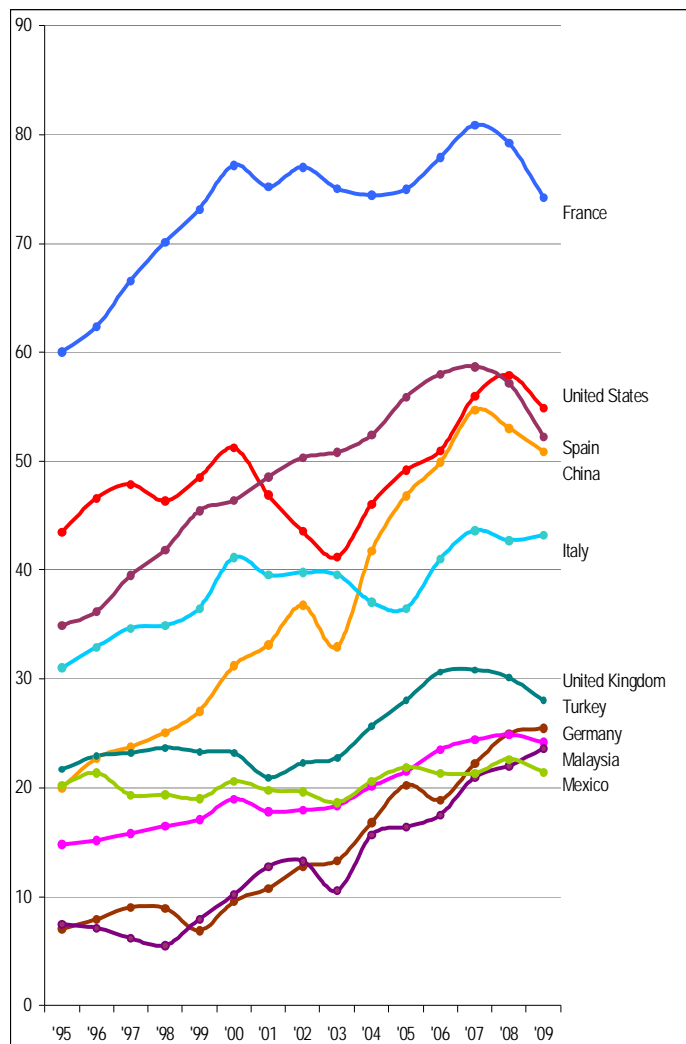
In spite of the decreases suffered by most destinations in 2009, there have been only slight changes in the ranking of the first ten destinations by international tourist arrivals, while the ranking in terms of international tourism receipts remains unchanged compared to the 2008 ranking. The first three places in both arrivals and receipts are still

occupied by France, Spain and the USA, albeit in a different order. France (74 million tourists) continues to lead the ranking of the world's major tourism destinations in terms of arrivals and ranks third in receipts. The USA ranks first in receipts with US\$ 94 billion and second in arrivals. Spain maintains its position as the second biggest earner worldwide and the first in Europe, and ranks third in arrivals.

China and Italy rank fourth and fifth, respectively, in arrivals, and in reverse order for receipts. The UK is sixth in terms of arrivals and seventh in receipts. Both Turkey and Germany climbed one rank in arrivals, occupying the seventh and eighth positions respectively. In receipts, Germany kept its sixth place and Turkey the ninth. Malaysia entered the 2009 top ten taking the number nine spot in arrivals. Completing the top ten ranking in arrivals were Mexico (10th) and in receipts, Australia (8th) and Austria (10th).

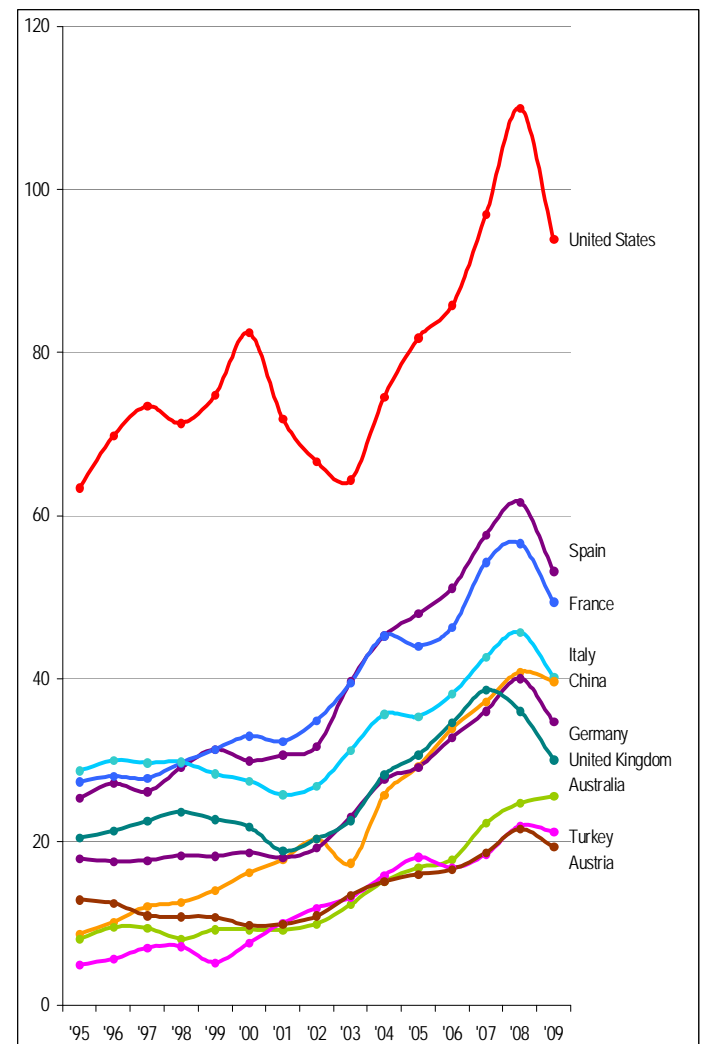
The tables in this section list the first 50 destinations in terms of arrivals and receipts. For values of other countries with data available, see the tables on the regions on pages 21-41.

International Tourist Arrivals (million)



Source: World Tourism Organization (UNWTO) ©

International Tourism Receipts (US\$ billion)



Source: World Tourism Organization (UNWTO) ©

International Tourism Receipts

Monthly or quarterly data series

	US\$						Series	Local currencies, current prices (% change over same period of the previous year)															
	2000	2005	2006	2007	2008	2009*		07/06	08/07	09/08	2010*	2010*	Jan	Feb	Mar	Apr	May	2009*	Q1	Q2	Q3	Q4	
	(billion)																						
World	478	679	744	857	942	852																	
1 United States	82.4	81.8	85.8	96.9	110.0	93.9	sa	12.9	13.5	-14.6	6.8	6.6	5.0	5.9	8.9	7.6	-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	0.2	0.2	-2.2	-0.7	3.3		-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	-7.7	-10.5	-10.2	-12.1	-9.3	-2.3	-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	1.4	1.4	2.0	2.3	0.2		-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	14.7	14.2	18.8	-1.6	24.6	15.9	-13.7	-9.2	0.6	11.4			
6 Germany	18.7	29.2	32.8	36.0	40.0	34.7		0.7	3.5	-8.5	0.5	0.0	-6.6	1.3	5.2	1.7	-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	-1.6							-3.7	-4.2	0.1	1.9			
8 Australia	9.3	16.8	17.8	22.3	24.8	25.6		12.5	10.7	11.2	8.1	8.6	4.9	9.4	11.0	6.8	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	-1.1	-2.2	-8.0	-0.1	1.2	1.6	-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							-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	25.1	25.1					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	30.3	30.3					-22.0	-25.3	-12.7	24.0			
13 Malaysia	5.0	8.8	10.4	14.0	15.3	15.8		26.3	5.6	9.1	5.4	5.4					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	-8.0	-2.0	-3.2	6.8	-7.3	-15.6	-17.0	-12.2	-9.8	-8.5			
15 Switzerland	6.6	10.0	10.8	12.2	14.4	13.9		8.0	6.7	-2.8							-6.1	-3.2	-2.2	0.7			
16 Canada	10.8	13.8	14.6	15.3	15.1	13.6		-0.8	-2.1	-3.7	6.0	6.0					1.6	-5.1	-7.7	0.2			
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	-2.3	13.9	13.9					-19.9	4.7	0.8	5.4			
19 Sweden	4.1	7.4	9.1	12.0	12.5	12.1		20.8	1.6	12.5	1.0	1.0					14.6	18.5	7.2	11.1			
20 Mexico	8.3	11.8	12.2	12.9	13.3	11.3	\$	5.5	3.4	-15.2	-0.3	1.3	-2.2	-0.7	6.6	-5.8	-8.5	-27.1	-19.0	-7.1			
21 Egypt	4.3	6.9	7.6	9.3	11.0	10.8	\$	22.6	18.1	-2.1	24.2	24.2					-17.2	-1.6	-1.6	13.0			
22 India	3.5	7.5	8.6	10.7	11.8	10.6		13.4	16.0	-0.3							-7.4	7.4	0.4	1.3			
23 Japan	3.4	6.6	8.5	9.3	10.8	10.3		11.6	1.8	-13.8	19.4	20.5	5.7	46.6	15.8	16.7	-20.4	-22.9	-12.3	2.1			
24 Belgium	6.6	9.9	10.3	11.0	11.8	9.8		-2.2	-0.3	-11.8							-5.9	-7.7	-22.9	-5.0			
25 Portugal	5.2	7.7	8.4	10.1	10.9	9.6		10.9	0.5	-7.0	5.3	6.3	3.3	2.8	12.0	3.1	-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	-24.5	-29.3	-27.5	-38.6	-20.1	-6.5	43.5	6.6	-1.4	-35.8			
27 Russian Federation	3.4	5.9	7.6	9.4	11.8	9.4	\$	23.9	25.1	-20.5							-22.9	-24.8	-22.6	-8.8			
28 Singapore	5.1	6.2	7.5	9.1	10.7	9.2		14.1	11.0	-11.9	15.1	15.1					-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							3.1	6.9	3.7	-15.7			
30 Croatia	2.8	7.5	7.9	9.3	11.0	8.9	€	7.3	10.5	-14.6							-2.3	-15.7	-15.5	-11.3			
31 South Africa	2.7	7.5	8.1	8.8	7.9	7.5	sa	12.2	6.2	-2.4							3.1	-3.2	-2.2	-6.9			
32 Untd 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	7.0	\$	1.5	13.9	17.2	28.3	28.3					2.6	18.4	20.4	26.3			
34 Morocco	2.0	4.6	6.0	7.2	7.2	6.6		11.5	-5.3	-4.9	10.8	12.4	5.7	18.5	14.7	7.0	-23.4	-8.2	-2.4	14.1			
35 Czech Rep	3.0	4.7	5.5	6.4	7.2	6.5		3.5	-5.0	0.4	-4.7	-4.7					-0.9	-3.3	3.0	2.9			
36 Lebanon	..	5.5	5.0	5.5	7.2	..	\$	9.7	31.6	..													
37 Indonesia	5.0	4.5	4.4	5.3	7.4	6.3	\$	20.2	38.0	-14.3	14.8	14.8					-15.3	-12.0	-16.4	-13.6			
38 Denmark	3.7	5.3	5.6	6.2	6.7	6.2		2.3	0.8	-1.8	2.2	2.2					-6.8	0.6	-2.6	0.7			
39 Saudi Arabia	..	4.6	4.8	6.0	5.9	6.0		25.4	-0.9	0.9							-39.9	-30.5	-3.4	10.3			
40 Hungary	3.8	4.1	4.3	4.7	5.9	5.6	0	-3.3	17.8	11.5							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	16.7	16.4	14.2	18.0	17.1	18.9	15.4	-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							-13.4	-12.2	-24.5	-18.4			
43 New Zealand	2.3	5.2	4.8	5.4	5.0	4.4		0.7	-3.6	-1.3	-5.6	-5.6					-0.9	-6.6	1.9	0.6			
44 Norway	2.2	3.5	3.8	4.5	4.9	4.2		9.5	4.5	-4.5	7.7	7.7					-7.8	-7.6	-5.5	2.8			
45 Luxembourg	1.8	3.6	3.6	4.0	4.5	4.1		1.5	3.9	-3.5							-0.9	-9.0	-7.5	4.7			
46 Dominican Rp	2.9	3.5	3.9	4.1	4.2	4.1	\$	3.8	2.5	-2.4	4.0	4.0					-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							-17.2	-14.5	-33.3	0.4			
48 Bulgaria	1.1	2.4	2.6	3.5	4.2	3.7		24.6	10.8	-6.7	3.3		8.2	-2.1			-12.5	-9.5	-3.9	-7.7			
49 Israel	4.1	2.8	2.8	3.1	4.1	3.6	\$	12.4	33.9	-12.3	28.5	28.5					-19.0	-20.6	-7.0	-2.6			
50 Ukraine	0.4	3.1	3.5	4.6	5.8	3.6	\$	31.9	13.9	17.2							-34.4	-39.3	-41.1	-25.6			

Source: World Tourism Organization (UNWTO)®

(Data as collected by UNWTO June 2010)

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

Outbound Tourism

International tourism expenditure 2009

China moves up ranking as fourth biggest spender

The top 10 ranking by international tourism spenders shows one remarkable change in 2009, with China (US\$ 44 bn) overtaking France (US\$ 38 bn) and thereby moving into fourth position in the overall ranking. The first three places were held by Germany (US\$ 81 billion), the USA (US\$ 73 bn) and the UK (US\$ 48 bn).

China has shown by far the fastest growth with regard to expenditure on international tourism in the last decade, as it ranked only seventh in 2005. In crisis-ridden 2009 expenditure still increased by a whopping 21% (reported in current US\$ terms). Of the other nine top spenders only one recorded positive growth. The Netherlands, occupying tenth position, increased spending by a very modest 0.4% (in current euro terms). Of the ones whose expenditure declined, the UK suffered the biggest drop, i.e. its spending was down by US\$ 20 billion to US\$ 48 billion.

As usual, it should be noted that, while the absolute volumes of international tourism expenditure are expressed in US dollars to facilitate comparative analysis, the year-to-date changes are expressed in local currencies at current prices – so exchange rate fluctuations are accounted for but inflation is not. Exchange rate fluctuations – particularly between the US dollar and euro – render comparisons in US dollars rather misleading. Attention should be paid to the fact that due to the appreciation of the US currency during 2009, expenditure from European source markets in particular fell in dollar terms.

Except for China, some other source markets also bucked the trend of decreasing expenditure and increased substantially: Saudi Arabia (+24%), moving back to the 11th position it lost in 2008, the Philippines (+19%), Turkey (+18%), India (+7%), Singapore (+7%), Hungary (+7%), Kuwait (+5%) and Australia (+4%).

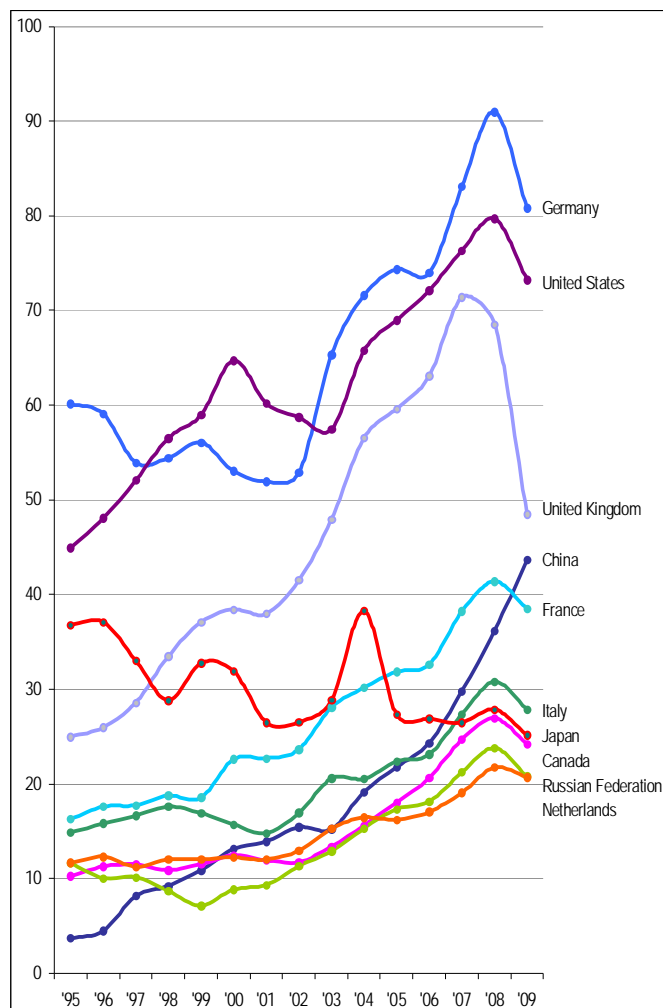
International tourism expenditure 2010 YTD

Turnaround also notable in tourism expenditure

Some 50 countries around the world each generate at least US\$ 2.5 billion in international tourism spending annually. Of these, about half have so far reported data on international tourism expenditure for the first three to five months of 2010. As is the case with international tourist arrivals, the trend here is one of recovery. Only a few countries have reported decreases, and quite a number have recorded double-digit increases.

Of those that have reported trends among the top spenders, Japan (+8%), Canada (+5%) and the Netherlands (+4%) have performed best. What stands out are the bumper increases in expenditure by Brazil (+65%) and the Republic of Korea (+60%), in the latter case following a very sharp drop in 2009 when the exchange rate of the Korean won was very weak. Caution must be used in interpreting the trends, however, as both countries report results in US dollars, and so the percentage changes are inflated by the appreciation of their respective currencies. Furthermore, a number of Far East and Middle East outbound markets have also reported double-digit increases: Israel (+29%), Taiwan (pr. of China) (+26%), Indonesia (+25%), Turkey (+18%), Malaysia (+16%), Australia (+14%), Singapore (+11%) and Hong Kong (China) (+10%).

International Tourism Expenditure (US\$ billion)



Source: World Tourism Organization (UNWTO) ©

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	Jan	Feb	Mar	Apr	May	Q1	Q2	Q3	Q4	
World	478	679	744	857	942	852															
1 Germany	53.0	74.4	73.9	83.1	91.0	80.8		2.9	2.0	-6.3	0.9	0.3	-4.5	-2.5	7.9	2.3	-8.6	-4.3	-8.4	-2.7	
2 United States	64.7	69.0	72.1	76.3	79.7	73.2	sa	5.9	4.4	-8.1	-0.9	-1.0	-0.5	-2.1	-0.4	-0.7	-7.8	-12.0	-6.9	-5.8	
3 United Kingdom	38.4	59.6	63.1	71.4	68.5	48.5	sa	4.1	4.4	-16.5							-16.4	-17.1	-19.5	-12.7	
4 China	13.1	21.8	24.3	29.8	36.2	43.7	\$	22.5	21.4	20.9							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	2.9	3.9	-6.1	15.0	3.6	0.9	-1.7	-5.4	-1.5	1.5	
6 Italy	15.7	22.4	23.1	27.3	30.8	27.8		8.4	4.9	-4.6							-1.6	-3.6	-5.0	-8.1	
7 Japan	31.9	27.3	26.9	26.5	27.9	25.1		-0.2	-7.6	-18.4	8.2	9.3	15.2	0.5	12.7	4.7	-21.3	-25.1	-12.6	-14.8	
8 Canada	12.4	18.0	20.6	24.7	26.9	24.2		13.3	8.4	-3.6	5.0	5.0					-6.2	-4.7	-2.8	0.5	
9 Russian Federation	8.8	17.3	18.1	21.2	23.8	20.8	\$	17.1	12.1	-12.5							-20.4	-18.0	-9.6	-3.5	
10 Netherlands	12.2	16.2	17.0	19.1	21.7	20.7		2.6	6.2	0.4	4.1	4.1					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							-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	-4.6							-0.2	5.2	-5.2	-18.7	
13 Australia	6.4	11.3	11.7	14.7	18.4	17.8		13.5	24.9	4.0	13.6	14.1	14.3	10.6	17.0	12.3	2.2	-0.4	2.7	11.0	
14 Spain	6.0	15.1	16.7	19.7	20.3	16.6		8.3	-3.7	-13.8	1.0	1.0	-4.6	0.5	7.3		-21.2	-16.7	-8.7	-9.8	
15 Hong Kong (China)	12.5	13.3	14.0	15.0	16.1	16.0		7.6	6.8	-1.3	10.4	10.4					-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	11.1	11.1					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	60.0	69.6	73.8	57.8	75.4	37.8	-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	3.1	3.1					-4.9	-1.2	-2.8	-3.5	
19 Sweden	8.0	10.8	11.5	13.9	15.2	12.6		11.1	6.4	-3.7	5.6	5.6					-9.0	-3.8	-3.2	1.3	
20 Brazil	3.9	4.7	5.8	8.2	11.0	10.9	\$	42.5	33.5	-0.6	65.1	74.2	63.1	81.1	81.5	59.6	48	-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							-2.9	1.4	-1.0	0.0	
22 Austria	6.3	9.3	9.6	10.6	11.4	10.8		0.7	0.3	0.3							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	22.9	7.2							16.9	8.5	-2.4	10.7	
25 Denmark	4.7	6.9	7.5	8.8	9.8	9.0		7.9	3.7	-3.3	2.8	2.8					-8.4	-0.9	-4.9	1.3	
26 Ireland	2.5	6.1	6.8	8.6	10.4	8.8		15.7	12.0	-10.9							-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	25.8	25.8					-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							-9.4	-4.7	0.5	-0.9	
31 Mexico	5.5	7.6	8.1	8.4	8.5	7.1	\$	3.3	1.8	-17.2	-1.1	-1.6	-2.6	-7.6	5.6	0.4	-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	16.1	16.1					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	24.7	24.7					-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							3.0	-12.8	-7.4	20.0	
35 Finland	1.9	3.1	3.4	4.0	4.5	4.4		6.8	5.0	2.7	1.6	1.6					-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	-1.6	-1.6					-5.6	-21.7	-24.3	-4.5	
37 South Africa	2.1	3.4	3.4	3.9	4.3	4.1	sa	20.7	30.0	-3.7							-0.7	-13.1	-7.5	9.0	
38 Czech Rep	1.3	2.4	2.8	3.6	4.6	4.1		18.4	5.9	-0.7	-13.4	-13.4					7.8	-7.3	1.9	-3.5	
39 Nigeria	0.6	0.2	1.0	2.4	4.5	..	\$	152.6	82.1	..							-60.1	-60.1			
40 Portugal	2.2	3.1	3.3	3.9	4.3	3.8		7.9	2.4	-7.7	4.1	2.8	-1.1	0.3	8.2	7.4	-7.4	-2.0	-12.7	-8.2	
41 Luxembourg	1.3	3.0	3.1	3.5	3.8	3.6		1.8	2.3	-0.2							-4.7	2.4	0.6	0.5	
42 Hungary	1.7	2.4	2.1	2.9	4.0	3.6	0	20.3	26.4	7.1							26.9	25.0	-5.9	-7.3	
43 Greece	4.6	3.0	3.0	3.4	3.9	3.4		4.3	7.8	-9.5	-15.0	-12.5	-13.7	-17.6	-6.6	-21.8	-11.1	-9.2	-1.7	-15.8	
44 Ukraine	0.5	2.8	2.8	3.3	4.0	3.3	\$	16.2	22.2	-17.2							-19.7	-22.3	-21.3	1.4	
45 Lebanon	..	2.9	3.0	3.1	3.6	..	\$	3.6	14.5	..											
46 Turkey	1.7	2.9	2.7	3.3	3.5	4.1	\$	18.8	7.5	18.3	17.7	10.4	-3.5	11.5	21.4	42.0	11.4	-7.0	38.3	35.0	
47 Israel	2.8	2.9	3.0	3.3	3.4	2.9	\$	9.3	5.5	-15.4	28.7	28.7					-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							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	-4.8	-0.6	-0.6					-4.1	-6.0	-5.0	-4.1	
50 Philippines	1.6	1.3	1.2	1.7	2.1	2.4	\$	35.0	23.7	18.8	28.3	28.3	23.8	29.2	32.2		35.0	7.2	30.6	8.1	

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO June 2010)

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

Inbound Tourism: short-term trends 2010

World

(Continued from page 1)

Of the over 120 countries that have so far reported international arrivals data for one or more months of the period January-May 2010, 35 are still negative, while 88 show positive figures, of which 42 double-digit ones. Based on this sample of destinations, arrivals growth worldwide in the months January-April is estimated to have been 7%. It is worth remembering that these increases are calculated on very negative base figures. The first half of 2009 represented the bottom of the trough of the economic crisis with confidence at record lows, and international tourism declined by 10% in Q1 and 7% in Q2.

International tourist arrivals from January to April 2010 totalled over 258 million, compared to 242 million in the very poor four months of 2009. On average the four months represent some 28% of the yearly total. January to April 2010 is still 2% short of the record 264 million arrivals worldwide in the same months of 2008, but is 4% higher than the 249 million recorded in 2007.

On a month-by-month basis, March was the strongest of the first four months of 2010 (up 10%), ahead of February (+8%) and January (+6%). Easter fell in the first days of April this year, compared to the second week of April in 2009, so this might have influenced as some trips will have started in March (and are therefore reported as arrivals in that month).

International arrivals increased by only 3% in April, with demand clearly affected by the closure of Europe's skies as a result of the ash clouds from Iceland's erupting Eyjafjallajökull volcano. Destinations strongly depending on air traffic from Northern and Western Europe generally show significant drops in April; figures are negative and substantially lower than previous months for Northern Europe (-14%), Southern and Mediterranean Europe (-3%), North Africa (-5%) and Oceania (-2%). In a study for Airbus, Oxford Economics estimated that the closure of airspace as a result of the eruptions in Iceland cost US\$ 5 billion just in April. This included not only direct losses incurred by aviation operators, but also productivity losses to the global economy, as well as falls in revenue recorded by destinations around the world.

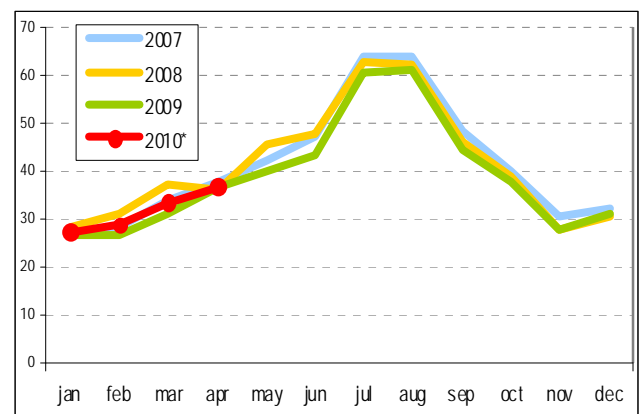
The 3% increase registered in April marks the seventh month of growth in international tourist arrivals after 14 consecutive months of negative results. Although only just over 30 countries have reported May data so far, the vast majority are positive, clearly pointing to a continuation of the current rate of growth.

As might be expected, the average 7% increase worldwide in January-April masks some wide differences from one region to another. The Middle East is currently running at +33%, although this compares with the very depressed months over the same period of 2009. Asia and

International Tourist Arrivals, monthly evolution

Advanced economies

(million)

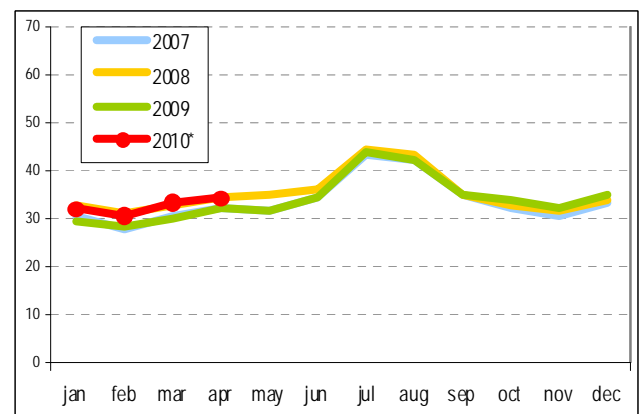


Source: World Tourism Organization (UNWTO) ©

International Tourist Arrivals, monthly evolution

Emerging economies

(million)



Source: World Tourism Organization (UNWTO) ©

the Pacific (+12%) also shows strong growth for the period, continuing the rebound that began in the second half of 2009. Africa (+7%) is on par with the global trend and the Americas (+6%) just below, while Europe (+0.3%) reports the poorest result.

The best-performing subregions so far have all been in Asia and the Pacific: +14% for both South Asia and South-East Asia, and +11% for North-East Asia. Other subregions that exceeded or equalled the world average were Subsaharan Africa (+8%), Central America and North America (both 7%). At the other end of the spectrum is Northern Europe (-7%), the only subregion in the world still a long way from recovery and more than proportionally affected by the closure of Europe's airspace in April.

Besides the already mentioned volcanic ash clouds, tourism around the world in 2010 has been affected by a series of natural disasters, including earthquakes in Haiti, Chile, Southern California and Guatemala, and severe flooding in various destinations, including Machu Picchu (Peru) and parts of Europe (e.g. Poland and the southeast of France). The oil slick in the Gulf of Mexico threatens holiday hotspots in the USA and Caribbean. Furthermore, political problems and civil unrest, such as the red-shirts' uprising in Thailand, the disturbances in Greece and the

dramatically rising tension between the two Koreas, have also played a role.

A number of high profile events in the first half of the year have boosted, if not visitor numbers, at least the image of organising countries. The Winter Olympics exposed Vancouver and Canada to the world. The run-up to, and start of, the FIFA World Football Cup in South Africa are flooding the world with colourful, bright, cheery and enticing images that are building and reinforcing the image of South Africa, but also the entire Africa region. The World Exposition in Shanghai is drawing attention and loads of visitors to China, while India is preparing to host the Commonwealth Games.

Other industry indicators, such as air transport, which grew 6% in the first four months of 2010 according to the International Air Transport Association (IATA), confirm the resilience of the tourism sector and the fact that recovery is underway. Data from the accommodation sector also reflects improved performance, with occupancy and average room rates on the rise again.

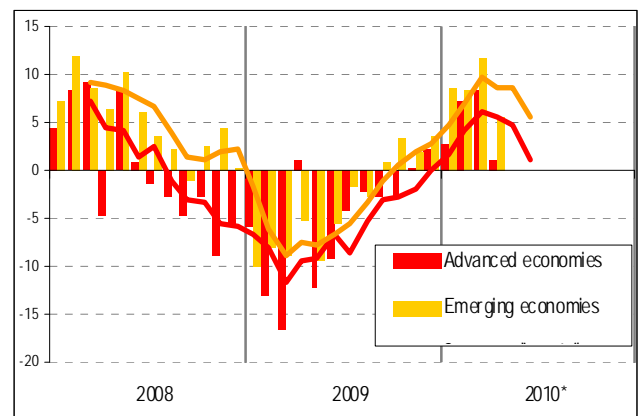
Overall, there is an air of optimism and a feeling that the global economic recession can now be talked about in the past tense. Many destinations have already made up for the losses of 2009 and exceeded their previous record levels of 2008. In fact, as a group, emerging economies just topped their 2008 record and it is only the advanced economies that are lagging. By region, Asia and the Pacific, the Middle East and Americas have already exceeded 2008 record levels, while Africa never faced a decline.

Relatively few countries have reported receipts data for the first four months of 2010 but, for those that have, growth trends clearly reflect the recovery of travel and tourism demand. But the overall picture is still very

International Tourist Arrivals, monthly evolution

Advanced economies & Emerging economies

(% change)



Source: World Tourism Organization (UNWTO) ©

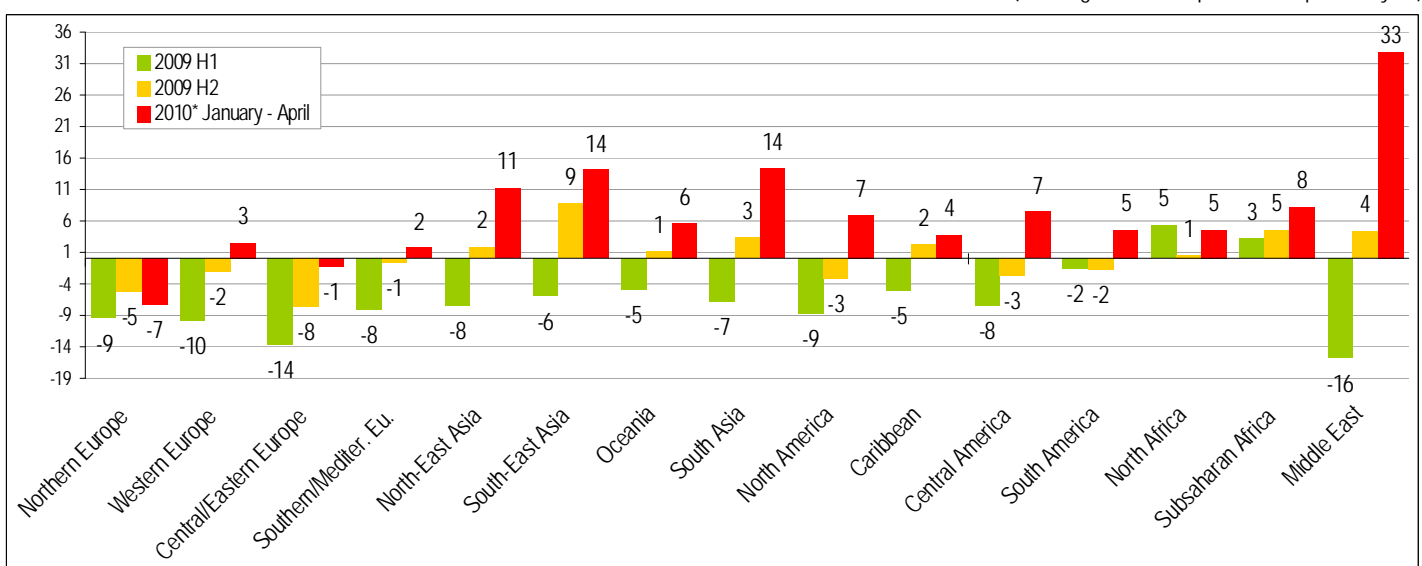
incomplete and, it should be remembered, trends for the first four months of the year compare with a depressed base in the same period in 2009, which was relatively early in the global economic crisis.

Care must of course be taken in interpreting the data available so far for 2010, since a number of countries have not yet filed results for all of the four months analysed, and there are major gaps in coverage for the whole period in some regions and subregions. In addition, preliminary trends are sometimes based on proxies instead of international tourist arrivals (e.g. hotel stays or bednights).

Detailed results for arrivals and receipts by country are included in the 'Regions' section (pages 21-41).

International Tourist Arrivals

(% change over same period of the previous year)



Source: World Tourism Organization (UNWTO) ©

International Tourist Arrivals by (Sub)region

	Full year								Share		Change		Monthly or quarterly data series (percentage change over same period of the previous year)											
	1995	2000	2005	2006	2007	2008	2009	2009	08/07	09/08	2010*	2009												
	(million)							(%)	(%)		YTD	Q1	Jan	Feb	Mar	Apr	J.-J.	J.-D.	Q1	Q2	Q3	Q4		
World	532.7	682	802	846	901	919	880	100	2.0	-4.2	6.6	8.0	6.3	7.9	9.7	3.2	-8.5	-0.8	-10.4	-7.0	-2.3	1.3		
Advanced economies	338.7	423	451	475	496	495	470	53.4	-0.3	-5.0	4.7	6.2	2.7	7.3	8.2	1.1	-9.4	-2.1	-12.2	-7.3	-3.0	-0.3		
Emerging economies	194.0	259	351	371	404	424	410	46.6	4.9	-3.3	8.7	9.8	9.3	8.5	11.6	5.6	-7.8	0.6	-9.0	-6.7	-1.3	2.9		
<i>Europe</i>	<i>309.1</i>	<i>392.2</i>	<i>441.0</i>	<i>463.9</i>	<i>485.4</i>	<i>487.6</i>	<i>460.0</i>	<i>52.2</i>	<i>0.5</i>	<i>-5.7</i>	<i>0.2</i>	<i>1.5</i>	<i>0.1</i>	<i>0.2</i>	<i>4.0</i>	<i>-2.6</i>	<i>-9.9</i>	<i>-3.0</i>	<i>-13.3</i>	<i>-7.7</i>	<i>-2.9</i>	<i>-3.1</i>		
Northern Europe	35.8	43.7	52.8	56.5	58.1	56.4	53.0	6.0	-2.9	-6.0	-7.3	-4.6	-1.8	-4.3	-7.4	-13.8	-9.4	-5.2	-13.1	-6.7	-6.6	-2.6		
Western Europe	112.2	139.7	141.7	148.6	153.9	153.2	146.0	16.6	-0.4	-4.7	2.6	3.2	-2.1	1.8	9.4	1.0	-10.0	-2.1	-13.7	-7.2	-1.2	-3.9		
Central/Eastern Eu.	58.1	69.3	87.5	91.4	96.6	100.0	89.7	10.2	3.5	-10.2	-1.1	-1.1	-0.6	-1.5	-1.3	-1.2	-13.5	-7.6	-14.3	-13.0	-7.0	-8.7		
Southern/Mediter. Eu.	103.0	139.5	159.1	167.3	176.8	178.0	171.3	19.5	0.7	-3.8	1.6	4.1	4.1	1.3	6.5	-2.9	-8.0	-0.6	-12.3	-5.7	-1.4	1.1		
<i>Asia and the Pacific</i>	<i>82.0</i>	<i>110.1</i>	<i>153.6</i>	<i>166.0</i>	<i>182.0</i>	<i>184.0</i>	<i>181.6</i>	<i>20.6</i>	<i>1.1</i>	<i>-1.3</i>	<i>12.0</i>	<i>12.9</i>	<i>10.0</i>	<i>15.4</i>	<i>13.6</i>	<i>9.3</i>	<i>-6.8</i>	<i>4.1</i>	<i>-7.4</i>	<i>-6.1</i>	<i>1.0</i>	<i>7.1</i>		
North-East Asia	41.3	58.3	86.0	92.0	101.0	101.0	98.1	11.1	0.0	-2.9	11.2	11.4	8.5	12.0	13.6	10.9	-7.5	1.8	-7.6	-7.5	-0.5	4.1		
South-East Asia	28.4	36.1	48.5	53.1	59.7	61.7	62.5	7.1	3.4	1.3	14.1	15.7	12.3	21.8	13.7	9.0	-5.9	8.8	-6.6	-5.1	4.4	13.0		
Oceania	8.1	9.6	11.0	11.0	11.2	11.1	10.9	1.2	-0.9	-1.8	5.6	7.9	4.4	9.4	9.6	-2.1	-4.8	1.1	-5.9	-3.4	-0.9	2.9		
South Asia	4.2	6.1	8.1	9.8	10.1	10.3	10.1	1.1	1.1	-1.6	14.3	17.0	16.8	16.0	18.2	5.1	-6.7	3.4	-11.7	-0.2	-1.1	7.2		
<i>Americas</i>	<i>109.0</i>	<i>128.3</i>	<i>133.3</i>	<i>135.8</i>	<i>142.9</i>	<i>146.9</i>	<i>140.1</i>	<i>15.9</i>	<i>2.8</i>	<i>-4.6</i>	<i>6.0</i>	<i>7.0</i>	<i>3.8</i>	<i>7.9</i>	<i>9.4</i>	<i>3.1</i>	<i>-7.1</i>	<i>-2.4</i>	<i>-6.9</i>	<i>-7.2</i>	<i>-5.6</i>	<i>1.5</i>		
North America	80.7	91.5	89.9	90.6	95.3	97.7	92.1	10.5	2.6	-5.7	6.9	7.9	2.8	10.4	10.4	4.2	-8.8	-3.3	-7.7	-9.7	-5.7	-0.1		
Caribbean	14.0	17.1	18.8	19.4	19.8	20.1	19.6	2.2	1.2	-2.3	3.8	4.7	3.4	2.6	7.8	1.1	-5.0	2.2	-7.7	-1.9	0.9	3.6		
Central America	2.6	4.3	6.3	6.9	7.8	8.3	7.9	0.9	7.0	-5.1	7.5	8.8	4.8	7.7	14.2	3.3	-7.5	-2.6	-6.2	-9.1	-5.2	0.0		
South America	11.7	15.4	18.3	18.8	20.1	20.8	20.5	2.3	3.9	-1.6	4.5	5.6	6.1	5.5	5.2	0.0	-1.6	-1.7	-3.7	1.8	-11.0	7.0		
<i>Africa</i>	<i>18.8</i>	<i>26.5</i>	<i>35.8</i>	<i>39.6</i>	<i>43.2</i>	<i>44.3</i>	<i>45.6</i>	<i>5.2</i>	<i>2.4</i>	<i>2.9</i>	<i>7.0</i>	<i>8.7</i>	<i>9.6</i>	<i>7.2</i>	<i>9.1</i>	<i>2.4</i>	<i>4.0</i>	<i>3.0</i>	<i>1.7</i>	<i>6.2</i>	<i>3.4</i>	<i>2.5</i>		
North Africa	7.3	10.2	13.9	15.1	16.3	17.1	17.6	2.0	4.8	2.5	4.6	9.3	11.3	4.9	11.2	-5.5	5.3	0.7	2.3	7.6	-1.5	4.5		
Subsaharan Africa	11.6	16.2	21.9	24.6	26.9	27.2	28.0	3.2	1.0	3.1	8.3	8.4	8.9	8.2	8.0	7.8	3.2	4.5	1.4	5.3	8.2	1.6		
<i>Middle East</i>	<i>13.7</i>	<i>24.9</i>	<i>37.8</i>	<i>40.9</i>	<i>46.9</i>	<i>56.0</i>	<i>53.2</i>	<i>6.0</i>	<i>19.3</i>	<i>-4.9</i>	<i>32.8</i>	<i>34.2</i>	<i>36.6</i>	<i>31.9</i>	<i>34.3</i>	<i>29.1</i>	<i>-15.7</i>	<i>4.4</i>	<i>-20.5</i>	<i>-10.8</i>	<i>0.1</i>	<i>9.0</i>		

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO June 2010)

Prospects

UNWTO is for the moment maintaining its January forecast for international tourist arrivals in 2010 – i.e. predicting that they will grow by +3% to +4%. Although growth is likely to slow as the year wears on, the current trend indicates that year-end results will most probably be closer to the high end of the range, and may even exceed it. However, it is still too early to assess the final outcome with any degree of precision, and much depends on the results of the upcoming summer tourism peak season for the world's leading regions in the northern hemisphere, and on whether Europe will finally pick up. The current trend and the prognosis of the UNWTO Panel of Experts, which suggests that confidence is continuing to rise, are encouraging.

Despite the resurgent optimism among the members of UNWTO's Panel of Experts generally, backed up by an estimated 7% growth in arrivals worldwide for the four months January-April, the industry still has a long way to go to make up lost ground, and many challenges remain.

Although the general conclusions from UNWTO's Panel of Experts are quite bright, with most expecting further pick-up in tourism demand and improved performances across the board during the remainder of 2010, there are many caveats. Not least is the matter of crude oil, the price of which hit US\$ 78 a barrel in early June, and could cause new problems for airlines.

Like airline traffic, hotel occupancy has recovered but, as a result of strong discounting, hotels in most regions are struggling to build up their rates again. The situation is similar in the cruise business. To give an example, figures published in the UK Passenger Shipping Association's Cruise Review show passenger numbers increased to 1.5 million in 2009, but the average cruise price fell by 6% to £ 1,330 (US\$ 2,080) and cruise companies are finding it difficult to raise rates this year. Since the average length of a cruise taken increased from 10 to 11 nights, the real price drop can be said to be even larger – 11%.

While there has been an improvement in consumer and business confidence, both remain subdued in most regions, undermined by the fear factor surrounding the prospects for the global economy and employment.

Fewer business people are travelling now than before the recession, as many companies remain nervous about spending. More businesses are also redefining their corporate travel strategies and turning to videoconferencing and other alternatives to keep costs down. According to a recent survey by American Express Business Travel, 27% of companies own or rent broadband equipment for virtual conferencing, and another 15% are considering such an investment.

The International Travel Trade Fair Association (ITTFA) says that marketing budgets are really tight and companies are still avoiding activity that is perceived as extravagant or unnecessary. Standing at exhibitions falls into this category, so recession has therefore forced businesses to look closely at the cost of exhibiting and the rationale behind it. Under these circumstances, venues and organisers need to analyse their markets even more carefully, look at what they are offering and what is being provided by their supply chain, in order to understand better how they can adapt to fit client needs in such challenging times. Adding value is clearly crucial to gaining competitive edge.

As with retail spending, leisure travel consumers are making complex trade-offs and these are changing all the time. Trends established during ten years of debt-fuelled, carefree consumption have been “shattered into lots of different reactions”, according to Neil Saunders, consulting director at Verdict, the retail consultancy.

Mass-market consumers have become discount crazy, increasingly using mobile applications for researching travel offers and making bookings. Euromonitor expects the trend to growth in online travel to continue, reaching 25% of global bookings by 2014. The trend will be strongly boosted by the increasing importance of markets like China. With over 400 million internet users already in China, representing 29% of the population by the end of April 2010, the internet is quickly replacing traditional media as brands and companies seek to connect with their consumers in new and different ways. According to the China Internet Network Information Center, the country's official domain registry and research organisation, that is an increase of around 50% over 2008, and a staggering increase of 1,500% since 2000.

More affluent leisure travellers – in both developed and emerging markets – are less concerned about cost but are demanding higher quality, or value for money, and personalised service, or ‘cocooning’. So far, changes in travel behaviour and patterns have brought benefits to some and caused difficulties for others, and it is clear that the next years will prove to be both challenging and increasingly competitive for all stakeholders in the world's tourism industry.

Learning to read the overall trends is extremely difficult, but it will become essential. And the changing marketplace will inevitably require changes in the structure of the industry and the tourism supply, not to mention in the way that everyone conducts their business.

Serious challenges remain and the sector still has a long way to go to make up lost ground. Increasing unemployment continues to be a major cause of concern and, as anticipated before, it is now clear that public deficits represent a clear challenge. This is particularly relevant for advanced economies and could affect leading outbound markets. The phasing-out of stimulus measures, combined with austerity measures and the rises in taxation introduced by many governments, have become main factors to be considered. The tourism sector itself may be confronted with increased taxes, given the expected rise in UK departure tax (November 2010) and Germany's intention to introduce a new air tax as part of its budget-cutting plans. UNWTO cautions against the potential adverse effects of one-sided decisions on taxation which might harm the tourism sector.

These factors constitute an important downside risk to a recovering industry. This is the time to support the tourism sector. At a time when many countries are witnessing public deficit constraints and low domestic consumption levels, tourism can provide much needed jobs, as well as export and tax revenues. UNWTO welcomes examples of countries like China, which has identified tourism as a strategic pillar of its economy going forward.

On the consumer side, trends such as late booking, increasing use of the internet to look and book, travelling closer and for shorter periods of time and demanding value for money, seem to have been accentuated during and after the crisis. This evolving marketplace will inevitably require changes in the business models of the industry and the tourism supply. It's illusionary to assume that ‘business as usual’ will return. It is critical to understand consumers better, to master technology and integrate it more closely into the management of destinations and companies. More investment is also needed in product innovation and human resources, particularly training for green jobs, and it is important to make a clear commitment to sustainability.

Evaluation by UNWTO's Panel of Tourism Experts

UNWTO Tourism Confidence Index: a refreshing rise for May to August

(Continued from page 1)

Confidence has clearly picked up, in line with the global economic recovery, even though many doubts and concerns remain.

Positive evaluations have again clearly started to outnumber negative ones, as in the period 2004-2007. In the January survey, still almost half of the Panel Members (48%) evaluated the past four-month period, August-December, as 'much worse' or 'worse than would reasonably be expected'. In the latest survey, evaluating the first four months of 2010, half of the panel considered performance positive, while the percentage of Panel Members with a negative evaluation has decreased to 27% and for 23% performance was 'equal'.

This rise in confidence is refreshing, reflecting the resilience of tourism demand and the widespread optimism regarding future trends. But there are wide differences in sentiment from one region and one segment of the industry to another.

The UNWTO Tourism Confidence Index

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

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

How to read this data

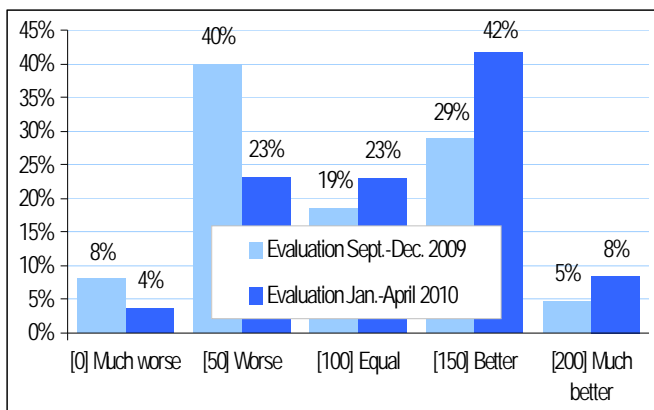
For the UNWTO *Tourism Confidence Index* members of the UNWTO Panel of Tourism Experts are asked once every four months by email to answer the following two simple questions:

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

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

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

UNWTO Panel of Tourism Experts



Source: World Tourism Organization (UNWTO) ©

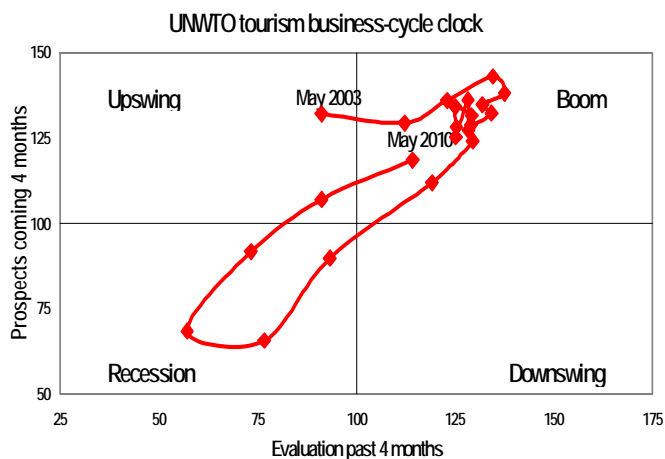
Averaged on a scale of 0 to 200, on which 100 implies 'equal' or 'no change', tourism experts from around the world gave a score of 114 to their evaluation of tourism performance in the first four months of 2010, with a more positive assessment from representatives of the public sector (120) than from the private sector (110). In both cases, scores were well up on those given four months ago for the September through December 2009 period (98 and 86 respectively). The overall evaluation of 114 also appreciably exceeded expectations of 107 expressed at the start of the period in the survey four months ago.

Prospects for the period May-August improved further to 118, up for the fourth consecutive period from the deep trough a year ago. Both the public (123) and the private sectors (115) expect the current four-month period (May through August 2010) to be even better. And the air of confidence is generally reflected across all world regions and industry segments.

Evaluation: January-April 2010

Given the actual trends in tourist arrivals over the first four months of this year, it is hardly surprising that Panel experts in the Middle East and Asia and the Pacific gave the best ratings to the period – 147 and 135 respectively – followed by the Americas (123) and Africa (116). Europe's score equalled the neutral 100 and for good reason. The region's tourism stakeholders have little reason to feel ebullient. Global Operators (those operating in more than one, or all, regions of the world) were also among the more negative, evaluating global tourism performance in January-April 2010 at 105.

In terms of the evaluation by activity, Tour Operators & Travel Agencies scored the period just ended at 102, well below the world average from UNWTO's Panel of Experts of 114, even as Accommodation & Catering, and Consultancy, Research & Media (both at a 107). Transportation (126), and Destinations (123) were the most positive, followed by General Industry Bodies & Other (119).



Prospects: May-August 2010

For the current four-month period, May-August 2010 – the peak tourism season for the world's leading regions in the northern hemisphere – short-term prospects are seen as quite bright, and experts are confidently predicting further improvements in travel and tourism demand, giving an overall rating of 119 to the period. The public sector (123) is again more optimistic than private industry players (115).

The improving pattern of prospects for the period May-August is common to almost all regions and sectors, with exception of Asia and the Pacific that saw a decrease from a high rating of 136 for the period January-April, to 127 for the period May-August. This is still quite a bit higher, though, than the prospects expressed by panel members from Europe (103) or global operators (105). Clearly, sentiment is fickle. But it seems probable that experts in Asia and the Pacific have been influenced by the

troubles in Thailand and the ongoing tension between the two Koreas. There are considerable differences in sentiment among experts in different regions of the world, with those in the Americas (136), Africa and the Middle East (both 133) anticipating the best outcomes.

By activity, the ratings are less spread out, with the exception of the high 131 given for prospects by General Industry & Other Bodies and 125 from Destinations. Transport was just at the average of 119. Meanwhile, Tour Operators & Travel Agencies (115), Consultancy, Research & Media (113) and Accommodation & Catering (108) gave a rating for the current May through August period that was somewhat below the overall average.

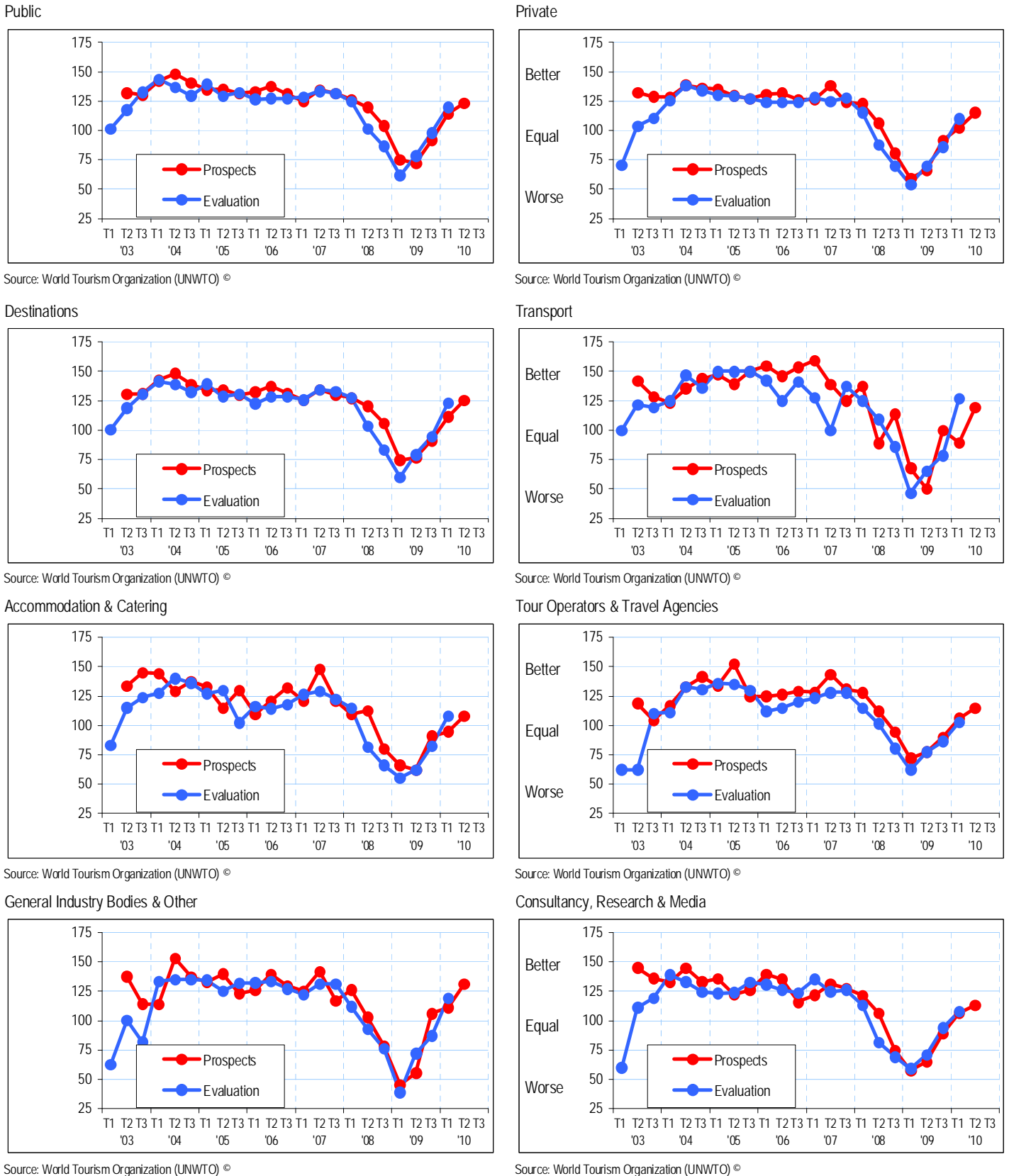
See the regional sections for graphs corresponding to the respective regions.

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UNWTO Panel of Tourism Experts



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

Regions

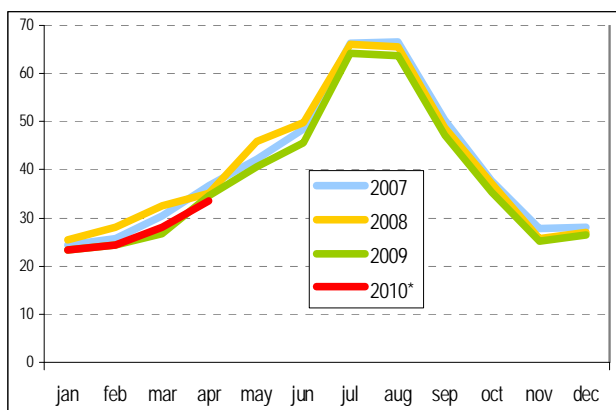
Europe

Results

International arrivals in Europe for the year to April are estimated by UNWTO to have been flat compared to the depressed results in the same period of 2009. Alone among the world's regions, Europe has failed to make progress in making up for the decline suffered in the same period last year and is still roughly 5-10% below the 2008 record level.

Ash from the eruption of the Icelandic volcano Eyjafjallajökull, which closed much of Europe's airspace for about a week in April, did not help. The decline of 3% in April, after a 4% increase in March (and slight increases in January and February), can be largely attributed to this. Various destinations reported double-digit drops in April, i.e. Ireland (-25%), Cyprus (-23%), Denmark (-20%), Iceland (-14%), Spain (-13%), Austria (-11%) and the UK (-11%), in most cases following positive figures in the preceding months. There was only a minor Easter effect as Easter was celebrated in April both this year and last, but at the very beginning of the month in 2010, so some Easter trips were already underway in March.

International Tourist Arrivals, monthly evolution
Europe (million)



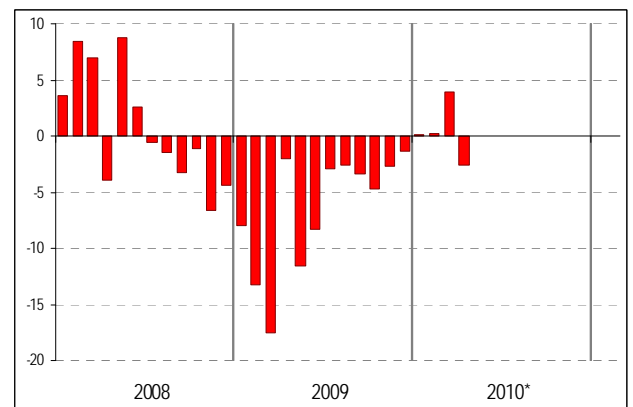
Source: World Tourism Organization (UNWTO) ©

The continuing volatility serves to re-emphasise the foolishness of looking too closely at the figures for individual months. Inevitably, everyone is speculating about the effects on economic growth, disposable incomes and consumer confidence of the Greek financial crisis, the decline in the exchange rate of the euro and the retrenchment being announced by governments across Europe – and the effects of these in turn on tourism demand. Early answers are just not so easy to provide – the trends will take time to emerge. And just as Eyjafjallajökull obscured trends in April, adverse weather across much of Europe in May and June may make it difficult to interpret the figures for those months when they are announced. The handful of

countries in Southern and Mediterranean Europe that have posted May results so far show a quite mixed bag.

However, confidence in the sector is nevertheless on the rise. In spite of the poor results, the UNWTO Panel of Tourism Experts in Europe evaluated the period January-April at 100, which was quite better than their prospects' rating of 90 at the start of the period. An encouraging sign is that the prospects expressed for the period May-August by the Panel has risen further, improving by 11 points to 103. Admittedly, the score is still only just above the 'neutral' level, where positive responses balance negative ones, and is the lowest of all regions. But the critical line has been crossed and the interesting question to answer now is whether Europe is just lagging behind other regions in its recovery, or really set to fall behind other regions over the course of 2010.

International Tourist Arrivals, monthly evolution
Europe (% change)



Source: World Tourism Organization (UNWTO) ©

Tourism in Northern Europe continues to suffer, and its destinations were also among the most affected by the volcanic ash cloud. Arrivals fell by 7% in the first four months of 2010, after a 13% decline in Q1 2009. The underlying trend in the UK (-4%), responsible for more than half of the subregion's arrivals, is believed to be improving, but the base figures are low and it is difficult to be certain. The headline figures for inbound tourism this year have been affected by bad weather, volcanic ash (which closed airspace for a full week in April) and the strikes at British Airways. Increasingly, and more importantly, strict visa rules for prospering markets like China, India and Russia do not help. The business/MICE market is said to be still flat and the incentive travel market 'dead'.

The most catastrophic decline in Northern Europe is reported by Ireland (-23%) – a decline which is attributed to a shrinking economy, heavy exposure to the UK and US markets, lack of interest among continental Europeans (Ireland is not quite close enough to be 'neighbouring'), the return of temporary immigrants to their homes (reducing VFR travel), and high prices.

Of the Nordic countries, Denmark reports a 7% increase for Q1, but this compares with a 36% decrease in Q1 2009, which was followed by a sharp slowdown in Q2 and then a big drop in Q3. Denmark's monthly figures

have been very erratic in recent years. Iceland has reported a small increase, but Iceland is a tiny and very special case, given the collapse in its economy and exchange rate in 2008. No arrivals data has been submitted by Norway and Sweden but hotel bednight statistics for the period January through April filed by these countries point to a 7% increase for Norway and a fairly flat 1% rise for Sweden. Moreover, while Norway recorded a 14% rise in hotel nights from European markets, Sweden suffered a 6% drop in intraregional business.

In Western Europe (+3%) results are marginally better, but the regional average is held back by the weakness of the most important destination, France (-2%), where the focus seems to be very much on domestic tourism. Arrivals in Germany (+9%) are so buoyant that they are not far short of their peak in 2008. Respondents vary in their optimism, but it seems that business travel is recovering strongly and leisure holding up well. Hotel prices are very competitive, helped by the reduction in VAT from 19% to 7% in January. The Netherlands, with an increase of 12% in the first quarter, contrasting to a depressed first quarter of 2009, and Austria, with an increase of 3%, including a negative April, are also doing well, especially in terms of short breaks/holidays from neighbouring countries. But in these two cases numbers are still well off their peak levels. Arrivals in Switzerland (+2%) have been recovering since Q3 2009. The industry there is concerned about the effects of the depreciation of the euro and sterling against the Swiss franc on arrivals from Europe, but hopes for increases from the USA and Asia. Encouragingly for the business sector throughout Europe, Basel reports that its recent Swissbau and Baselworld trade fairs did well.

There are still plenty of gaps in the available figures for Central and Eastern Europe, but it currently looks as though recovery is not yet underway as arrivals still decreased by 1% in the first four months of the year, after a 14% decline in Q1 last year. In the Baltic States, tourism in Lithuania (-3%) is still in the doldrums, but Estonia reports an exceptional 14% increase in arrivals – and that calculated on a comparatively moderate decline in Q1 last year (-8%). Indeed, arrivals and overnights reached all-time peaks. Length of stay also increased. Both holiday trips (+27%) and business trips (+11%) were up – but at lower yields due to falling prices. Finland and Russia, Estonia's biggest markets, performed well.

Hungary reports a 7% increase in arrivals in Q1, but a setback in April. Accommodation prices in the subregion are said to be very competitive, but the weak exchange rate helped operators in Hungary. The Czech Republic reported a modest increase of 1%, while Romania and Bulgaria both still faced a minor drop of 1%. Data and reports from Poland and Slovakia are scarce. However, tourism in Poland will undoubtedly have been badly affected by the widespread floods in May-June.

Figures for Ukraine (-6%) and the Russian Federation (-1%) are still in the red, but some reports from the area are encouraging. For instance, St Petersburg reports a large increase in tourists arriving by sea (encouraged by new

rules which allow group tourists arriving by sea to stay 72 hours without a visa). Armenia (+9%) so far reported one of the best results in the subregion, continuing the steady growth trend of the past years.

Arrivals in Southern and Mediterranean Europe rose by an estimated 2% in the first four months of the year, but this average is not very meaningful: some countries did much better than others. In particular, the three big destinations in the Western Mediterranean performed unexpectedly well. Arrivals in Spain were down 3%, but this was principally due to a 13% drop in April (attributed to bad weather and the volcanic ash). Among the experts from Spain who respond to the Barometer survey, many are preoccupied with the state of Europe's economies, consumer confidence, low prices and a lack of investment in new products, but there is also a sense of cautious optimism. In particular, the discounting and the weakness of the euro are restoring Spain's price-competitiveness. Arrivals in Portugal were reportedly up 11% in the first two months – an increase which is somewhat at variance with anecdotal evidence from Panel respondents, who talk of further declines or at best stability, noting that important markets like Spain, the UK, Germany, France and Ireland were all still in the doldrums.

But there appears to be little doubt about Italy, which seems to have passed through the recession relatively easily with only modest declines in arrivals. In the first three months of 2010 arrivals were up 5%. Experts are generally upbeat about both intra-European and long-haul travel. Cultural tourism, the art cities, mountain resorts and sea & lakes are all said to be doing well. Respondents suggest that, for European visitors, the recession is over: Vacations are shorter but more frequent, with recourse to last-minute and all-inclusive formulas or FIT-by-car in order to contain expenses. Italy is also currently a popular long-haul destination: it is said to be doing well in the US, Chinese, Indian, Korean and Australian markets – and even, tentatively, out of Japan.

The smaller Western Mediterranean destinations are also doing well. Malta (+4%) reports a recovery in airlift capacity, and Andorra (+2%) strong demand from Portugal, Spain and France, and an increase in length of stay, likely because more visitors are treating Andorra as a destination in its own right (as opposed to a combination with France or Spain). Monaco reports that group business travel is up 22% and leisure travel is holding up well enough.

In the Eastern Mediterranean, Turkey reports an 8% increase in international tourist arrivals in the first five months of 2010 – which probably understates the underlying trend (April was poor). Confidence in the regional (Middle Eastern) economy is strong and demand for business and MICE travel is rising. There are plenty of big events this year, including a Formula 1 Grand Prix and the World Basketball Championships, and Istanbul is European Cultural Capital for 2010 (along with Essen in Germany's Ruhr region and Pécs in Hungary). Tourism in Israel is also booming, with an increase of 30% January through May and exceeding the previous record of 2008.

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

	US\$				Local currencies, current prices (percentage change over same period of the previous year)														
	2005	2007	2008	2009*	Series 07/06					08/07					09/08				
	(million)				YTD	Q1	Jan	Feb	Mar	Apr	May	YTD	Q1	Q2	Q3	Q4			
Europe	349,337	435,350	473,665	413,283															
<i>Northern Europe</i>	54,268	70,834	70,232	60,882															
Denmark	5,278	6,215	6,687	6,245	2.3	0.8	-1.8	2.2	2.2			-1.8	-6.8	0.6	-2.6	0.7			
Finland	2,186	2,837	3,208	2,820	9.5	5.4	-7.3	-0.1	-0.1			-7.3	5.8	-9.1	-7.9	-17.0			
Iceland	413	596	611	569	13.0	40.7	31.0					31.0	42.6	54.8	44.7	-20.1			
Ireland	4,806	6,066	6,294	4,890	3.9	-3.3	-18.1					-18.1	-13.4	-12.2	-24.5	-18.4			
Norway	3,495	4,522	4,911	4,204	9.5	4.5	-4.5	7.7	7.7			-4.5	-7.8	-7.6	-5.5	2.8			
Sweden	7,415	11,997	12,494	12,100	20.8	1.6	12.5	1.0	1.0			12.5	14.6	18.5	7.2	11.1			
United Kingdom	30,675	38,602	36,028	30,054	sa	2.6	1.6	-1.6				-1.6	-3.7	-4.2	0.1	1.9			
<i>Western Europe</i>	123,224	149,502	162,176	143,767															
Austria	16,054	18,695	21,587	19,404	2.9	7.6	-5.2					-5.2	-10.5	4.1	-1.6	-5.7			
Belgium	9,868	10,989	11,762	9,842	-2.2	-0.3	-11.8					-11.8	-5.9	-7.7	-22.9	-5.0			
France	44,021	54,273	56,573	49,398	7.3	-2.9	-7.9	-7.7	-10.5	-10.2	-12.1	-9.3	-2.3	-7.9	-9.4	-8.8	-4.4	-12.8	
Germany	29,173	36,038	40,021	34,709	0.7	3.5	-8.5	0.5	0.0	-6.6	1.3	5.2	1.7	-8.5	-7.5	-9.5	-6.7	-10.5	
Luxembourg	3,613	4,022	4,483	4,104	1.5	3.9	-3.5					-3.5	-0.9	-9.0	-7.5	4.7			
Netherlands	10,475	13,305	13,342	12,365	7.4	-6.6	-2.3	13.9	13.9			-2.3	-19.9	4.7	0.8	5.4			
Switzerland	10,020	12,181	14,408	13,945	8.0	6.7	-2.8					-2.8	-6.1	-3.2	-2.2	0.7			
<i>Central/Eastern Europe</i>	32,665	48,565	57,784	47,552															
Armenia	220	305	331	334	\$	12.5	8.4	1.1				1.1	5.0	2.1	0.0	-0.6			
Azerbaijan	78	178	190	353	\$	52.0	7.0	85.4				85.4	67.1	62.9	90.3	121			
Belarus	253	325	363	368	\$	13.5	11.8	1.5				1.5	-2.1	-5.5	2.5	11.2			
Bulgaria	2,412	3,550	4,204	3,728		24.6	10.8	-6.7	3.3		8.2	-2.1	-6.7	-12.5	-9.5	-3.9	-7.7		
Czech Rep	4,677	6,383	7,207	6,478		3.5	-5.0	0.4	-4.7	-4.7		0.4	-0.9	-3.3	3.0	2.9			
Estonia	972	1,035	1,213	1,091		-7.3	9.6	-5.3				-4.8	-8.5	0.8	-3.4	-10.8			
Georgia	241	384	447	470	\$	22.7	16.4	5.3				5.3	-9.1	-13.7	23.0	20.0			
Hungary	4,101	4,721	5,935	5,631	0	-3.3	17.8	11.5				11.5	25.6	20.1	9.1	-3.0			
Kazakhstan	701	1,013	1,012	963	\$	20.9	-0.1	-4.8				-4.8	-5.6	-10.6	-0.5	-3.5			
Kyrgyzstan	73	346	515	..	\$	107.2	48.7	..				6.7	37.0	22.2	-18.0				
Latvia	341	672	803	723		28.3	11.9	-5.3				-5.5	13.2	2.1	-8.3	-20.4			
Lithuania	921	1,153	1,343	1,092		1.8	8.8	-14.3				-14.0	-26.2	-9.6	-12.3	-14.8			
Poland	6,274	10,599	11,768	9,011		30.6	-3.4	-0.8				-1.0	3.1	6.9	3.7	-15.7			
Rep Moldova	103	167	212	168	\$	45.3	26.6	-20.6				-20.6	-9.3	-29.8	-29.7	-8.2			
Romania	1,061	1,610	1,997	1,230	€	13.6	15.6	-35.1	-42.4	-42.4		-35.1	-29.7	-25.9	-31.3	-51.8			
Russian Federation	5,870	9,447	11,819	9,392	\$	23.9	25.1	-20.5				-20.5	-22.9	-24.8	-22.6	-8.8			
Slovakia	1,210	2,026	2,589	2,336		22.0	19.1	-4.9				-8.5	-16.1	0.7	2.6	-21.2			
Ukraine	3,125	4,597	5,768	3,576	\$	31.9	25.5	-38.0				-38.0	-34.4	-39.3	-41.1	-25.6			
<i>Southern/Mediterr. Eu.</i>	139,178	166,448	183,473	161,082															
Albania	860	1,373	1,720	1,816	€	24.5	16.8	11.3				11.3	-4.3	19.8	31.3	-9.3			
Bosnia & Herzg	521	728	816	681		10.4	4.7	-12.0				-12.0	-9.6	-11.6	-13.9	-11.3			
Croatia	7,463	9,254	10,971	8,880	€	7.3	10.5	-14.6				-14.6	-2.3	-15.7	-15.5	-11.3			
Cyprus	1,364	2,685	2,737	2,162		3.9	-4.8	-16.7	-5.7	-4.9	-6.4	-16.7	-12.8	-16.6	-16.4	-19.4			
F.Yug.Rp.Macedonia	90	185	228	218	€	31.8	15.6	0.6				0.8	23.0	6.7	-9.0	-8.0			
Greece	13,731	15,513	17,114	14,506		-0.3	2.8	-10.6	-8.0	-2.0	-3.2	6.8	-7.3	-15.6	-10.6	-17.0	-12.2	-9.8	-8.5
Israel	2,783	3,095	4,144	3,634	\$	12.4	33.9	-12.3	28.5	28.5		-12.3	-19.0	-20.6	-7.0	-2.6			
Italy	35,398	42,651	45,727	40,249		2.5	-0.1	-7.2	1.4	1.4	2.0	2.3	0.2	-7.2	-9.5	-11.0	-5.8	-2.1	
Malta	755	910	950	821		8.7	-2.7	-8.9				-8.9	-18.8	-5.7	-10.1	-3.4			
Montenegro	268	630	758	662		69.3	12.1	-7.9				-7.9	-15.5	-8.0	-6.1	-32.3			
Portugal	7,712	10,145	10,943	9,650		10.9	0.5	-7.0	5.3	6.3	3.3	2.8	12.0	3.1	-7.0	-15.0	-8.3	-4.4	-3.4
Serbia	308	865	944	865	€	99.1	1.7	-3.4	-6.8	-5.1	-8.7	-3.9	-16.8	-9.7	-0.1	9.3			
Slovenia	1,805	2,283	2,841	2,511		7.1	16.0	-6.8	-2.5	-0.5	-5.0	-6.8	-8.2	-10.5	-2.3	-8.6			
Spain	47,970	57,645	61,628	53,177		3.3	-0.4	-9.0	0.2	0.2	-2.2	-0.7	3.3	-9.0	-13.6	-8.0	-9.2	-5.5	
Turkey	18,152	18,487	21,951	21,250	\$	9.7	18.7	-3.2	-1.1	-2.2	-8.0	-0.1	1.2	1.6	-3.2	-11.1	-9.6	-4.6	11.5

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO June 2010)

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

Elsewhere in the Eastern Mediterranean tourism is weaker. The competitive situation of Greece (no arrivals data yet, but receipts down 8%) has been poor for several years, but it has worsened as the financial crisis unfolded. Inevitably, there was much attention in international media to the demonstrations against the austerity measures, and bookings are variously reported to have fallen by 10-30% as a result. Many flights were cancelled in April because of ash – especially charter flights to Crete and Rhodes. Tourism in northern Greece is affected by the economic weakness in neighbouring countries. The government is not in a position to provide much help to the industry, although it has cancelled landing fees for charter flights at the airports it owns (not Athens Airport, which is privately owned) and cabotage fees for cruise ships – but neither measure will have an early effect because charter flight and cruise schedules are set well in advance.

Tourism in the former Yugoslavia has been booming in recent years, but it is currently faltering. Much of the increase has come from travel (including VFR) within the area, but many of the local economies are struggling and disposable incomes are falling; regional markets are therefore generally very weak. Slovenia reports a 2% increase and Croatia a 2% decrease. These destinations, however, tend to suffer from quite pronounced seasonality so the weight of the past months is limited and much depends on the coming high season. Serbia (-7% in Q1) reports similar problems, but the state budget for tourism has been doubled to €44 million – for spending on infrastructure, ski resorts, tourism on the Danube, support for SMEs and for improving accommodation in farms and rural resorts. Of the smaller destinations, Bosnia and Herzegovina has bucked the trend with a 10% increase through April. Albania's arrivals are said to have been stronger (+5% in Q1), with a continuing increase in visits of ethnic Albanians from Kosovo, Macedonia FYR and Montenegro.

Prospects

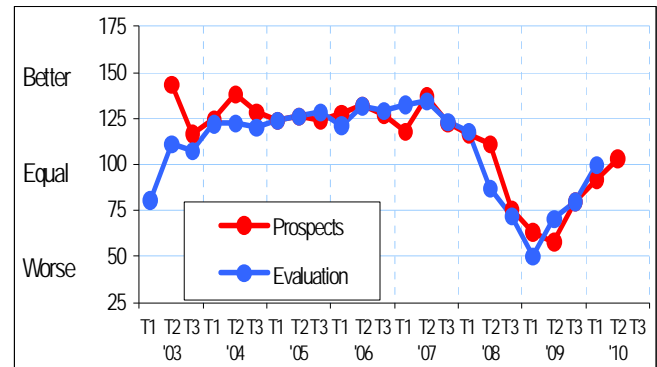
Any idea that the economic recovery was going to be easy for Europe has been dispelled in recent months. In the wake of the crisis in Greece, many governments have been announcing austerity measures and tax rises. Real disposable incomes are likely to fall and consumer confidence has inevitably been shaken. This is worrying for Europe's tourism industry since it relies above all on intra-regional visitors. But the resulting depreciations in the value of the euro and sterling will encourage long-haul visitors from parts of the world with faster-growing economies (including North and South America and many parts of Asia and the Pacific). They will also help to keep European holidaymakers within Europe.

Throughout Europe experts are confirming the trends towards shorter stays, late bookings, discounted prices and even lower spending, which have all been evident since the economic downturn began. The pressure on spending in

mass-market tourism has led to apparently contradictory increases in sales of all-inclusive packages and car-based FIT travel. And it has led to an increasing polarisation between budget and luxury travel.

UNWTO Panel of Tourism Experts

Europe



Source: World Tourism Organization (UNWTO) ©

The trend for Europeans to take their holidays closer to home (in their own countries or in neighbouring countries) seems set to continue while the economic uncertainty persists. This trend will also be strengthened during the period of the FIFA Football World Cup when many Europeans who do not have the financial means or time to travel to South Africa will stay at home glued to their televisions.

The renewed trend toward short trips is perhaps linked to a recovery in city breaks reported by many experts (particularly in Germany, Scandinavia and Iberia): if families are going to limit themselves to a local beach instead of an exotic long-haul destination, they are perhaps more likely to feel the need for a cultural/city break.

Business travel has been slow to recover, but the German and Swiss experiences suggest that it may now do so: incentive travel may be thoroughly out of fashion, but skimping on travel for purchasing, sales, technical and organisational motives may no longer make commercial sense. And the weaker euro may boost the events industry.

The intense competition generated by excess capacity continues to erode prices and yields, but operators seem to be adjusting well to these lower prices. As long as volumes do not fall further, fears of large-scale bankruptcies are receding. But the pressures on traditional airlines are perhaps more worrying.

A renewed boom in European tourism is for the time being unlikely, but – and here we must hope that the next crisis (natural or man-made) is a long way off – some modest growth in tourist numbers at stabilising prices is in order. After making sacrifices last summer, there is a growing feeling among Europeans that, unless the weather improves, they are not prepared to forego their peak summer holidays this year. So the next few months should provide a much clearer picture of the likely trend in tourism demand in 2010.



Austrian National Tourist Office
TourMIS

www.vienna.info



TourMIS Users' Workshop
16 September 2010

ETC-UNWTO International Seminar on Demographic Change and Tourism
17 September 2010
Vienna, Austria

MODUL University Vienna will host two international events about tourism on September 16-17, 2010. Both events are directed toward managers, academics as well as consultants and representatives of governments and international organizations dealing with tourism. Participants are invited to register for both days, or chose to participate in just one event.

The **6th TourMIS Workshop** (day 1) organized by the European Travel Commission (ETC) and European Cities Marketing (ECM) offers training on how to use TourMIS (www.tourmis.info), the marketing information-system for tourism managers, and provides participants with information on relevant methodologies to analyze tourism. The workshop mainly addresses analysts and marketers from tourism organizations.

The **ETC-UNWTO International Seminar on Demographic Change and Tourism** (day 2) is devoted to illustrating the main demographic trends worldwide for the near future and their impact on the tourism industry. Population aging, changes in family structures and migration will be the central topics of the programme, which will be led by international guest speakers taking turn on the podium.

For registration and more information on both events, please go to www.modul.ac.at/tourmis or contact Ms. Bozana ZEKAN at bozana.zekan@modul.ac.at

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).

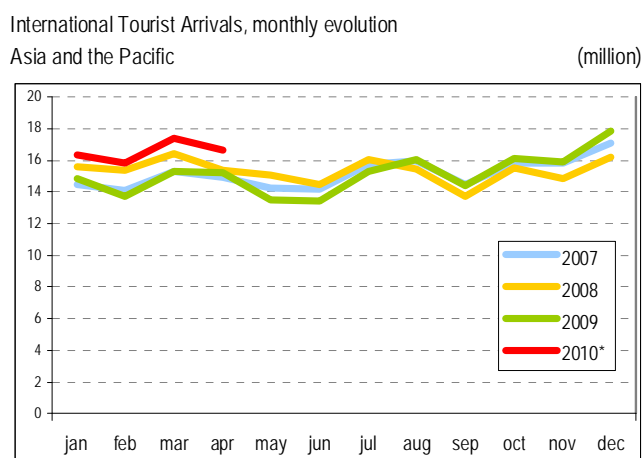
So as not to be influenced by exchange rate fluctuations, the percentages included in the tables are based on values in local currencies, except where otherwise indicated.

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.

Asia and the Pacific

Results

The world has watched Asia's rapid recovery from the global economic downturn in some amazement, and this recovery has its parallel in the recovery in tourism – or at least international tourist arrivals – in Asia Pacific, which has already made up the declines registered in the second half of 2008 and first half of 2009. UNWTO estimates that arrivals in the year to April have risen by 12%, compared with an average increase of 7% in the world as a whole. The fastest growth was achieved by South Asia (+14%). However, Oceania managed only 6%, close to the world average. Most of the countries that have already reported data for May show some spectacular increases.



Source: World Tourism Organization (UNWTO) ©

China has become the dominant factor in the region's development, and the panel of experts confirms the strength of the recovery in tourism there. Inbound arrivals from January through May 2010 were up 10%, with strong contributions from the Republic of Korea, Japan, the Russian Federation and the United States. Outbound trips rose 15% in the first quarter and domestic travel is booming. Both domestic and inbound tourism have been boosted by the Shanghai 2010 Expo, being held from May to October this year. After two months of opening, at the end of June, the visitor count had already reached over 20 million, and close to half a million visitors are recorded every day.

Arrivals in Hong Kong (China) and Macao (China) have also recovering rapidly, and were up 17% and 20% respectively in the first five months of the year. Taiwan's (prov. of China) arrivals, meanwhile, increased by 26% in the same period (and this is of course all gain – since there was no decline in arrivals in Taiwan in the corresponding period last year).

Even more remarkable has been the recovery of Japan, both as a destination and (more tentatively) as a market. Outbound travel from Japan has been lethargic for many years, but several destinations are reporting signs of

recovery in demand from Japan – more marked in the Asia Pacific region than elsewhere, but nevertheless widespread. Capacity at Tokyo's Narita Airport has been increased, offering scope for new schedules, especially to Eastern Europe and the Middle East. This year's 'Golden Week' offered an 11-day holiday in April-May, boosting domestic and outbound travel. The recovery in outbound travel is concentrated among female and senior travellers; males of working age are still not inclined to travel, and companies are still restricting business travel and encouraging other forms of communication, such as video and telephone conferences over the internet. Inbound travel increased by an impressive 32% in the first five months of 2010, making up for most of the decline registered in the same period last year. An important factor in the increase in arrivals in Japan has been the recovery in outbound travel from the Republic of Korea, which collapsed for a period last year when the exchange rate of the won was extremely unfavourable. Koreans are reported to be travelling to Japan and China in large numbers this year.

Conversely, the low exchange rate in 2009 brought very large numbers holidaymakers and shoppers into the Republic of Korea from China, Japan and other Asian countries last year, at a time when travel to most other destinations was falling rapidly. So the fact that tourist arrivals in Korea have 'only' increased by 5% so far in 2010 is not a matter for concern.

Overall trends in South-East Asia have been closely mirroring those in North-East Asia in recent years, and in both subregions arrivals were up by double-digit figures in the first four months of 2010 (11% and 14% respectively). All countries for which data is available show large increases in recent months. Indonesia (+14%) is maintaining the momentum. In Singapore (+22%), the two new, big, 'integrated' resorts have finally opened: Resorts World Sentosa (owned by Genting of Malaysia) in February and Marina Bay Sands (owned by Las Vegas Sands) in April. Resorts World Sentosa is aimed at families, and includes a Universal Studios theme park, while Marina Bay Sands caters more for the business and convention market. Both resorts are aimed at visitors who are more interested in entertainment than in gambling, and to that extent they are not expected to compete closely with Macao's big casinos. Singapore hopes that the new resorts will help it achieve a target of raising visitor arrivals from 7.5 million in 2009 to 17 million in 2015.

Myanmar and Thailand, in South-East Asia, are special cases, for different reasons. Arrivals in Myanmar have been rising very rapidly since the second quarter of 2009, but remain at a much lower level than the size and potential attractions of the country would warrant, for obvious reasons. Those in Thailand are 50 times higher, but are threatened by the civil unrest in the country. They rose rapidly, by 28% in the first quarter of 2010, more than making up for the decline in the same period of 2009. However, the Red Shirt demonstrations in Bangkok which followed in March, April and May had a considerable

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

	Full year				Change		Monthly or quarterly data series (percentage change over same period of the previous year)												
	Series	2005	2007	2008	2009*	08/07	09*/08	Series	2010*					2009*					
		(1000)				(%)	YTD		Q1	Jan	Feb	Mar	Apr	May	Q1	Q2	Q3	Q4	
Asia and the Pacific		153,639	182,046	184,044	181,608	1.1	-1.3		12.0	12.9	10.0	15.4	13.6	9.3	-7.4	-6.1	1.0	7.1	
<i>North-East Asia</i>		85,966	101,019	100,973	98,081	0.0	-2.9		11.2	11.4	8.5	12.0	13.6	10.9	-7.6	-7.5	-0.5	4.1	
China	TF	46,809	54,720	53,049	50,875	-3.1	-4.1	TF	9.6	8.2	9.9	0.1	14.0	7.4	16.1	-11.3	-5.1	-0.1	0.3
Hong Kong (China)	TF	14,773	17,154	17,320	16,926	1.0	-2.3	TF	17.3	12.7	3.9	26.4	10.4	14.0	38.6	0.6	-11.6	-4.7	5.6
Japan	VF	6,728	8,347	8,351	6,790	0.0	-18.7	VF	32.0	29.4	10.3	62.7	24.9	25.8	48.6	-27.2	-30.1	-16.3	2.3
Korea, Republic of	VF	6,023	6,448	6,891	7,818	6.9	13.4	VF	5.4	-1.0	-6.3	-4.2	6.3	6.1	27.0	24.3	6.8	14.2	9.4
Macao (China)	TF	9,014	12,942	10,610	10,402			TF	20.4	16.3	14.4	27.5	8.3	16.5	40.0	-8.3	-11.8	1.7	10.6
Mongolia	TF	339	452	446	433	-1.2	-3.0	TF	0.0	0.0						-35.2	-35.2	21.4	21.4
Taiwan (pr. of China)	VF	3,378	3,716	3,845	4,395	3.5	14.3	VF	26.3	28.1	24.9	27.6	30.7	12.9	38.1	2.2	18.6	13.9	22.1
<i>South-East Asia</i>		48,543	59,675	61,714	62,529	3.4	1.3		14.1	15.7	12.3	21.8	13.7	9.0	-6.6	-5.1	4.4	13.0	
Cambodia	TF	1,333	1,873	2,001	2,046	6.8	2.2	TF	12.3	9.5	4.6	11.3	13.1	16.8	18.5	-5.5	-0.1	8.8	8.0
Indonesia	TF	5,002	5,506	6,234	6,324	13.2	1.4	TF(1)	14.4	14.5	4.2	24.1	16.2	14.1		0.0	4.2	-0.8	2.4
Lao P.D.R.	TF	672	1,142	1,295	..	13.4	..	VF								15.3	-18.5	28.9	37.7
Malaysia	TF	16,431	20,973	22,052	23,646	5.1	7.2	TF	1.4		1.4					2.2	4.7	12.4	9.5
Myanmar	TF	232	248	193	243	-22.1	25.8	TF	37.4	39.3	42.5	39.9	35.5	30.0		-0.4	22.1	35.2	52.7
Singapore	TF	7,079	7,957	7,778	7,488	-2.2	-3.7	VF	21.8	19.6	17.7	24.3	17.4	20.5	30.3	-13.6	-9.3	0.3	5.7
Thailand	TF	11,567	14,464	14,584	14,145	0.8	-3.0	TF	16.2	27.8	26.3	41.9	16.3	2.1	-12.9	-15.7	-16.5	-2.9	27.8
Timor-Leste		..	13	19	27	45.6	41.3	VF	14.1	14.1						14.6	29.1	25.6	21.0
Vietnam	VF	3,478	4,229	4,236	3,747	0.2	-11.5	VF	32.2	36.2	24.8	30.1	56.0	31.3	19.6	-16.1	-22.2	-7.3	5.8
<i>Oceania</i>		10,982	11,205	11,101	10,904	-0.9	-1.8		5.6	7.9	4.4	9.4	9.6	-2.1	-5.9	-3.4	-0.9	2.9	
Australia	VF	5,499	5,644	5,586	5,584	-1.0	0.0	VF	3.5	6.3	-0.5	10.8	8.1	-5.6		-3.5	0.6	-2.6	5.1
Cook Is	TF	88	97	94	100	-3.0	6.6	TF	-4.4	-4.2	-3.7	-1.8	-6.6	-0.5	-8.0	2.1	10.3	8.9	4.1
Fiji	TF	545	540	583	539	8.0	-7.7	TF	22.8	26.5	37.6	11.5	29.4	13.2		-23.7	-11.0	-0.6	1.9
French Polynesia	TF	208	218	196	160	-10.0	-18.3	TF	-10.7	-10.7	-9.8	-6.2	-15.0			-26.6	-23.4	-14.6	-9.3
Guam	TF	1,228	1,225	1,142	1,053	-6.8	-7.8	TF	10.7	10.1	4.9	17.0	8.8	2.5	22.3	-8.2	-22.2	-0.6	-0.1
Kiribati	TF	5	6	3	3	-40.6	-7.9	VF								38.4	31.0	25.5	12.7
Marshall Is	TF	9	7	6	..	-16.7	..	TF*	53.1	109.9	280	8.0	-16.5	9.4	31.4	-21.5	-4.9	-23.7	-19.4
N.Mariana Is	TF	498	385	388	..	0.8	..	VF	0.6	2.2	-8.3	6.3	10.1	-5.7		-2.9	-21.5	2.2	-23.1
New Caledonia	TF	101	103	104	99	0.3	-4.1	TF	-15.3	-14.2	-17.9	-12.4	-12.0	-18.4		-11.3	8.7	3.2	-13.3
New Zealand	VF	2,383	2,466	2,459	2,458	-0.3	0.0	VF	3.0	5.6	5.2	4.4	7.4	-4.0	-0.4	-7.4	2.3	2.8	4.6
Niue	TF	3	3	5	5	37.1	-1.8	TF	79.4	79.4	1.2	81.3	448			109.7	-17.0	-21.0	-11.2
Palau	TF	86	93	83	..	-10.7	..	TF*	5.7	5.7	-9.8	23.9	4.4	-1.8	14.1	-11.8	-10.7	-6.3	-12.8
Papua New Guinea	TF	69	104	120	126	15.4	4.8	TF	21.8	21.8	25.5	21.3	18.6			3.0	1.0	-0.4	13.7
Samoa	TF	102	122	122	129	-0.2	5.5	TF	-4.5	-1.0	7.3	-13.4	1.5	-13.3		7.9	9.5	5.2	1.0
Solomon Is	TF	10	15	18	..	15.5	..	TF								9.7	6.6		
Tonga	TF	42	46	49	51	7.3	2.5	TF	-8.9		-1.8	-17.4				9.1	9.5	1.1	-5.2
Tuvalu	TF	1	1	2	2	46.1	-4.3	TF	7.1	7.1	2.3	-2.3	13.2			4.5	-20.7	1.1	-7.0
Vanuatu	TF	62	81	91	101	11.3	11.2	TF	159.6	159.6						18.3	8.3	12.3	7.2
<i>South Asia</i>		8,147	10,147	10,256	10,095	1.1	-7.6		14.3	17.0	16.8	16.0	18.2	5.1	-11.7	-0.2	-1.1	7.2	
Bangladesh	TF	208	289	467	..	61.5	..	TF											
Bhutan	TF	14	21	28	23	31.2	-15.1	TF	57.0	57.0	-17.2	67.0	76.0			-31.7	14.7	3.9	-30.9
India	TF	3,919	5,082	5,283	5,109	4.0	-3.3	TF	11.3	12.8	16.4	9.9	13.0	1.6	15.5	-13.5	-1.8	-3.8	6.9
Iran	TF	1,889	2,219	2,034	..	-8.3	..	TF								0.5	6.8	-7.9	
Maldives	TF	395	676	683	656	1.0	-4.0	TF	19.8	20.5	9.7	31.7	20.7	6.2	35.2	-10.8	-10.0	-2.0	7.4
Nepal	TF	375	527	500	..	-5.0	..	VF(2)	18.3	29.8	18.8	33.0	34.6	2.3	6.0	-16.7	6.3	6.5	8.3
Pakistan	TF	798	840	823	855	-2.0	3.9	TF								-12.8	-1.9	18.5	11.2
Sri Lanka	TF	549	494	438	448	-11.2	2.1	TF	48.5	50.3	31.9	67.7	53.7	47.0	42.3	-21.3	-8.8	30.3	14.7

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO June 2010)

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

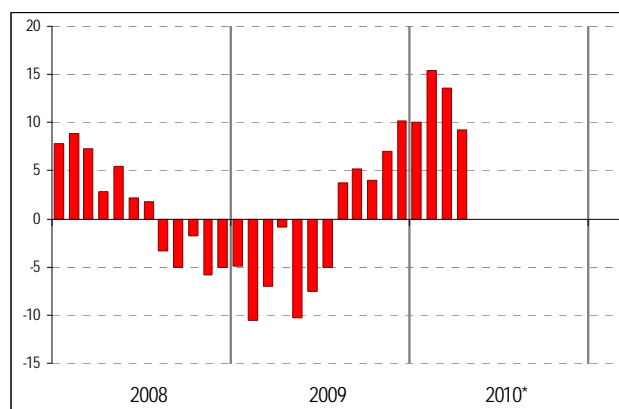
(1) Foreign arrivals through thirteen selected Ports of Entry

(2) Air arrivals only

International Tourist Arrivals, monthly evolution

Asia and the Pacific

(% change)



Source: World Tourism Organization (UNWTO) ©

impact on the Thai tourism market and on related travel itineraries such as Thailand-Singapore-Malaysia, Thailand-Mekong and Thailand-Hong Kong tours. The Chinese authorities, for instance, cancelled flights and tours after each round of violence and Chinese travel agencies eventually launched alternative itineraries. Figures for arrivals in April were weak and in May negative. However, growth for the first five months overall still reached 16%. Meanwhile, Thailand's tourism industry appears to be recovering quite quickly after earlier periods of unrest, but the situation remains unpredictable.

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

	US\$				Local currencies, current prices (percentage change over same period of the previous year)															
	2005	2007	2008	2009*	Series 07/06					2010*					2009*					
	(million)				07/06	08/07	09/08	2010*	YTD	Q1	Jan	Feb	Mar	Apr	May	YTD	Q1	Q2	Q3	Q4
<i>Asia and the Pacific</i>	135,678	186,307	208,934	203,228																
<i>North-East Asia</i>	65,119	85,256	99,916	100,282																
China	29,296	37,233	40,843	39,675	\$	9.7	9.7	-2.9	14.7	14.2	18.8	-1.6	24.6	15.9	-2.9	-13.7	-9.2	0.6	11.4	
Hong Kong (China)	10,294	13,754	15,304	16,463		18.7	11.1	7.1	25.1	25.1					7.1	12.8	-4.4	0.2	17.6	
Japan	6,630	9,334	10,821	10,305		11.6	1.8	-13.8	19.4	20.5	5.7	46.6	15.8	16.7	-13.8	-20.4	-22.9	-12.3	2.1	
Korea, Republic of	5,806	6,138	9,774	9,442	\$	6.1	59.2	-3.4	-24.5	-29.3	-27.5	-38.6	-20.1	-6.5	-3.4	43.5	6.6	-1.4	-35.8	
Mongolia	177	287	230	228	\$	39.1	-20.0	-0.5												
Taiwan (pr. of China)	4,977	5,213	5,937	6,958	\$	1.5	13.9	17.2	28.3	28.3					17.2	2.6	18.4	20.4	26.3	
<i>South-East Asia</i>	34,982	55,484	59,773	54,321																
Cambodia	840	1,135	1,219	1,185	\$	17.8	7.4	-2.8	3.4	3.4					-2.8	-7.7	-5.0	1.5	1.0	
Indonesia	4,522	5,346	7,375	6,318	\$	20.2	38.0	-14.3	14.8	14.8					-14.3	-15.3	-12.0	-16.4	-13.6	
Malaysia	8,847	14,044	15,277	15,772		26.3	5.6	9.1	5.4	5.4					9.1	4.1	6.4	14.4	11.4	
Philippines	2,265	4,933	2,499	2,329	\$	40.9	-49.3	-6.8	2.6	2.6	26.8	-7.8	-7.1		-6.8	-8.5	-4.7	0.6	-13.3	
Singapore	6,211	9,066	10,722	9,187		14.1	11.0	-11.9	15.1	15.1					-11.9	-9.7	-9.9	-14.3	-13.5	
Thailand	9,576	16,669	18,173	15,901		13.3	5.2	-9.9	30.3	30.3					-9.8	-22.0	-25.3	-12.7	24.0	
Vietnam	2,300	3,750	3,930	3,050	\$	31.6	4.8	-22.4												
<i>Oceania</i>	25,891	31,585	33,727	33,538																
Australia	16,848	22,308	24,756	25,594		12.5	10.7	11.2	8.1	8.6	4.9	9.4	11.0	6.8	11.2	10.4	11.5	14.2	8.8	
Fiji	486	497	544	..		-3.6	8.2								-14.8	-14.8				
New Zealand	5,203	5,436	5,012	4,398		0.7	-3.6	-1.3	-5.6	-5.6					-1.3	-0.9	-6.6	1.9	0.6	
Solomon Is	3	4	4	4		-14.4	1.6	19.2							19.2	40.2	36.0	-16.9	38.5	
<i>South Asia</i>	9,685	13,982	15,519	15,088																
Bangladesh	70	76	74	..		-4.8	-3.0								-35.3	-55.2	-10.7			
Bhutan	19	30	39	..	\$	24.5	30.1	..							-18.0	-34.7	11.8	6.2		
India	7,493	10,729	11,832	10,605		13.4	16.0	-0.3							-0.1	-7.4	7.4	0.4	1.3	
Iran	1,069	1,677	1,908	..	\$	15.5	13.8	..							47.4					
Maldives	287	602	664	590	\$	17.6	10.2	-11.2												
Nepal	132	198	336	371		41.8	77.9	22.6							22.6	24.8	59.0	25.3	-6.5	
Pakistan	182	276	316	272	\$	8.2	14.5	-13.9	18.5	18.5	12.0	15.8	28.6		-13.9	-9.7	8.2	-31.6	-12.9	
Sri Lanka	429	385	342	350		0.0	-13.0	8.6							8.2	-16.9	-1.5	39.0	19.5	

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO June 2010)

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

The problems in Thailand have had a spillover effect on tourism to Cambodia, Lao P.D.R. and the Greater Mekong area, much of which is routed through Thailand. Nevertheless, arrivals in Vietnam were up 32% and in Cambodia 12% in the first five months of the year, more than making up for the decline last year. Cruise-ship visits to the Mekong are also said to be increasing.

Arrivals in Oceania have been growing more moderately, by 6% in the year to date, but were also down less severely in the same period last year. Both Australia and New Zealand grew at 3% and are finding it easier to generate increased travel between the two respective countries than to attract long-haul visitors. Both are worried about the important UK and European markets, with their weak economies and currencies, which make the long-haul flights involved even more expensive. And a study by the Australian Government shows that the UK's massive increase in the Air Passenger Duty has had a clearly visible, detrimental effect on demand for Australia and other long-haul destinations.

Nevertheless, Australia has seen some increases this year from all ten of its largest markets, and New Zealand also detects some signs of a turnaround in travel from its major long-haul markets. Many Pacific islands have seen recoveries in arrivals and the Marshall Islands, for instance, reports that Continental Airlines is offering two extra flights per week, year round, on its Honolulu-Majuro-Guam route. But Samoa is still suffering from the after-effects of its tsunami, and arrivals in New Caledonia are also still falling heavily.

Arrivals in South Asia have been really strong (+14% in the year to date) partly because tourism in India and Sri Lanka has been recovering not just from the economic downturn, but from their own problems in 2009 – the terrorist attacks in Mumbai and elsewhere in India, and the civil war in Sri Lanka. Arrivals in the first five months of the year were up 11% in India and (from a particularly low base) 49% in Sri Lanka.

But the Maldives and the Himalayan countries are also thriving: arrivals in Nepal were up 18% and those in Bhutan 57%, with the help of investments in airport and hotel capacity. Arrivals in the Maldives rose by 17%.

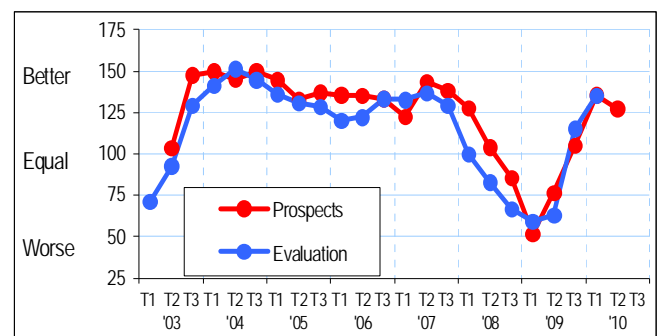
Prospects

Recent increases in arrivals in Asia Pacific have been quite extraordinary, but they partly represent a recovery which some believe will fade as the weak numbers of the first half of 2009 fall out of the calculations. The Pacific Asia Travel Association (PATA) predicted at the end of March that international arrivals in the region (which by its own definition includes the Americas) would increase by around 2.7% a year in 2010-12 – just 1% in 2010, 4.5% in 2011 and about 4.0% in 2012. Arrivals in South Asia are forecast to grow the by 4.9%, Southeast Asia by 4.8% and Northeast Asia by 2.2% a year.

These increases nevertheless allow for some very large increases on individual routes, including (over the three years) 692,000 from China to the Republic of Korea, 317,000 from India to Thailand and 292,000 from Australia to Malaysia. Throughout the region, investments in tourism are continuing in spite of the decline in profits last year, flight capacity is being increased, and new routes are being introduced (especially by low-cost carriers). Growth in hotel capacity has slowed but is still substantial. And the cruise business (which used to contribute only marginally to tourism in much of the region) is growing fast – stimulated by investment in new or upgraded cruise terminals in Singapore, Shanghai, Hong Kong (China) and elsewhere.

UNWTO Panel of Tourism Experts

Asia and the Pacific



Source: World Tourism Organization (UNWTO) ©

In the longer term, it looks as if the huge potential of China and India is at last being realised. China's State Council has announced publicly (one of the first governments in the world to do so) that tourism has been earmarked as a strategic pillar of its economy going forward. The December 2009 report, *Accelerating the Development of the Tourism Industry*, included targets for increasing domestic tourism by 10% a year in 2010-20 to 3.3 billion visits, inbound tourism by 8% a year to 90 million arrivals and outbound by 9% a year to 83 million. It hopes that this growth will generate 500,000 new jobs a year and raise revenues by 12% annually. In the short term, that is for 2010, it expects outbound trips to rise by 7% to 51 million.

To take advantage of this potential, many countries in the region are developing special marketing programmes to attract Chinese visitors. The USA, Japan and the Republic of Korea have relaxed their visa requirements for Chinese travellers this year. The Australian Federal Government has just announced that it will spend A\$ 30 million on a campaign to lure more Chinese tourists 'down under'. China is expected to emerge as Australia's number one source market for international visitors in the next few years and the major goal is to lure more Chinese visitors to north Queensland.

Reports from India are also strikingly optimistic, citing world and Indian prosperity, strong domestic demand, new tourism-related infrastructure (including new highways and the upgrading of important gateways like

Delhi, Hyderabad and Bengaluru), new international-class hotels, investment in niche markets (for rural tourism and adventure tourism, MICE, health and wellness, etc), the effective 'Incredible India' marketing campaign, and the introduction of visas on arrival for several nationalities. India is holding the Commonwealth Games in Delhi in October 2010.

Indeed, on a subregional grouping basis, India and other destinations that make up South Asia are forecast by PATA to grow the fastest over the next few years, at an average rate of 4.9% per annum over the period to 2012, slightly ahead of South-East Asia at +4.8%.

The PATA forecasts are particularly interesting (and some would say overly pessimistic) since they suggest that, while Asia and the Pacific will undoubtedly continue to lead the global tourism recovery, the overall growth rates are projected to remain very much lower for the next few years – and most certainly lower than has been the case in the recent past. This, in turn, PATA notes, heralds the need for tourism-based businesses to continue to find profits in cost containment rather than in volume growth, at least for the current three-year cycle.



4th UNWTO/PATA Forum on

Tourism Trends and Outlook

Theme: Domestic and Regional Tourism: Issues, Opportunities, and Prospects

**2-4 September, 2010
Guilin, China**

This 4th edition of the Forum is jointly organised by the World Tourism Organization (UNWTO) and Pacific Asia Travel Association (PATA), hosted by Guilin Municipal People's Government and in collaboration with Hong Kong Polytechnic University.

The forum will provide a platform for governments, industry and academics to analyze the current economic situation and its impact on tourism, with a focus on domestic and regional tourism.

The two-day Conference will be divided into two sessions:

- The technical session (on the first day) aims at a small audience. This session will provide practitioners and academics with a forum to exchange views and experiences on the current situation of domestic and regional tourism with examples or best practices from a selected group of destinations and source markets in Asia and the Pacific. The main focus of the technical sessions is on domestic and regional tourism as a strategy for the resilience of destination economies after the crisis.
- The plenary session (on the second day) is open to a broad audience. This session, to be conducted by renowned international speakers from the tourism sectors, will be devoted to strategies, practices and trends of growth of domestic and regional tourism as economic resilience. The role of education and research in fostering sustained growth of domestic tourism will also be reflected.

The forum is aimed at participants from the following areas:

- Senior management and research officials from National Tourism Administrations and National Tourism Organizations
- Practitioners from tourism industries (tour operators, hotels, transport services, telecommunications, financial bodies, consultancy firms, etc)
- Research institutes and universities

For more information:

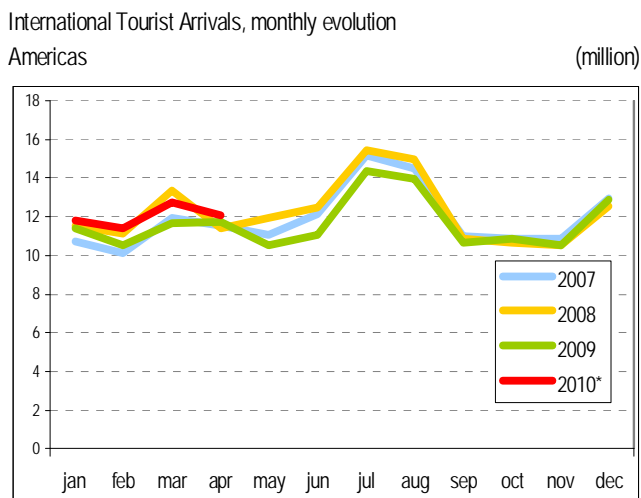
www.unwto.org/asia/guilinforum/en/guilin.php



The Americas

Results

Collectively, the Americas have been emerging from the world economic recession with neither the dynamism of Asia, Africa and the Middle East, nor the hesitancy of Europe. This is reflected in the number of international tourist arrivals, with the region as a whole posting an increase for the year to date of 6% – close to the world average and not quite making up for the decline in the corresponding period last year. But it is easy to find individual countries which have been doing very much better than this, or very much worse.



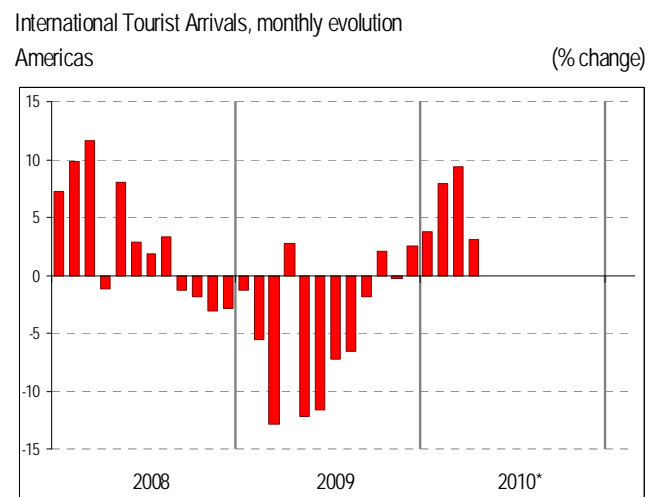
Source: World Tourism Organization (UNWTO) ©

The USA, which alone accounts for nearly 40% of total arrivals in the Americas, produced an increase in arrivals of 15% in January-February, which the US Department of Commerce calls a “dramatic increase” and which more than makes up for the decline in the same period last year. The growth has been coming mainly from Asia and South America. In this period last year, the USA posted double-digit declines from 8 of the top 20 markets and declines from 16 of them; this year there were declines in only 3 and double-digit increases in 12.

Other respondents from the USA are not always so upbeat, perhaps because they have been experiencing the combination of the buoyant inbound market and the more hesitant domestic market. US citizens are still influenced by the weakness in employment prospects, lack of growth in disposable incomes and a certain despondency – unusual in such an optimistic country – about political and economic trends. The general view in the tourism sector is that the welcome recovery in travel and tourism demand has been modest, but has not made up for the decline during the recession. A combination of economic recovery, pent-up demand and very competitive pricing is helping leisure travel (advance bookings for holiday homes is said to be very strong), but corporate travel and the meetings business continue to be sluggish – and even decline from some markets.

Arrivals in Canada were flat in the first four months of 2010, compared to an 8% decline in the first three months of 2009. The Winter Olympics in Vancouver boosted arrivals in February (they were 3% up compared to February 2009), with significant increases from Japan, China, the Republic of Korea, Germany and France, but with declines from the UK and India. Demand from Mexico continues to be undermined by the imposition of visas, and arrivals in February were down 50%. Economically the country is prospering, but the strong exchange rate is discouraging inbound travel and encouraging outbound travel to the USA.

Mexico recorded a 3% decline in the first four months of 2010, but data compares to a still quite strong first quarter of 2009. Confidence is returning to the destination after the damage caused in 2009 by the H1N1 influenza ‘pandemic’ and the financial crisis. Expectations remain high with regard to the US market rebound. Although weakness in the European market poses some concern, the destination has reported a strong increase of tourists coming from South America. On the other hand, unrest related to drug violence in some parts of the country (not necessarily the traditional tourist destinations) could turn into a source of uncertainty for international travellers.



Source: World Tourism Organization (UNWTO) ©

According to available reports from UNWTO Panel of Experts’ members from the Caribbean for this Barometer, there seems to be optimism generally. Airlift capacity is on the rise again (or at least recovering). The available figures show an increase of 4% in arrivals in the first four months of the year, after a decline of 8% in Q1 and 2% in Q2 last year. Islands which outperformed the subregion’s average include Martinique (+16%), the US Virgin Islands (+12%), St Lucia (+9%), and the Cayman Islands (+6%). Puerto Rico posted a strong increase in arrivals of 11% in the first two months of the year.

Reports from the Bahamas (+2%) are also upbeat: an increase in air capacity has been filled by a successful ‘Companion Fly Free Programme’, which has brought an increase in forward bookings and therefore allowed the hospitality sector to reintroduce last-minute offers to fill

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

	Full year				Change		Monthly or quarterly data series (percentage change over same period of the previous year)												
	Series	2005	2007	2008	2009*	08/07	09*/08	Series	2010*					2009*					
		(1000)				(%)		YTD	Q1	Jan	Feb	Mar	Apr	May	Q1	Q2	Q3	Q4	
Americas		133,311	142,933	146,931	140,099	2.8	-4.6	6.0	7.0	3.8	7.9	9.4	3.1	-6.9	-7.2	-5.6	1.5		
North America		89,891	95,284	97,717	92,109	2.6	-5.7	6.9	7.9	2.8	10.4	10.4	4.2	-7.7	-9.7	-5.7	-0.1		
Canada	TF	18,771	17,935	17,142	15,771	-4.4	-8.0	TF	-1.6	-0.2	-7.6	2.6	3.6	-4.8	-8.2	-7.3	-8.3	-8.1	
Mexico	TF	21,915	21,370	22,637	21,454	5.9	-5.2	TF	-3.2	-2.8	-5.2	-5.9	2.6	-4.8	7.7	-19.2	-8.0	-1.2	
United States	TF	49,206	55,979	57,937	54,884	3.5	-5.3	TF(1)	15.3		9.5	21.6			-14.3	-6.5	-3.9	2.3	
Caribbean		18,799	19,839	20,081	19,626	1.2	-2.3		3.8	4.7	3.4	2.6	7.8	1.1	-7.7	-1.9	0.9	3.6	
Anguilla	TF	62	78	68	56	-12.1	-18.2	TF	-7.0	-7.0	-7.0	-7.0	-7.0		-25.6	-18.9	-16.3	-7.5	
Antigua, Barb	TF	245	262	266	234	1.5	-11.8	TF(2)	1.2	1.2	-1.9	2.6	2.6		-14.3	-13.8	-10.5	-7.7	
Aruba	TF	733	772	827	813	7.0	-1.7	TF	2.0		3.1	0.9			-9.6	0.7	1.6	1.4	
Bahamas	TF	1,608	1,528	1,463	1,327	-4.2	-9.3	TF(2)	1.6	1.6	-2.7	-5.3	9.7		-16.2	-12.0	-7.3	2.9	
Barbados	TF	548	575	568	519	-1.2	-8.6	TF	3.1	2.0	6.3	-2.5	2.7	-8.7	21.1	-8.6	-12.5	-13.8	0.0
Bermuda	TF	270	306	264	236	-13.7	-10.5	TF	-10.5	-10.5	-17.9	-13.4	-4.5		-22.8	-14.3	-5.3	-2.5	
Bonaire	TF	63	74	74	67	0.0	-9.9	TF							-13.0	-20.6	-3.0	-1.0	
Br. Virgin Is	TF	337	358	346	..	-3.4	..	TF							-25.0	-9.0	-8.2	1.6	
Cayman Islands	TF	168	292	303	272	3.9	-10.2	TF	5.0	8.3	6.8	2.7	14.3	-2.2	1.8	-14.3	-12.1	-12.7	1.0
Cuba	TF	2,261	2,119	2,316	2,405	9.3	3.8	VF	1.2	0.1	-4.7	-2.1	6.9	2.8	4.1	2.0	3.8	5.1	3.9
Curaçao	TF	222	300	409	367	36.4	-10.3	TF	-11.6	-10.0	-13.4	-15.1	-0.8	-16.7		-4.2	1.9	4.7	-30.1
Dominica	TF	86	88	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	3,980	3,992	0.0	0.3	TF	2.0	3.9	5.8	2.1	3.8	-3.2	0.2	-5.2	-0.5	1.5	8.1
Grenada	TF	99	129	130	113	0.4	-12.5	TF	-1.3	-1.3	-7.1	-0.3	5.4		-15.8	-16.2	-11.2	-5.5	
Haiti	TF	112	386	304	..	-21.2	..	TF							19.1	56.4	64.5	69.7	
Jamaica	TF	1,479	1,701	1,767	1,831	3.9	3.6	TF	6.4	8.3	8.2	4.5	11.7	0.7	0.2	6.7	5.7	2.0	
Martinique	TF	484	501	480	443	-4.3	-7.7	TF	16.1	21.7	-5.9	24.2	50.3	0.5	-23.1	-6.4	6.4	-2.8	
Montserrat	TF	10	8	7	6	-5.0	-14.3	TF	-8.4	-8.4	-6.4	-15.3	-4.4		-12.6	-18.5	-22.2	-7.6	
Puerto Rico	TF	3,686	3,687	3,716	3,551	0.8	-4.5	THS(3)	10.6		8.8	12.4			-9.5	-1.8	2.6	4.5	
Saba	TF	11	12	12	..	3.2	..	TF		-5.6	-8.1	-7.1	-1.7		1.9	-1.8			
Saint Lucia	TF	318	287	296	278	2.9	-5.8	TF	8.9	12.5	13.2	10.3	14.0	-1.3	-13.7	-5.2	-6.9	4.9	
St. Eustatius	TF	10	12	12	12	1.6	2.6	TF							-6.9	4.7	1.1	13.1	
St. Kitts-Nev	TF	141	123	128	93	3.8	-27.1	TF	-12.8	-12.8					-28.2	-31.0	-22.8	-24.5	
St. Maarten	TF	468	469	475	440	1.3	-7.4	TF(2)	7.0	7.0	4.3	6.0	10.9		-16.1	-7.7	-7.2	5.8	
St. Vincent, Grenadines	TF	96	90	84	73	-6.1	-13.6	TF	2.1	2.1	-7.9	5.8	8.0		-11.1	-15.5	-12.8	-1.4	
Trinidad Tbg	TF	463	449	433	..	-3.8	..	TF			11.4	-26.5			-11.2	-3.8			
US. Virgin Is	TF	582	581	586	..	0.8	..	VF(2)	11.5	15.1	9.1	6.7	29.4	1.2	-12.5	-3.9	-0.4	12.1	
Central America		6,301	7,752	8,296	7,871	7.0	-5.1		7.5	8.8	4.8	7.7	14.2	3.3	-6.2	-9.1	-5.2	0.0	
Belize	TF	237	252	245	232	-2.6	-5.2	TF	1.6	5.8	-0.9	5.1	12.0	-12.0	-10.1	-5.7	-2.0	0.2	
Costa Rica	TF	1,679	1,980	2,089	1,923	5.5	-8.0	TF	11.5	11.5	4.3	16.5	15.8		-12.0	-8.0	-6.6	-3.9	
El Salvador	TF	1,127	1,339	1,385	1,091	3.5	-21.2	TF	4.1	4.1	-8.9	11.5	12.3		-18.9	-30.2	-19.1	-16.4	
Guatemala	TF	..	1,448	1,527	..	5.4	..	VF	10.9	8.3	14.7	-0.7	9.4	4.7	35.4	3.9	-11.3	3.2	16.7
Honduras	TF	673	831	899	870	8.2	-3.3	TF	3.0	3.0	3.0	3.0	3.0		-11.4	2.9	4.1	-7.6	
Nicaragua	TF	712	800	858	932	7.2	8.6	TF	8.9	16.7	6.1	10.3	34.4	-12.4	4.5	15.5	5.1	9.9	
Panama	TF	702	1,103	1,293	..	17.2	..	TF*	6.7	7.5	5.3	3.3	13.8	4.2	3.3	-9.2	-12.9	2.0	
South America		18,321	20,057	20,837	20,493	3.9	-7.6		4.5	5.6	6.7	5.5	5.2	0.0	-3.7	1.8	-11.0	7.0	
Argentina	TF	3,823	4,562	4,700	4,329	3.0	-7.9	TF	14.7	14.7					-12.4	-5.6	-23.5	10.6	
Brazil	TF	5,358	5,026	5,050	4,802	0.5	-4.9	TF							-3.8	-1.0	-13.5	-1.6	
Chile	TF	2,027	2,507	2,699	2,750	7.7	1.9	TF	-8.1	-6.0	2.5	-4.3	-23.6	-18.2	3.4	12.3	-9.8	2.1	
Colombia	VF	933	1,195	1,223	1,354	2.3	10.7	VF	5.2	8.3	6.2	6.0	12.8	-4.2	7.5	13.2	6.9	15.7	
Ecuador	VF	860	937	1,005	968	7.2	-3.7	VF	11.2	15.9	11.0	23.6	14.1	-3.3	10.4	-5.3	0.7	-7.7	-1.6
Guyana	TF	117	131	133	141	1.0	6.2	TF	7.3	7.3	14.0	-8.2	13.7		-7.1	12.8	10.2	7.9	
Paraguay	TF	341	416	428	439	3.0	2.6	TF	2.9	2.3	2.9	2.6	1.2	5.0	3.7	2.8	-5.7	12.2	
Peru	TF	1,571	1,916	2,058	2,140	7.4	4.0	TF							0.2	-0.1	-1.0	18.5	
Uruguay	TF	1,808	1,752	1,921	2,055	9.7	6.9	TF	2.2	1.8	-1.7	-2.7	15.7	-0.7	8.3	1.4	19.8	-6.0	15.8
Venezuela	TF	706	771	744	..	-3.5	..	TF							-19.3	-15.2			

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO June 2010)

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

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

(2) Non-resident air arrivals only

(3) Non-resident hotel registrations only

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

	US\$				Local currencies, current prices (percentage change over same period of the previous year)														
	2005	2007	2008	2009*	Series 07/06					08/07					09/08				
	(million)				YTD	Q1	Jan	Feb	Mar	Apr	May	YTD	Q1	Q2	Q3	Q4			
Americas	144,989	171,121	187,583	165,193															
<i>North America</i>	107,363	125,081	138,371	118,768															
Canada	13,760	15,333	15,106	13,576		-0.8	-2.1	-3.7	6.0	6.0									
Mexico	11,803	12,852	13,289	11,275	\$	5.5	3.4	-15.2	-0.3	1.3	-2.2	-0.7	6.6	-5.8					
United States	81,799	96,896	109,976	93,917	sa	12.9	13.5	-14.6	6.8	6.6	5.0	5.9	8.9	7.6					
<i>Caribbean</i>	20,741	23,258	23,629	22,352															
Anguilla	86	115	109	89		6.7	-4.8	-18.5	-6.3	-6.3									
Antigua, Barb	309	338	334	293		3.4	-1.1	-12.3	0.2	0.2									
Aruba	1,094	1,256	1,411	1,295		16.3	12.4	-8.2											
Bahamas	2,069	2,187	2,153	1,938		6.4	-1.6	-10.0											
Barbados	896	1,189	1,194	1,096		12.5	0.5	-8.3	-3.2	-3.2									
Bermuda	429	568	431	363		15.0	-24.1												
Bonaire	87	110	121	106		20.5	10.5	-12.1											
Cuba	2,150	2,141	2,258	2,080	*				4.1	4.1									
Curacao	244	327	378	361		18.0	15.6	-4.4											
Dominica	57	66	69	66		-7.5	3.8	-4.3	11.4	11.4									
Dominican Rp	3,518	4,064	4,166	4,065	\$	3.8	2.5	-2.4	4.0	4.0									
Grenada	71	108	110	94		15.1	1.5	-13.9	-3.2	-3.2									
Jamaica	1,545	1,910	1,976	1,938	\$	2.1	3.5	-1.9											
Montserrat	9	7	7	6		-3.9	-5.4	-15.0	-20.0	-20.0									
Puerto Rico	3,239	3,414	3,535	3,473	\$	1.3	3.5	-1.8											
Saint Lucia	369	302	311	286		2.6	3.1	-8.1	10.9	10.9									
St. Kitts-Nev	121	125	108	91		-5.2	-13.4	-15.3	-8.7	-8.7									
St. Maarten	659	662	663	616		1.6	0.3	-7.2											
St. Vincent, Grenadines	77	110	96	85		-2.9	-12.7	-11.8	-0.6	-0.6									
<i>Central America</i>	4,486	5,837	6,360	5,900															
Belize	214	289	279	256		11.0	-3.5	-8.0											
Costa Rica	1,671	2,026	2,285	2,075	\$	18.7	12.8	-9.2											
El Salvador	361	482	425	319	\$	26.4	-12.0	-24.8											
Guatemala	791	1,055	1,068	820	\$	14.8	1.3	-23.3											
Honduras	463	546	619	..	\$	5.9	13.5	..											
Nicaragua	206	255	276	346	\$	10.6	8.3	25.2	22.5	22.5									
Panama	780	1,185	1,408	1,483		23.4	18.8	5.3	11.0	11.0									
<i>South America</i>	12,400	16,946	19,223	18,173															
Argentina	2,729	4,314	4,646	3,916	\$	29.0	7.7	-15.7											
Bolivia	239	292	275	279	\$	19.6	-5.9	1.5											
Brazil	3,861	4,953	5,785	5,305	\$	14.8	16.8	-8.3	16.7	16.4	14.2	18.0	17.1	18.9	15.4				
Chile	1,109	1,478	1,674	1,568	\$	21.8	13.3	-6.3	-16.2	-16.2									
Colombia	1,222	1,669	1,844	2,000	\$	7.4	10.5	8.4											
Ecuador	486	623	742	663	\$	27.3	19.0	-10.6											
Paraguay	78	102	109	112	\$	11.3	7.5	2.3	2.4	2.4									
Peru	1,308	1,723	1,991	2,046	\$	9.7	15.6	2.8	13.4	13.4									
Uruguay	594	809	1,051	1,311	\$	35.3	30.0	24.7	18.5	18.5									
Venezuela	650	817	915	788	\$	6.4	12.0	-13.9											

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO June 2010)

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

* Receipts of tourism entities

remaining capacity. Nassau harbour has been dredged to allow visits from new, larger, cruise ships.

Jamaica also recorded a 6% increase in arrivals in the first four months of the year (and it saw no decline at all in Q1 2009). In May and June the country hit the headlines with the hunt for and capture of a major drug lord. The immediate effect on arrivals in the six big tourist resorts was not serious, but the effect on Kingston was. Cricket matches scheduled for Sabina Park in June had to be moved to Trinidad. Stakeholders in Kingston think that it will take up to 18 months to repair their name in the marketplace, and those in the resorts fear that, although few visitors cancelled their trips, more will choose other destinations when it comes to making bookings.

Arrivals in the Dominican Republic rose by 2% in the first five months of 2010. The country posted a 4% increase in the first quarter of 2010, reversing a negative Q1 2009. Arrivals were slightly down in April partly due to the effect of the Icelandic volcanic ash on European outbound travel, but picked up in May. In Cuba, a weak start in 2010 (with the first two months showing negative growth) weighed on its overall performance through May, with a moderate increase in arrivals of 1%. Both destinations have noted the impact of the economic downturn on tourist flows from Europe. But they have also highlighted the ongoing diversification of their source markets (e.g. South America and Russia).

Arrivals in Central America in the first four months of 2010 are estimated to have risen 8%, more than making up for the decline in 2009. Most reports from the subregion are upbeat, noting that travel within the area has been buoyant and that arrivals from the USA and Spain have been surprisingly strong. However, increases in arrivals in El Salvador and Honduras have not been strong enough to make up for the declines last year.

Many countries in South America are performing remarkably well, which is boosting intraregional travel, but their strong exchange rates are discouraging long-haul inbound tourism. Brazil is the outstanding example: a very strong economy is boosting domestic tourism (both leisure and business), while a high exchange rate is permitting Brazilians to travel abroad but is discouraging inbound travel.

In contrast, Argentina is enjoying strong growth in inbound tourism, because of the prosperity of neighbouring markets and a sharp depreciation of the peso against the US dollar, the euro and especially the Brazilian real. Tax-free shopping by international tourists was up 23% in April, including increases of 79% from Brazil and 69% from Uruguay. The exchange rates have also diverted Argentine tourists from overseas destinations to the domestic market – although the weak euro is encouraging travel to Europe and trips to the Near and Far East are also reported to be rising.

Tourist arrivals in Uruguay in the first five months of 2010 are reported to be up just 2%, a moderate increase by regional standards. But this trend contrasts with other reports: for instance, the city of Montevideo claims a 16%

increase in arrivals in January-April (including increases of 27% from Brazil and 19% from Chile), and a 32% increase in spending. Paraguay (+3%) reports only slightly stronger figures for January-April.

In Chile (-8%), the earthquake and tsunami at the end of February did serious damage to some important tourist areas. Peru is believed to have been doing rather well until heavy rains and floods cut off access to the country's principal attraction, Machu Picchu. Tour operators and hoteliers in Peru reported that 20-30% of customers scheduled to visit in February and March cancelled their trip to Peru. International Expeditions, which operates a river cruise on the Peruvian Amazon with an extension to Machu Picchu and Cusco, reported that about 20% of its customers cancelled and 40% delayed their trip.

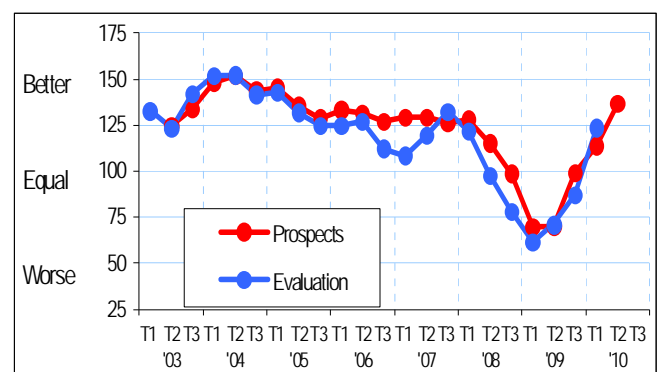
The figures for Ecuador are very much better (+11% in January-May), more than making up for the decline in the same months last year. With the continued improvement in the reputation of Colombia, international arrivals there increased by 5% in January-April following an already very positive 2009 (with a focus on business and meetings' destinations like Bogotá, Cartagena and Medellín). Visa-free arrangements are boosting travel from Cuba, but political issues continue to restrict the potential of tourism from Venezuela and Bolivia.

Prospects

In general, throughout the Americas, improving economic trends promise a further acceleration in international arrivals – a promise which seems to be reflected in increased air capacity to many destinations. It is to be hoped that the region will be spared further natural disasters like those in Haiti, Chile and Peru, which have been so damaging to tourism but, at the time of closing this Barometer, the catastrophe of Deepwater Horizon is hanging over Louisiana and Florida, and indeed the whole of the Gulf of Mexico.

UNWTO Panel of Tourism Experts

Americas



Source: World Tourism Organization (UNWTO) ©

Given the improved prosperity worldwide, increased air capacity and generally favourable exchange rate, the US Department of Commerce expects the rapid growth in

inbound travel to the USA to continue, with the arguable exception of travel from Europe (note the decline in the value of the euro against US dollar). It expects the fastest growth to come from Brazil, China, Republic of Korea, Argentina and Australia. In the longer term, the Travel Promotion Act holds the promise of a transformation in the USA's international tourism marketing and promotion, as a result, greatly increased exposure for the destination. But, for the time being, few stakeholders seem to be factoring the impact into their short- to medium-term forecasts for the destination's tourism.

Canada also expects 'more of the same', again with heavy influences from exchange rates – the Conference Board forecasts a rise in both domestic and outbound travel with a concomitant rise in inbound tourism from Asia Pacific, but with a decline in arrivals from the USA and Europe. The Government Economic Action Plan stimulus funding for promoting international festivals and events has been extended for a second year.

Mexico will be celebrating its Bicentenary of Independence in September. With the recovery of the United States underway and the effect of the H1N1 pandemic dissipated, growth rates for arrivals are expected to improve in the coming months. Argentina, which

suffered heavy declines in arrivals during its last winter season because of the H1N1 pandemic, will see improved growth rates in the next few months.

Chile and Colombia are also celebrating their Bicentenaries this year. In Ecuador, a new northern beach resort Decamerón has opened, aimed principally at the Colombian and upper middle-urban domestic market, but the Galapagos expects a slight decline in visits because of increased charges.

There is an interesting development in Cuba: the government has announced plans to allow foreigners to develop golf courses and marinas, and to lease the land involved (foreigners are normally prohibited from leasing land). This suggests a new attitude to tourism on the part of the government, which says it talking with "several potential foreign partners" about the development of up to ten golf courses. It hopes they will attract more affluent tourists to the island. Last year, some 2.4 million tourists visited Cuba, but many of them came for short stays and spent little. New hotel and airport capacity is also coming on stream this year. In the short term, the government expects increases in arrivals from the Americas (e.g. the USA, Argentina, Mexico, Chile, Peru and Brazil) and Russia, but not from traditional European markets.

Elibrary

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

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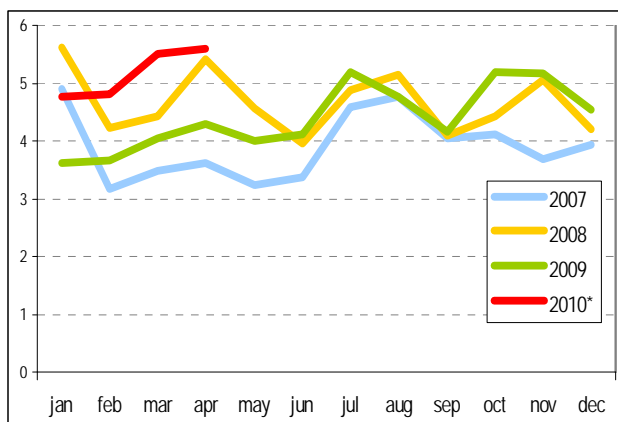
Africa and the Middle East

Results

With monthly increases all hovering around the 30% level, the Middle East is unarguably the star performer in the world for the year to date. The region's average growth was 33% over the first four months of 2010 (although few countries have contributed to the April estimate) and, while there are several gaps in coverage of the region's arrivals, there is little to indicate that those destinations that do not yet have any data available will have turned in a significantly weaker performance than their neighbours.

One major reason for the strong growth is of course the bounce-back from the depressed level in the first two quarters of 2009, when arrivals fell by 20% and 11% respectively. But this does not explain the trend fully. Also important has been the reported increase in airline capacity across the region, which has undoubtedly stimulated demand. And, despite continuing tensions between Israel and Palestine, the improved stability in the Levant has helped to reassure potential visitors, reinforcing the perception of the region as a safe and visitor-friendly part of the world to visit.

International Tourist Arrivals, monthly evolution
Middle East (million)



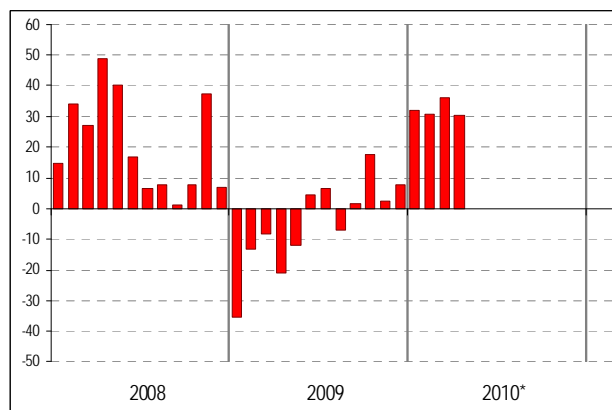
Source: World Tourism Organization (UNWTO) ©

Tourism to Saudi Arabia has rebounded remarkably well this year, resulting in 66% additional arrivals in the Middle East's leading tourism destination over the first four months of 2010, following decreases of 60% and 44% in Q1 and Q2 of 2009 and a 26% decline in arrivals in 2009 overall.

Syria's impressive 65% increase from January-May, which followed a 12% rise in arrivals in 2009, is attributed to a number of factors. These include the suspension of visas between Turkey and Iran; improved relations with Lebanon; the abolition of cross-border fees for cars travelling between Jordan and Syria; increased promotions in Europe and enhanced media coverage of the destination. Palestine recorded an even higher 79% increase in Q1. And Lebanon, meanwhile, was up 32% in the same period.

Thanks to a strong recovery in demand since September 2009, Egypt has enjoyed very positive monthly growth this year, averaging 22% over the first five months. The Ministry of Tourism believes that, based on booking trends to date, expansion will be significant in 2010, although conditions will remain tough for many in the industry. And Russia appears to have maintained its position as the prime source of tourists to Egypt. In 2009 Russian arrivals totalled 2 million, up 12% over 2008.

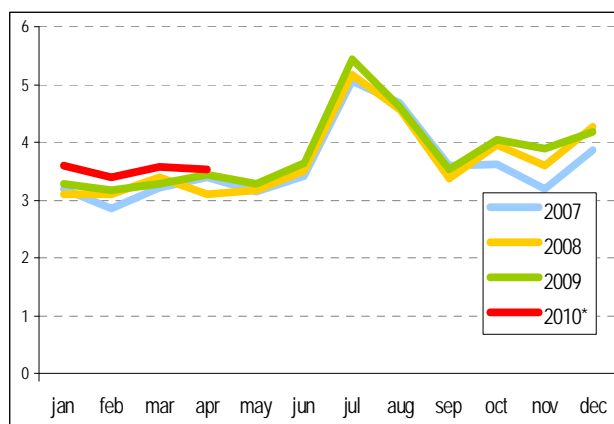
International Tourist Arrivals, monthly evolution
Middle East (% change)



Source: World Tourism Organization (UNWTO) ©

Despite yet another cut in annual funding for marketing and promotions abroad, Jordan achieved an increase in international arrivals of 33%, also in Q1, after bucking the global trend in 2009 with a 2% rise in arrivals and only a modest 1% decline in international tourism receipts. Reports in the Jordanian media suggest that Petra alone attracted a 50% increase in visitors (+53% in foreign visitors alone) in Q1, and this would have been even higher if there had been more hotel room capacity available. Other sites achieved even more impressive results – with visits to Mount Nebo reportedly up 88% and Madaba at +72%.

International Tourist Arrivals, monthly evolution
Africa (million)



Source: World Tourism Organization (UNWTO) ©

No data is available yet for the United Arab Emirates (UAE), although Dubai International Airport has reported double-digit increases in passenger throughput. The

outlook also remains strong as it expects traffic in June-September to hit record levels. But there is one cloud on the horizon that may hamper growth. Emirates, which has just ordered another 32 new Airbus A380s, is expecting to face increased reluctance [from foreign governments] to grant traffic rights to the Dubai-based carrier to accommodate its next phase of expansion. The French Government recently rejected requests to permit UAE-

based airlines to obtain more landing slots in Paris. Emirates, Etihad and Air Arabia were seeking a total of seven new slots at the airport, but the French authorities reportedly agreed to only one new service, between Dubai and Lyon. The airline says that it is also facing intensifying competition in key markets such as India, as local Indian carriers have improved their competitive position.

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

	Full year				Change		Monthly or quarterly data series (percentage change over same period of the previous year)												
	Series	2005	2007	2008	2009*	08/07	09*/08	Series	2010*					2009*					
		(1000)				(%)	YTD		Q1	Jan	Feb	Mar	Apr	May	Q1	Q2	Q3	Q4	
Africa		35,780	43,241	44,293	45,559	2.4	2.9		7.0	8.7	9.6	7.2	9.1	2.4	1.7	6.2	3.4	2.5	
<i>North Africa</i>		13,911	16,349	17,140	17,574	4.8	2.5		4.6	9.3	11.3	4.9	11.2	-5.5	2.3	7.6	-1.5	4.5	
Algeria	VF	1,443	1,743	1,772	1,912	1.6	7.9	VF							10.3	19.3	-2.0	14.1	
Morocco	TF	5,843	7,408	7,879	8,341	6.4	5.9	TF	10.7	15.5	15.1	12.5	18.4	0.0	4.4	12.8	1.2	8.5	
Sudan	TF	246	436	441	420	1.1	-4.6	TF							-15.8	-14.4	13.9	-1.9	
Tunisia	TF	6,378	6,762	7,049	6,901	4.2	-2.1	TF	-1.9	0.7	5.9	-5.7	1.9	-12.0	3.0	-0.9	1.3	-4.9	-2.2
<i>Subsaharan Africa</i>		21,869	26,892	27,153	27,985	1.0	3.1		8.3	8.4	8.9	8.2	8.0	7.8	1.4	5.3	8.2	1.6	
Angola	TF	210	195	294	366	51.1	24.3	TF							-23.3	26.4	74.5	5.2	
Botswana	TF	1,474	1,455	1,500	1,553	3.1	3.5	TF											
Cape Verde	TF	198	267	285	287	6.7	0.7	TF							0.1	0.1	1.4	1.4	
Gambia	TF	108	143	147	142	2.9	-3.5	TF							-11.2	3.8	-4.7	8.4	
Ghana	TF	429	587	698	803	19.0	15.0	TF											
Kenya	TF	1,536	1,783	..	..	..	..	VF(1)	18.9	18.9	18.9	16.3	21.7		65.5	35.4	26.1	14.8
Mauritius	TF	761	907	930	871	2.6	-6.4	TF	7.3	7.3	3.7	6.6	12.2		-10.9	-7.0	-10.5	2.4	
Mozambique	TF	578	771	1,815	..	135.4	..	THS							-10.0	-7.2	-4.1	-8.7	
Reunion	TF	409	381	396	422	4.2	6.4	TF							3.1	16.9	-2.3	10.2	
Rwanda	VF	..	710	731	699	3.0	-4.4	VF							25.4	0.8	-13.6	-24.0	
Senegal	TF	769	875	..	..	..	..	TF*	-8.4	-8.4	7.2	-4.7	-28.5		-8.1	-3.0	-7.8	-7.1
Seychelles	TF	129	161	159	158	-1.4	-0.9	TF	14.1	19.1	13.5	18.7	24.1	-4.3	20.7	-14.2	3.1	1.1	8.2
South Africa	TF	7,369	9,091	9,592	7,012	5.5	n/a	VF	8.2	8.2	7.7	7.9	8.9		-2.2	5.3	10.9	2.0	
Swaziland	THS	837	870	754	..	-13.3	..	VF							-0.8	14.5	24.5	15.0	
Zimbabwe	VF	1,559	2,506	1,956	2,014	-22.0	3.0	VF											
Middle East		37,782	46,892	55,965	53,198	19.3	-4.9		32.8	34.2	36.6	31.9	34.3	29.1	-20.5	-10.8	0.1	9.0	
Bahrain	TF	3,914	4,935	..	..	..	..	VF							12.8	-3.7	1.1	1.0
Egypt	TF	8,244	10,610	12,296	11,914	15.9	-3.1	VF	22.3	28.9	31.4	26.6	28.9	5.0	25.1	-13.4	-4.0	0.7	6.5
Jordan	TF	2,987	3,430	3,729	3,789	8.7	1.6	TF	33.4	33.4	30.4	29.7	39.5		-0.5	4.4	0.6	1.9	
Lebanon	TF	1,140	1,017	1,333	1,851	31.0	38.9	TF	32.1	32.1	37.1	32.9	28.3		53.6	65.7	32.8	18.2	
Palestine	THS	88	264	387	391	46.6	1.0	THS	78.9	78.9	32.8	70.6	145		-12.3	-24.8	32.2	10.6	
Qatar	TF	913	964	1,405	1,659	45.8	18.1	THS							24.3	14.8	36.7	2.0	
Saudi Arabia	TF	8,037	11,531	14,757	10,896	28.0	-26.2	TF	66.4	51.5	88.4	45.5	30.1	103.8	-60.1	-43.9	-13.4	43.6	
Syrian Arab Republic	TF	3,571	4,158	5,430	6,092	30.6	12.2	VF	64.7	72.4	66.5	69.9	79.6	61.2	51.7	2.1	13.5	14.3	11.0
Untd Arab Emirates	THS	7,126	..	..	..	..	..	THS(2)							3.0	-1.5	-5.7	
Yemen	THS	336	379	404	434	6.6	7.3	THS							7.9	27.1	17.1	-17.1	

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO June 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

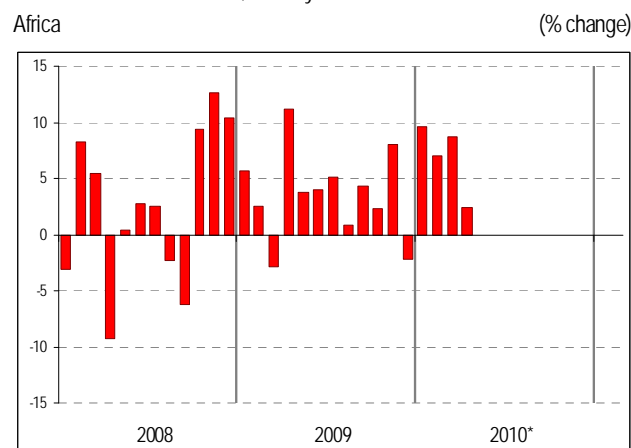
The only region to post positive growth in 2010, Africa is up 7% for the year to date. Q1's growth was higher, at 9%, but the growth slowed in April – in large part due to the closure of Europe's skies for more than a week as a result of the volcanic ash cloud from Iceland. This particularly affected North Africa. Tunisia (-2% for the first five months) suffered a 12% drop in arrivals for the month in question and Morocco, which managed to achieve an increase of 11% from January-April, recorded a flat month.

There are comparatively few Sub-Saharan destinations with data available this year so far but UNWTO estimates that the subregion is up around 8% on the first four months of 2010. Of the leading countries in the region, Kenya continued its post election rebound, recording growth of 19% in Q1 and is back at the previous record level of 2007.

International arrivals in the Seychelles grew by 14% over January-May. This follows a decline of just 1% in 2009, confirming that it is one of those nations that have weathered the adverse economic storms of last year. This year's good performance is attributed to the new tourism policy of the country based on public-private partnership and a strategy of diversifying its source markets. The

concept is based on what the government calls “a win-win strategy” – the state regulates the industry while the private sector drives the industry. The Seychelles has succeeded in moving away from its dependence on traditional European

International Tourist Arrivals, monthly evolution



Source: World Tourism Organization (UNWTO) ©

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

	US\$				Local currencies, current prices (percentage change over same period of the previous year)														
	2005	2007	2008	2009*	Series 07/06					2009*									
	(million)				08/07	09/08	2010*	YTD	Q1	Jan	Feb	Mar	Apr	May	YTD	Q1	Q2	Q3	Q4
Africa	22,042	29,463	29,990	28,699															
<i>North Africa</i>	7,026	10,218	10,777	9,922															
Morocco	4,610	7,162	7,168	6,556	11.5	-5.3	-4.9	10.8	12.4	5.7	18.5	14.7	7.0	-4.9	-23.4	-8.2	-2.4	14.1	
Sudan	89	262	331	299	\$	3.7	26.3	-9.7						-9.7	33.6	5.9	-53.5	-10.6	
Tunisia	2,143	2,575	2,953	2,751	9.0	10.3	2.1	-4.4	-4.4					2.1	8.1	2.3	2.2	-2.1	
<i>Subsaharan Africa</i>	15,016	19,245	19,213	18,777															
Botswana	562	546	553	422	6.9	12.6	-20.0												
Cape Verde	123	303	350	287	33.2	8.0	-13.6							-13.6	-24.5	-16.8	5.6	-15.3	
Ethiopia	168	176	377	..	\$	8.8	113.7	..						-9.9	12.3	-26.9			
Kenya	579	917	752	808	\$	33.3	-17.9	7.4						-24.7	-5.2	-40.9	-23.7		
Mauritius	871	1,299	1,449	1,117	27.4	1.3	-13.4	7.1	7.4	8.0	6.4	7.6	6.1	-13.4	-14.1	-21.9	-13.8	-3.9	
Mozambique	130	163	190	196	\$	17.0	16.3	2.9						2.9	-14.0	-13.9	1.3	47.1	
Namibia	348	434	378	361	17.6	2.1	-2.0							-2.0	1.7	4.7	20.1	-34.2	
Nigeria	54	215	237	..	\$	227.8	10.3	..						-37.4	-37.4	-37.4			
South Africa	7,508	8,754	7,925	7,543	sa	12.2	6.2	-2.4						-2.4	3.1	-3.2	-2.2	-6.9	
Middle East	26,599	35,233	41,464	41,815															
Egypt	6,851	9,303	10,985	10,755	\$	22.6	18.1	-2.1	24.2	24.2				-2.1	-17.2	-1.6	-1.6	13.0	
Jordan	1,441	2,311	2,943	2,911	12.2	27.5	-1.0							-1.0	3.5	1.6	-3.5	-3.0	
Kuwait	164	222	257	247	6.8	9.5	2.9												
Saudi Arabia	4,622	5,968	5,910	5,964	25.4	-0.9	0.9							-20.1	-39.9	-30.5	-3.4	10.3	
Untd Arab Emirates	3,218	6,072	7,162	7,352	22.1	17.9	2.7												

Source: World Tourism Organization (UNWTO) ©

(Data as collected by UNWTO June 2010)

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

source countries, thanks to aggressive promotions in emerging markets such as South Africa, already the sixth most important source market for the Seychelles. The South African market has the potential of doubling its arrivals since the country is also a hub for visitors from other countries, especially those from the USA. The Seychelles is now also attracting visitors from Reunion Island, Kenya, India and China, which are seen to constitute the emerging markets with the greatest potential.

In southern Africa all eyes are at present on South Africa, hosts of the FIFA World Football Cup, currently underway in stadiums across the country with national teams from 32 countries worldwide in competition over a period lasting about a month. The impressive imagery and joyful atmosphere being portrayed by the broadcast media is succeeding in raising awareness of South Africa as a destination with huge tourism potential (not to mention the potential of the broader region). To quote South African Tourism's recently appointed Chief Executive, Thandiwe Sylvia January-McLean: "At any one time, more than 400 million people are watching the matches and the exposure has been great. The World Cup has helped us do away with stereotypes about the country and the feedback we have received from tourists has been a surprise, and it has been mostly positive."

So far data on international tourist arrivals is only available for the first three months of the year, showing a growth of 8%. Anecdotal evidence of the FIFA World Cup's impact, including local statistics, abounds. As an example, Cape Town Tourism's network of 18 Visitor Information Centres reports a 16% increase in international visitors over the same period last year, with a 3% decrease in domestic visitors (indicating that the extended school holidays may have resulted in changed domestic tourism patterns).

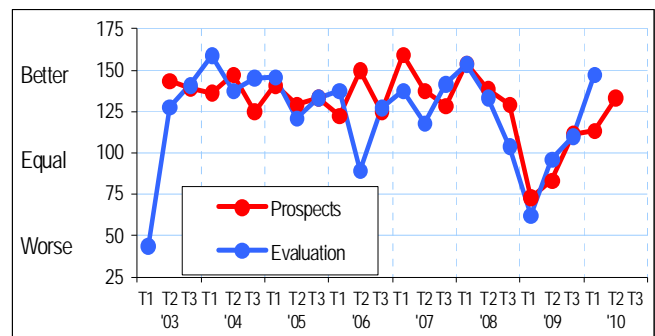
In keeping with the trend towards shorter stays, visitors are flocking to the attractions in close proximity to the stadium precinct. The V&A Waterfront is enjoying trading similar to summer peak season levels and is reporting daily visits of between 150,000 and 160,000 people. Table Mountain Cableway reports that its June 2010 figures are 50% up on those of June 2009 and that the average individual spend is significantly higher than usual. Other Cape Town shopping centres, such as Cavendish Square, Canal Walk and Tygervalley, have also noted an increase in visitors, compared to the previous winter period. And all Cape Town attractions and shopping centres are commenting on the high level of optimism and energy among the visiting crowds.

Some 63% of tour operators polled by Cape Town Tourism have experienced an increase in business of approximately 20% year on year for June, while 16% have experienced 91% to 100% more bookings than this time last year. Around one-third reported that their bookings were last minute 'walk-ins' rather than pre-planned bookings. English, American and German travellers accounted for the greatest proportion of tour customers.

Prospects

Curiously, despite the outstanding performance of the Middle East in the first four months of this year, experts from the region are less bullish than their counterparts in most other regions. But they nevertheless remain fairly strongly positive (with a rating of 133). Among the most positive are experts from Dubai.

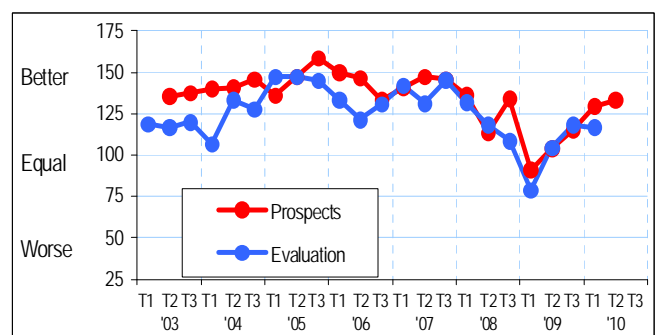
UNWTO Panel of Tourism Experts
Middle East



Source: World Tourism Organization (UNWTO) ©

There are also positive expectations in Syria. During the current four-month period Arab tourism movements are expected to increase because of the promotional campaigns that were launched by the Ministry of Tourism in Arab countries. However, since Ramadan will fall in August and September this year, the increase could be somewhat reduced so, in order to counteract this possibility, the Ministry of Tourism plans to organise various tourist activities during Ramadan and Eid Al fiter.

UNWTO Panel of Tourism Experts
Africa



Source: World Tourism Organization (UNWTO) ©

In Africa, whose experts are more positive (137) about prospects for the current four-month period, May-August, many countries are looking to benefit from the FIFA World Cup, although this may take time to generate real returns. In preparation for the hoped-for increased exposure in both regional and long-haul markets, South African Tourism's marketing budget for Africa has more than doubled this year. And the reason for this is not hard to explain. Angolan visitors, for example, spend more money in South

Africa (R 24,000 per visitor on average) than visitors from any other market in the world and arrivals from Angola have also been growing exponentially.

South African Tourism has also upped its investment in the Indian and Chinese markets, which enjoyed growth of 18% and 10% respectively in 2009. The marketing budget for China has been increased 20% in 2010 and the budget for India is up 50%.

The switch in focus to emerging market sources – and particularly the BRICs (Brazil, Russia, India and China) – is a trend apparent in many African countries, as well as in other parts of the world, due in no small part to the growing recognition of the multi-speed recovery in both the global economy and in tourism demand. Moreover, Chinese investment in the African continent is seen as having a massive influence on the future stability and economic growth of the continent.

This year, 15 African countries are scheduled to go to the polls. The process and how it is conducted will be critical for some of these countries. Yet elections until now have proved to be no panacea. The causes of conflict in Africa stubbornly persist and the political leadership in many countries remains wanting.

Other dynamics are nevertheless beginning to transform the continent and its relations with the outside world. And one significant influence has been China. Trade between China and Africa reportedly rose to US\$ 107 billion in 2008, up tenfold from a decade before. In the same period, Chinese funding of infrastructure and development in Africa grew to rival lending by multilateral agencies such as the World Bank and International Monetary Fund. In some African countries there are now more Chinese immigrants than there were Europeans during colonial times.

The momentum was arrested in late 2008 by the global downturn, which slowed foreign investment, crippled credit to the private sector, and knocked income from tourism and remittances. Many countries are back in the red, giving lenders an opportunity to regain a central role. But China has repeatedly emphasised its commitment to Africa and, with commodity prices now recovering and confidence returning, it is set to play an important role in the continent's future. Watch this space, since tourism can only benefit.

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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In focus

Industry trends

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

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

UNWTO Affiliate Members

Haydée Kuret de Rainieri

President of the Hotel and Restaurant Association of the Dominican Republic (ASONAHORES)

< www.asonahores.com >



The National Hotel and Restaurant Association (ASONAHORES) is a private entity founded in 1962 when the Dominican Republic had very few hotels with no more than 500 rooms. With the development of the hotel industry during the 1980s ASONAHORES initiated its institutional transformation. By 1990, ASONAHORES consolidated as one of the most solid business associations of the Dominican Republic.

Today, ASONAHORES is the leader in the private tourism sector and handles significant roles with private and public institutions that are interested in highlighting the importance tourism has on the economic and social aspects of the country. Its membership includes more than 140 hotels accounting for 70% of the total 66,000 rooms, as well as 150 restaurants and almost 200 suppliers.

1. After a difficult year for world tourism, what is your outlook for 2010?

According to the latest international economic reports, the global economy is recovering faster than expected, which creates new expectations for the tourism industry. In terms of social behaviour, after a difficult year, people tend to have the feeling of 'deserving' a break, which means vacations. On the other hand, vacationing is an essential component in the life of human beings and it is considered by many companies as a necessity for improving performance. As a result, those that decided last year to spend their vacations at home or near their home towns will tend to travel further away this year.

Business wise, recovery is currently underway, but in a tough competitive environment. Therefore, companies will resume:

- conventions, to improve business performance
- business travel, to sell their products
- incentive trips, to motivate and award their staff full stop

From my point of view, through these two key elements – social and business behaviour – we can expect 2010 to be a better year for world tourism which, according to UNWTO's projected world arrivals, should increase between 3% and 4%.

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

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Develop your knowledge



The Dominican Republic was one of the few countries that ended 2009 with an increase in international tourist arrivals. In the first four months of 2010 – basically the winter season – arrivals were up 2%, although April suffered a decrease of 3% due to the volcanic ash that affected Europe.

Our original projection for 2010 was a 3% to 4% increase in tourist arrivals, but with the latest unexpected events including the decline of the euro the situation can change. Anyway, if we are able to develop promotional campaigns – which we believe we can – and to sign specific deals with tour operators, we think we can expect an increase of no less than 2% in comparison to 2009.

2. In your opinion, what are the main challenges for tourism in the Dominican Republic? How can ASONAHORES contribute to reach those goals?

We are currently living a period of big changes in the world, which also include the tourism industry. Worldwide, our industry has the challenge to adapt and to adjust to the requirements and needs of our customers. Late booking, expectation for quality service, safety and security and the respect for the environment are just some of the characteristics of the market's changing behaviour.

In the Dominican Republic, we have advantages such as geographical location, charming people, excellent hotel infrastructure and security. But we still need to better train human resources to meet the current customer's needs, to improve roads to connect tourist areas with surrounding villages and cities, to enlarge the current hotel offer in order to include the luxury segment, and to promote the development of sustainable tourism. We have been working on these issues with some success, but there is still a long way to go.

The main challenge for hoteliers will be dealing with low rates and low benefits while improving service and physical infrastructure. We need to rethink both the structure of the industry and our priorities to preserve the local and foreign tourism investment and prepare a short and long term national plan that states the way to go according to our goals and expectations.

ASONAHORES is involved, along with the Ministry of Tourism, in the elaboration of legislation that will compile rules, duties and rights related to the industry. Plans to earmark specific tourism areas have been prepared by the private and public sectors and will start to be implemented in the next months. In addition, ASONAHORES works closely with the Ministry of Environment and it is currently contributing to the preparation of a tourism national plan for the next ten years.

3. What are the activities currently carried out by ASONAHORES?

ASONAHORES's main achievement is to be the most representative and respected voice of the private tourism sector in the Dominican Republic. It promotes a team work philosophy in favour of the development of Dominican

tourism. It keeps an open dialogue with the government, mainly through the Ministry of Tourism, collaborating in the implementation of promotional campaigns and in the adoption of public policies in support of sustainable tourism.

ASONAHORES is a member of the Board of the Labour Confederation of the Dominican Republic, Civil Aeronautics, National Social Security Council, Committee for the Infrastructure of the Touristic Zones, Welfare for Hotel and Gastronomy Workers, among other institutions.

Statutes have been revised internally in order to open up the Association to other stakeholders of the tourism industry. ASONAHORES has also developed a closer relationship with other business associations in order to reinforce the social and economic presence of the tourism industry in the country. And last but not least, ASONAHORES has established international links with tourism federations, associations and organisations worldwide. ASONAHORES is member of the Board of the Caribbean Hotel and Tourism Organization (CHTA).

For over ten years ASONAHORES has celebrated the two most important local tourism events: the Dominican Annual Tourism Exchange (DATE), where wholesalers and tour operators can meet – welcoming more than 160 buyers each year – and the Commercial Exhibition, which promotes business between equipment, food and general item suppliers and hoteliers. This year's Exhibition to be held in August will host over 170 local and foreign suppliers.

With the help of international organisations, ASONAHORES is also undertaking the creation of training schools for hotel and restaurants, which will contribute to deliver a better service to our visitors.

4. Your Association has recently joined UNWTO. What made you decide to become an Affiliate Member of this international organisation?

The World Tourism Organization is a well respected international institution that offers valuable tools for the development of the tourism industry. Its programmes and events give our membership an opportunity to share the latest trends in the industry. Through it, we become an integral part of the international tourism community.

5. What will be the priorities in the relations between UNWTO and ASONAHORES in the next years?

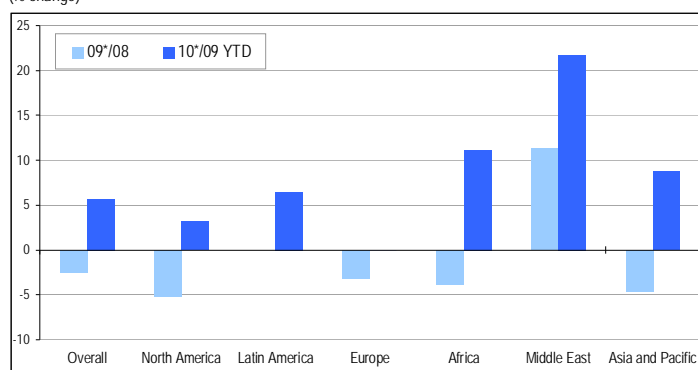
We expect to receive the support from UNWTO to successfully respond to the changes that the Dominican tourism industry will experience in the next years. We would also like to take advantage of the different programmes on offer and to receive guidance and recommendations that could help to contribute to enhanced tourism development.

Transport

IATA's Monthly International Statistics (MIS)

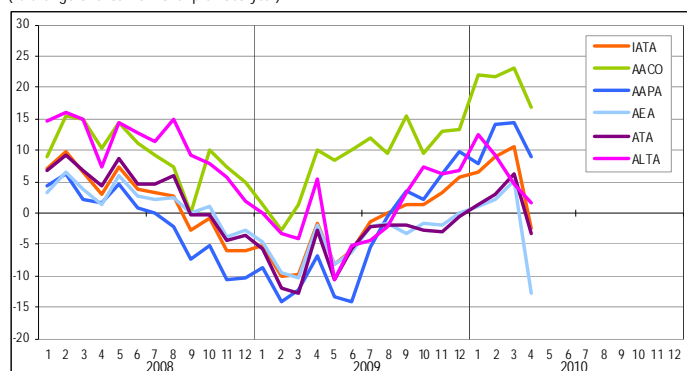
Following a very challenging 2009, which resulted in a 2.5% drop in international passenger traffic, members of the International Air Transport Association (IATA) in all regions of the world except Europe saw positive growth over the first four months of 2010. Passenger traffic, measured in revenue passenger-km (RPK), increased by 5.8% over the same period of 2009, and average passenger load factor was 76.7% worldwide – 1 percentage point up on last year's level. The best-performing region (by airline registration) was the Middle East (+21.7% in RPK), including Israel and Iran, followed by Africa, including Egypt (+11.1%).

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

By travel class, a strong rebound is observed in premium travel, following the sharp downturn in late 2008 and early 2009 that shrank premium travel by a quarter. The number of passengers travelling in first and business class seats on international routes rose 11% in March from the levels seen the previous year. For the first quarter of 2010 premium travel volumes were up 8% on the previous year. Total travel volumes, however, are dominated by changes in the numbers travelling on economy seats. Although premium travellers represent less than 10% of passenger numbers they generate 30% of international passenger ticket revenues. The pattern of demand in both

seat classes suggests strongly that growth is being driven by business travel, rather than leisure.

Admittedly, year-on-year international passenger demand fell by 2.4% in the month of April due to the serious disruption of air services within and to/from Europe by the volcanic ash cloud from Iceland. April should have seen strong growth as Easter fell at the beginning of the month. Indeed, passenger traffic for airlines registered in Europe fell by nearly 12% in April, reducing average growth over the first four months of 2010 to zero.

Nevertheless, to quote IATA's Director General & CEO, Giovanni Bisignani, at the organisation's Annual General Meeting in early June, there is [finally] some cautious optimism for the air transport industry. Global traffic is back to pre-recession levels with load factors nearing 80%, and the bottom line is improving.

Asia Pacific is powering the upturn with a projected US\$ 2.2 billion in profit in 2010. North American carriers will move into the black at US\$ 1.9 billion. Latin American airlines will return US\$ 900 million – the only region with two consecutive profitable years. Middle Eastern and African carriers will each deliver profits of US\$ 100 million. Not all regions are recovering equally, of course. Europe with its weak economy will be the only region in the red, with a US\$ 2.8 billion loss. But the improved situation has resulted in an upgraded global industry forecast from IATA to a full-year profit of US\$ 2.5 billion. This would be the first global profit since 2007.

"It is a reason to celebrate, said Bisignani. "But with a margin of 0.5%, it will be a modest party. And we [still] face real downside risks."

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.

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	Jan	Feb	Mar	Apr	May	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	2,804 ¹	2.2	-2.5	5.8	6.6	9.0	10.5	-2.4	-2.2	-0.1	75.7	76.7
North America	430	3.2	-5.2	3.2	2.8	4.3	7.8	-1.9	-5.0	-2.3	79.6	78.9
Latin America	116	8.1	0.0	6.5	11.2	8.5	4.6	1.2	1.4	1.2	72.9	75.7
Europe	1,121	3.1	-3.2	0.0	2.9	4.2	6.2	-11.7	-2.9	-3.5	77.5	76.2
Africa (incl. Egypt)	92	2.2	-3.9	11.1	9.1	10.2	16.9	8.6	-1.2	8.1	67.1	68.0
Middle East (incl. Israel, Iran)	279	7.9	11.3	21.7	23.3	25.8	25.9	13.0	13.6	14.0	73.0	75.3
Asia and Pacific	765	-2.0	-4.5	8.7	6.8	12.2	12.9	3.5	-5.4	-0.4	73.8	78.2

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

Scheduled mainline service	1,075	0.3	-5.9	0.4	1.1	-1.0	2.8	-1.4	-6.9	-2.8	81.0	79.9	-6.9	-1.2
Domestic (incl. USA-Canada)	728	-1.2	-6.2	-0.2	0.9	-2.7	1.2	-0.5	-7.9	-2.2	81.9	80.6	-7.3	-1.5
International	347	3.5	-5.1	1.7	1.3	2.9	6.3	-3.4	-4.8	-4.2	79.3	78.4	-4.5	1.1
Atlantic	173	7.7	-4.4	-3.9	-0.9	-1.0	2.8	-13.7	-5.4	-9.8	80.1	76.2	-5.0	-4.5
Latin	87	3.9	-3.1	4.2	4.7	3.8	5.5	2.7	-1.4	0.6	77.7	78.2	-2.8	2.3
Pacific	87	-3.9	-8.3	8.4	1.1	7.6	13.6	12.0	-6.7	0.6	79.1	82.5	-7.6	7.0

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

Total	179	9.1	3.0	11.9	15.2	15.1	10.7	5.9	4.0	5.6	70.5	72.6	3.6	14.4
Domestic	77	5.6	8.0	18.0	18.7	23.2	19.4	11.7	8.0	10.1	67.7	69.7	6.3	17.5
International	102	11.5	-0.5	7.5	12.6	9.3	4.5	1.6	1.0	2.0	72.8	75.1	-1.7	8.2
Latin America	38	15.5	-2.1	10.3	11.4	10.9	8.8	7.6	1.4	1.4	69.1	73.8	0.6	11.8
Extra Latin America	64	9.3	0.4	5.5	13.3	8.4	1.8	-1.9	0.6	2.5	75.2	76.1	-5.1	2.2
North America	35	3.1	3.7	1.9	6.3	5.2	0.0	-3.9	2.9	0.6	74.7	75.1	-2.8	1.4
Europe	23	19.5	1.8	14.0	23.2	17.2	11.8	3.4	2.1	7.5	75.9	77.4	6.2	11.7
Asia and the Pacific	3	10.2	-10.0	-3.4	1.6	-3.8	-12.1	1.1	-7.4	-11.1	76.5	80.1	-6.6	-3.1
Charter	2	11.3	-37.5	-3.0	45.8	-5.7	-53.7	-41.2	-32.1	5.9	73.6	70.4	-36.2	-8.5

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

Total scheduled	756	1.1	-4.3	-1.6	1.2	1.9	5.0	-13.1	-3.9	-5.5	75.9	74.7	-5.6	-2.5
Domestic	48	-7.4	-5.8	-3.2	4.8	-0.4	1.7	-16.3	-5.7	-5.0	66.0	63.2	-7.2	-3.3
Total International	707	1.9	-4.2	-1.5	1.0	2.0	5.2	-12.9	-3.8	-5.5	76.7	75.6	-5.0	-2.3
Intra Europe (cross-border)	178	2.0	-4.7	-3.2	2.2	2.4	6.1	-18.8	-4.5	-5.9	68.6	64.4	-5.8	-3.3
North Africa	10	5.5	4.6	6.0	12.0	12.2	12.8	-9.1	8.2	4.7	68.3	66.9	2.7	5.7
Middle East	31	7.8	6.0	3.7	6.8	9.3	11.7	-9.8	12.6	0.1	69.4	70.8	7.1	8.8
Total long-haul among which:	489	1.4	-4.8	-1.4	0.1	1.3	4.3	-10.9	-4.7	-6.0	80.9	80.9	-4.9	-1.8
North Atlantic	188	0.1	-5.6	-2.8	-1.5	0.4	4.4	-12.2	-6.7	-8.0	82.4	79.3	-5.7	-3.3
Mid Atlantic	49	2.1	-5.4	-0.4	0.6	3.0	3.9	-9.0	-3.4	-2.1	81.7	83.5	-6.8	-2.9
South Atlantic	50	8.1	-4.3	6.3	5.5	9.8	10.2	-0.7	-3.3	-2.9	80.2	84.4	-5.6	5.3
Far East/Australasia	146	0.8	-5.7	-2.5	-0.2	-0.3	3.9	-13.2	-5.2	-7.7	80.4	82.6	-6.0	-2.1
Sub Saharan Africa	56	2.9	1.2	-2.7	-0.3	-1.4	0.6	-10.4	1.5	-2.0	77.7	76.2	2.3	-1.3

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

International operations	637	-1.4	-4.7	11.2	7.8	14.1	14.3	8.9	-4.8	1.2	74.5	79.2	-2.9	13.2
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Arab Air Carriers Organization (AACO) - AACO members' scheduled operations

Total	295	11.2	8.5	20.8	22.0	21.7	23.1	16.8	14.8	13.9	70.7	73.3	2.4	10.4
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Source: compiled by UNWTO from IATA, ATA, ALTA, AEA, AAPA and AACO

¹ All IATA carriers

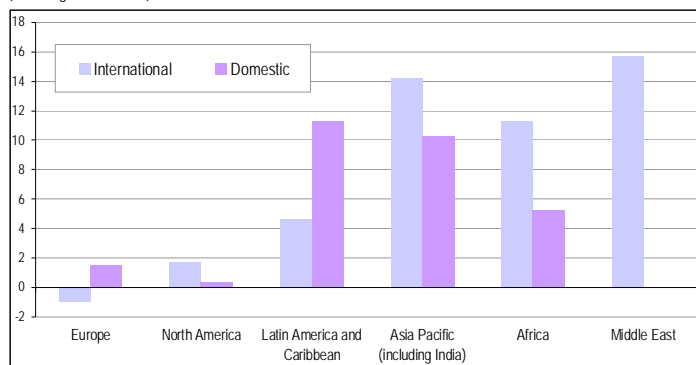
Airports

The performance of IATA’s more than 230 member airlines based in some 135 countries correlates fairly well with the results of the world’s airports, compiled by Airports Council International (ACI). The latter, of course, covers domestic as well as international traffic and uses number of passengers handled as its base measure.

ACI data for the months of January through April 2008 points to a 4.8% increase year on year in international passenger throughput and a 4.6% rise in domestic traffic – or +4.7% for international and domestic combined. For April 2010, airports experienced an overall decline in passenger traffic, the first global decline since July 2009. Although domestic traffic increased by 2%, the 5% decrease in international traffic resulted in a decrease in total passenger volume of 1.2%.

The primary cause of the setback was the closure of wide parts of European airspace over six days in reaction to the elevated ash concentration in the atmosphere due to the eruption of the Eyjafjallajökull volcano in Iceland. At times over 300 European airports were closed, affecting nearly 10 million passengers worldwide. On a year-on-year basis Europe lost 14% of passenger traffic in April, while North America dropped 1%, with the New York area airports losing traffic disproportionately – North America is the largest market for flights in or out of Europe.

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



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

North America

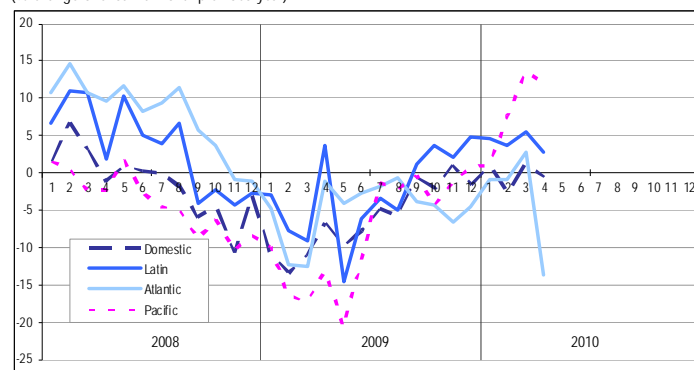
Sluggish domestic demand (of -0.2% for services in the USA and Canada) contributed to a disappointing performance for US member airlines of the Air Transport Association of America (ATA), which account for some 90% of revenue passenger-miles (RPM) of US airline traffic. International services performed slightly better, up 1.7% over the same four-month period in 2009, with traffic (in RPK) down over the Atlantic (-3.9%) – no doubt dampened by the Icelandic volcanic eruption – while Latin American and Pacific routes chalked up growth of 4.2% and 8.4% respectively.

Approximately 0.5% more passengers travelled on US airlines in April, while the average price to fly one mile

rose nearly 14%. International passenger revenue rose 15%, led by a 37% gain in transpacific markets.

“The April jump in passenger revenue is a positive sign, and one showing that the US industry is recovering gradually from last year’s severely depressed levels,” said ATA President and CEO James C. May. “Last year, domestic round-trip fares averaged US\$ 28 less than they did a decade earlier. In fact, year-ago fares were a staggering US\$ 117 short of keeping pace with inflation”.

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

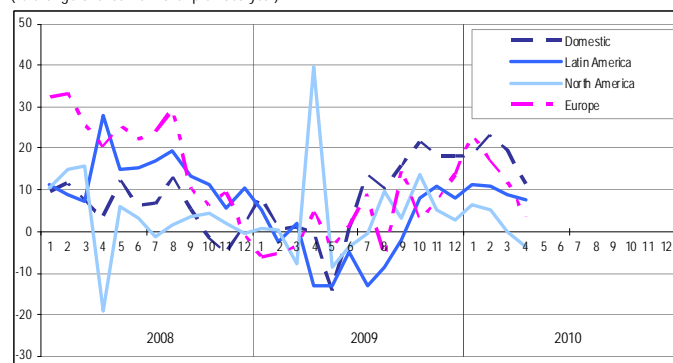


Source: compiled by UNWTO from ATA

Latin America

Data provided by the Asociación Latinoamericana de Transporte Aéreo (ALTA) for the first four months of 2010 shows a positive trend for both international and domestic traffic. Overall, the number of passengers carried grew by 14.4%. Traffic (RPKs) rose 11.9%, against a capacity growth of 5.6%, resulting in a 2.1 percentage point increase in average seat load factor to 72.6%. The increase in traffic was 7.5% on international routes but this growth was vastly exceeded by members’ domestic traffic, up 18.0% over the four months. Traffic was strong on European routes (+14.0%) and in Latin America (+10.3%), but not on North American routes (+1.9%). The only route showing a decline in traffic demand was Asia and the Pacific (-3.4%), but charter services also recorded a drop of 3.0%. Both flows only represent a minor share of overall traffic, however.

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



Source: compiled by UNWTO from ALTA

Europe

In contrast, the Association of European Airlines (AEA) has reported a decline of 3.2% for domestic traffic (RPK) over the January through April 2010 period, while traffic on international services fell by 1.5%. On international routes overall, the average seat load factor was 76.7% (up from 75.6%), with long-haul routes recording the highest loads – as usual.

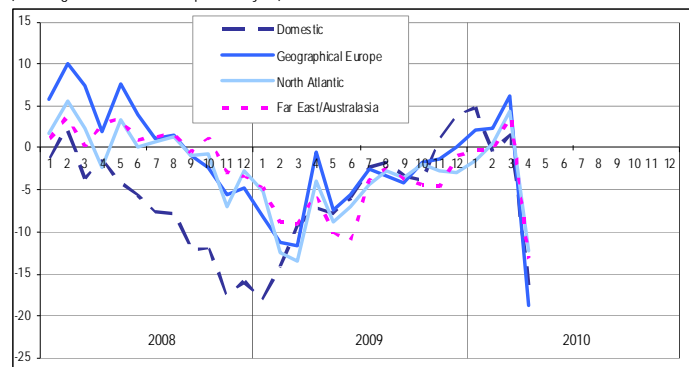
In the four-month period, AEA members achieved their best traffic growth on North African routes (+6.0%) and the South Atlantic (+6.3%), followed by routes between Europe and the Middle East (+3.7%). All other routes recorded declines, ranging from a modest -0.4% on mid-Atlantic routes to -3.2% on intra-European and domestic routes – reflecting the impact of the volcanic ash crisis.

Passenger traffic for the month of April fell by 13.1% on April 2009, a baseline which itself was depressed as the economic downturn was by then exerting its full impact on the industry. The monthly result for April overturned the tentative recovery which had been evident in the first quarter of the year, and left the cumulative figure for the year anchored 1.6% below the 2009 level.

AEA's airline-by-airline figures show the disparity between the impacts of airspace closures on individual airlines. Only four member airlines recorded a growth in April – all in southern and eastern Europe, while nine reported traffic losses in excess of 20%.

Indications for May, based on weekly traffic figures, show an improved outlook. A further round of ash-induced disruptions in the early part of the month continued to affect the market, but the last three weeks of the month showed traffic increasing in the 6-8% range.

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

Preliminary figures released by the Association of Asia Pacific Airlines (AAPA) indicate that both passenger and air cargo markets continued to show further improvement in April despite a week of disruptions to traffic in and out of Europe as a result of the Icelandic volcanic eruption. A

total of 15.2 million international passengers were transported by Asia Pacific-based airlines in April, 12% more than in the same month last year. International passenger traffic, in RPK, grew by 8.9%. With available seat capacity posting a modest rise of 1.2%, the average international passenger load factor increased by 5.6 percentage points to 78.4%.

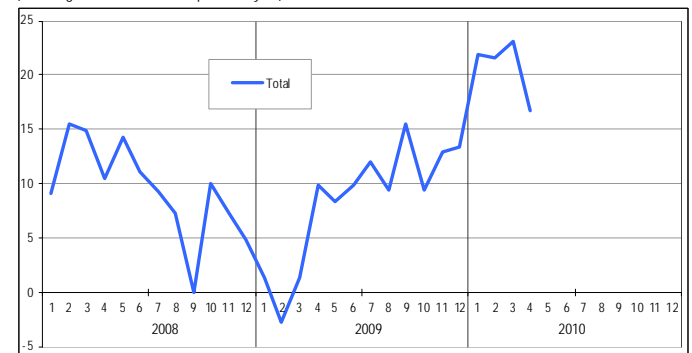
Air cargo demand remained strong, maintaining the positive trend of recent months, with 32.1% growth in freight tonne kilometres (FTK) in April, compared to the very weak market conditions last year. Even with a 13.2% expansion in freight capacity, the average international cargo load factor for Asia Pacific carriers increased by 10.3 percentage points to 71.9%.

For the first four months of 2010, according to Andrew Herdman, AAPA Director General, international passenger traffic for Asia Pacific carriers achieved 11.2% growth compared with the same period last year, reflecting the robust recovery in business and consumer confidence across the region. Moreover, the 34% growth seen in international air cargo traffic for the first four months of 2010 provides further confirmation of the strength of the global economic recovery currently underway, particularly in Asia.

Middle East and North Africa

Data from the Arab Air Carriers Organization (AACO) for 2010 indicate that AACO members from the Middle East and North Africa continue to turn the best performance of all world regions. Traffic in RPK grew by 21% in the period January-April. The load factor improved by almost 3 points to 73.3% as capacity grew by a more 'moderate' 14%. Passenger numbers increased by 10%, so growth concentrated comparatively in the longer haul routes.

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



Source: compiled by UNWTO from AACO

Prospects

The world's airlines have seen a remarkable switch in fortunes in the past three months, as global air traffic demand has recovered more strongly than expected. IATA has revised its outlook for the airline industry from a loss of US\$ 2.8 billion (predicted in March 2010) to a profit of US\$ 2.5 billion. It all comes down to a boost to the passenger and cargo demand projections – now +7.1% for passenger (previously +5.6%) and +18.5% for cargo (previously +12.0%) – better yields (thanks to good capacity management) and no change to the average oil price forecast for the year (of US\$ 79 per barrel).

Industry revenues are forecast to be US\$ 545 billion in 2010, up US\$ 23 billion (or 4.4%) from the previous forecast and some 12.8% above the US\$ 483 billion generated in 2009. However, industry revenues are still below pre-crisis levels. The industry reported revenues of US\$ 564 billion in 2008.

IATA's Director General and CEO, Giovanni Bisignani, stated at its recent Annual General Meeting: "The global economy is recovering from the depths of the financial crisis much more quickly than could have been anticipated. Airlines are benefiting from a strong traffic rebound that is pushing the industry into the black. We thought that it would take at least three years to recover the US\$ 81 billion (14.3%) drop in revenues in 2009. But the US\$ 62 billion top-line improvement this year puts us about 75% on the way to pre-crisis levels".

But he added that the revised outlook comes with some "important health warnings", noting it represents a net margin of just 0.5%, "which is a long way from sustainable profitability". "Second, a major part of the global industry is still posting big losses. A stagnating economy, strikes, natural disasters and a currency crisis have left European carriers struggling with an anticipated US\$ 2.8 billion loss," he said.

Yields are now forecast to grow by 4.5% for both the cargo and passenger business. This is a "significant improvement" from the previously forecast yield growth of 2.0% in passenger markets and 3.1% for cargo, according to IATA, "but the rate is just ahead of consumer price inflation".

Encouragingly for the full service airline business model, IATA declared that premium demand now appears to be recovering cyclically in many regions, alongside improvements in global trade, putting to rest earlier fears that the financial crisis would result in a structural change to the premium market.

Premium travel was rebounding at an annualised growth rate of 20% over the first quarter and economy travel is now back to pre-recession levels. In the absence of a strong improvement in consumer confidence that would be needed to drive leisure traffic growth, it would appear that business travel also supported some of the recovery in the economy cabin.

New capacity will be added to the global system as a

result of the 1,340 aircraft that are scheduled to join the fleet in 2010. Of these, approximately 500 are replacement aircraft while the rest will be new capacity. Latent capacity is also present as a result of reduced long-haul fleet utilisation which remains several percentage points below pre-crisis levels.

Over the year, IATA expects an average demand improvement of 10.2% (passenger and cargo) to be met with a 5.4% increase in capacity. "This will support load factors which remained near record levels for most of the first quarter", stated the industry body. But there will be obvious differences from one region to another, with Europe faring the worst.

Hospitality



Upturn in hotel performance at the start of the new decade

2010 marks more than just a new decade, it marks the beginning of the recovery process in most of the world's economies and an upturn in hotel performance. Four months on, results are showing that not all regions are created equally with dramatic differences between the top and bottom performers. However, just as hoteliers enter the recovery stage of this cycle, 2010 is dealing up its own set of opportunities and challenges.

The events calendar is packed providing the host cities and countries with an opportunity to showcase themselves. To name a few, the Winter Olympic and Paralympic Games in Vancouver, the World Expo in Shanghai, the World Cup in South Africa and the Commonwealth Games in Delhi will certainly get tourists moving this year. However, the opportunities have come alongside challenges and have proven to be disastrous for a destination navigating through the fragile recovery process. For instance, escalated political conflict in Bangkok has halted recovery in the Thai capital, while Mother Nature has been busy this year keeping hoteliers on their toes. The devastating earthquakes in Haiti and Chile, and the more recent volcanic ash cloud both displaced tourists and put a stamp on hotel performance. Despite these events having a detrimental effect on hotel performance in some destinations, the industry is largely proving its resiliency and recovery is gathering momentum.

Asia Pacific

Hotel performance in Asia Pacific is achieving the fastest growth globally. Revenue per available room (revPAR) was up 24% to US\$ 83 year-to-April driven by a 12%

jump in average room rates while occupancy rose 7 percentage points to 64%. In local currency, Phuket was the strongest performing market with revPAR up 32%. More direct flights from Australia and Europe resulted in an occupancy jump of 18 percentage points to 80%, while average room rates grew only 1%. Meanwhile in Bangkok, recovery from the global economic crises was evident in January and February and double-digit revPAR growth was achieved. However, increases dipped to 5% in March and fell into the red in April down 13%, as conflict escalated between the red shirts and the government. Despite this deceleration, year-to-April results remain positive, up 8%. The longer-term effect will become evident as time passes, but currently many hotels are re-opening and international

Hotel performance by region (year-to-April)

		Occupancy (%)		
		2010*	2009	Change (%p)
Asia and the Pacific		64.0	57.4	6.6
China	Beijing	57.6	44.1	13.5
	Shanghai	52.5	44.0	8.5
Hong Kong (China)	Hong Kong	79.8	72.2	7.6
Taiwan (pr. of China)	Taipei	74.2	68.7	5.5
Japan	Osaka	77.3	73.7	3.6
	Tokyo	75.2	67.5	7.7
Korea, Republic of	Seoul	78.0	81.2	-3.2
Vietnam	Hanoi	65.3	54.5	10.8
Thailand	Bangkok	60.8	53.1	7.7
	Phuket	79.6	61.2	18.4
Malaysia	Kuala Lumpur	66.9	59.5	7.4
Singapore	Singapore	81.7	67.3	14.4
Indonesia	Jakarta	63.6	60.7	2.9
	Bali Island	69.0	64.2	4.8
Philippines	Manila	74.9	68.5	6.4
India	Mumbai	65.7	57.1	8.6
	New Delhi	71.7	63.6	8.1
Australia	Sydney	84.5	77.6	6.9
New Zealand	Auckland	78.4	72.4	6.0

Source: STR Global

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Hotel performance by region

	Occupancy (%)			Average Room Rate - US\$			RevPAR - US\$		
	Year-to-April			Year-to-April			Year-to-April		
	2010*	2009	Change (%p)	2010*	2009	Change (%)	2010*	2009	Change (%)
Europe	56.6	54.3	2.3	127	121	4.5	72	66	8.9
Europe (in euros)	56.6	54.3	2.3	94	93	0.6	53	51	4.9
Northern Africa	70.4	64.2	6.2	92	86	6.7	64	55	16.9
Southern Africa	57.2	59.4	-2.2	138	118	17.3	79	70	12.9
Middle East	63.9	65.0	-1.1	215	235	-8.4	138	153	-10.0
Asia and the Pacific	64.0	57.4	6.6	130	117	11.5	83	67	24.1
North America	53.6	52.1	1.5	98	100	-2.4	53	52	0.4
Central and South America	62.7	57.3	5.4	118	110	7.4	74	63	17.4

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

governments are lifting travel warnings as the situation stabilises. Hong Kong had the second strongest growing revPAR in Asia Pacific, up 31% in local currency. With a booming economy and real estate market, average room rates are doing particularly well and pushed past US\$ 200 during the month of March for the first time in 16 months. Beijing experienced the greatest drop in revPAR in Asia Pacific in 2009 - down 43% as the city suffered a lengthy post-2008 Olympic slump. Year-to-April, hotel performance has experienced an extreme turnaround and the city is now achieving the third strongest growth in the region – up 30% driven by occupancy recovery. Shanghai also saw occupancy lift 9 percentage points to 53%, providing a welcome break from declines experienced through the economic downturn and as new supply flooded the market. The outlook for the year looks strong as the city is expecting 70 million guests to the World Expo between May and October 2010.

Central and South America

RevPAR in Central and South America grew 27% to US\$ 77 in April, achieving slightly stronger growth than Asia Pacific for the first time this year. This gave year-to-April results a boost and the region now trails Asia Pacific by only 7 percentage points. As Brazil's economy soars out of the recession, it is not surprising that it has some of the best performing hotels with 14% revPAR growth in local currency. According to the Economist Intelligence Unit, gross domestic product is estimated to grow 6.3% this year and with two prestigious events over the next decade, including the 2014 FIFA World Cup and the 2016 Olympic Games, future tourism prospects for the country look promising. São Paulo, the country's financial centre, leads the recovery with a 23% jump in revPAR as it becomes increasingly important in world commerce. Meanwhile, hotel performance in Rio de Janeiro grew at a much more muted rate of 5%. At the back of the pack was earthquake affected Santiago with revPAR down 12%. However, after 12 months of double-digit revPAR decline, demand for hotel rooms was up three out of four months so far this year and April marked the first month of revPAR growth up 9%.

Europe

Trailing Asia Pacific and Central and South America was Europe with a 9% increase in US dollars, or 5% in euro year-to-April. As the volcano erupted in Iceland, it comes as no surprise that air passenger traffic contracted in April. However, growth in hotel performance during the month accelerated, up 9% to euro 59. In local currency, the strongest performing destination was Tel Aviv with a 34% revPAR jump year-to-April. Occupancy increased 20 percentage points to 70% as the city becomes a popular magnet for tourists. In Germany, the hotel market and

economy were severely hit by the recession, but both are rebounding this year with the hotel industry showing particular strength. Munich, Düsseldorf, Frankfurt and Berlin are all witnessing double-digit revPAR growth up 32%, 19%, 17% and 10% respectively. However, hotel performances in Europe covered a wide spectrum and several destinations have yet to emerge from double-digit declines including Copenhagen (-15%), Budapest (-14%) and Prague (-14%). The ripple effect due to continued economic stress in some European countries remains to be seen and regional tourism demand may drop off as a result. However, as the euro is weaker against the US dollar, Europe will be more affordable for American tourists and this could counterbalance the possible decline.

Hotel performance by region (year-to-April)

		Occupancy (%)		
		2010*	2009	Change (%p)
Europe		56.6	54.3	2.3
Iceland	Reykjavik	43.0	43.2	-0.2
Norway	Oslo	54.0	57.0	-3.0
Denmark	Copenhagen	49.3	49.4	-0.1
Sweden	Stockholm	58.5	57.3	1.2
Finland	Helsinki	58.8	52.8	6.0
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	56.7	55.3	1.4
United Kingdom	London	53.1	51.7	1.4
Netherlands	Amsterdam	65.7	59.8	5.9
Belgium	Brussels	62.7	60.5	2.2
Luxembourg	Luxembourg	57.0	61.3	-4.3
Germany	Frankfurt am Main	63.7	56.5	7.2
	Berlin	60.1	58.5	1.6
France	Paris	69.5	68.8	0.7
Austria	Vienna	61.3	53.8	7.5
Switzerland	Geneva	62.1	56.3	5.8
	Zurich	65.9	60.9	5.0
Czech Rep	Prague	47.8	45.9	1.9
Slovakia	Bratislava	37.9	38.7	-0.8
Hungary	Budapest	44.7	42.1	2.6
Poland	Warsaw	58.7	55.2	3.5
Russian Federation	Moscow	55.7	51.1	4.6
Portugal	Lisbon	55.2	52.0	3.2
Spain	Madrid	60.9	54.9	6.0
	Barcelona	58.2	53.8	4.4
Italy	Milan	60.9	56.3	4.6
	Rome	57.8	52.0	5.8
Greece	Athens	51.1	52.0	-0.9
Turkey	Istanbul	65.2	59.0	6.2
Israel	Tel Aviv	69.5	49.6	19.9

Source: STR Global

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Hotel performance by region (year-to-April)

		Occupancy (%)		
		2010*	2009	Change (%p)
North America		53.6	52.1	1.5
Canada	Montreal	51.3	51.1	0.2
	Toronto	61.8	56.7	5.1
	Vancouver	64.0	58.3	5.7
United States	Atlanta	56.8	52.6	4.2
	Boston	58.8	51.0	7.8
	Chicago	51.0	47.8	3.2
	Dallas	54.4	52.1	2.3
	Denver	55.0	52.0	3.0
	Houston	56.2	61.2	-5.0
	Los Angeles	65.2	61.9	3.3
	Miami	76.7	70.7	6.0
	New Orleans	66.4	61.1	5.3
	New York	75.0	68.3	6.7
	Orlando	66.8	64.9	1.9
	Philadelphia	58.9	56.2	2.7
	Phoenix	66.3	61.7	4.6
	San Diego	63.6	60.3	3.3
	San Francisco	67.1	62.5	4.6
Seattle	58.2	53.7	4.5	
St Louis	50.8	49.2	1.6	
Washington DC	63.9	63.1	0.8	
Mexico	Cancun	65.5	68.8	-3.3
	Mexico City	55.2	50.0	5.2
Central and Southern America		62.7	57.3	5.4
Costa Rica	San Jose	64.3	61.8	2.5
Panama	Panama City	66.3	65.2	1.1
Peru	Lima	58.7	53.8	4.9
Brazil	Rio de Janeiro	73.1	68.6	4.5
	Sao Paulo	62.1	53.0	9.1
Argentina	Buenos Aires	63.6	57.0	6.6
Chile	Santiago	60.7	64.0	-3.3

Source: STR Global

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Data for North America sourced STR

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North America

The next best performer was North America. In April, the region witnessed its second month of revPAR growth driven by increases in occupancy. This jump was strong enough to push year-to-April revPAR out of the red, up 0.4% to US\$ 53. Vancouver was the strongest performing market in the region with year-to-April revPAR up 45% to C\$ 107. When the city hosted the 2010 Winter Olympic Games, hotel performance jumped 158% to C\$ 202 during the month of February. Although average room rate growth during an Olympic month is normally over 100% in the host city, average room rates increased just short of this at 87%. With a corresponding 24 percentage point jump in

occupancy, however, revPAR increases were comparable to past Olympic host cities. The exposure that Vancouver received during the Games came at the perfect time after 18 months of revPAR declines due to the economic crises. The event should certainly act as a catalyst to strengthen the recovery process along the West coast of Canada.

In the USA, renewed activity in the transient leisure sector is causing the luxury and upper upscale segments to drive growth in hotel performance up 5% and 1% respectively while upscale, midscale and economy hotels have yet to see any growth this year. Boston had the fastest growing revPAR up 13% to US\$ 75 followed by New Orleans, up 9% to US\$ 83 year-to-April. On the opposite end of the spectrum, Houston dipped 15% to US\$ 51 while the hotel market in Tampa, Petersburg, which hosted the Super Bowl in 2009, dropped 10% to US\$ 64. New York achieved the strongest average room rates at US\$ 196, as revPAR growth accelerated into double-digits during March and April, proving to be a leader in the recovery. According to Lodging Econometrics (LE), the Big Apple is expecting a 9% increase in new supply in 2010, but with such strong demand for hotel rooms, the additional rooms should be absorbed. Meanwhile in Miami, revPAR dipped 19% to US\$ 92 during 2009 but 2010 is off to a good start. The East coast city received a welcome boost from hosting Super Bowl XLIV in February and hotel performance jumped 21% contributing to 12% year-to-April growth. During the same timeframe, Miami achieved the highest occupancy in the country at 77% and the second strongest average room rates at US\$ 175 after New York.

The oil spill in the Gulf of Mexico remains a risk to tourism along the Gulf coast and its initial effect on hotel performance will only be clear once May data is available. The oil slick continues to threaten the shores of Louisiana, northwest Florida, Alabama and Mississippi and we expect hotel performance to decline in key cities along the coast such as New Orleans, Houston, Fort Myers and Tampa. The full impact on hotels is likely to be felt over the summer months as the path of the slick is determined.

Middle East

Despite the revPAR decline decelerating to single-digits over the last few months, the Middle East is the only world region that remains in negative territory – down 10% to US\$ 138. An 8% drop in average room rates is mostly responsible for the decline but this represents an adjustment rather than a crash. Over the past few years, hotel performance in the Middle East experienced fast and strong growth due to a supply shortage combined with increased interest in tourism in its burgeoning destinations. Now that supply is catching up with demand however, it is only natural that hotel performance is experiencing an adjustment. Although the timing of the global economic crises exacerbated the decline last year, hotels across the Middle East still achieve the strongest average room rates and revPAR globally with revPAR US\$ 55 higher than

Asia Pacific, the next best performing region. Some cities avoided the downturn all together and achieved revPAR growth in 2009. For instance, Beirut reported the strongest increases in the region for the second consecutive year in 2009 with revPAR jumping 62%. Hotels performed better than ever, with average room rates pushing past the US\$ 200 mark to US\$ 205 while achieving 71% occupancy. These successes continued into this year with revPAR up 27% year-to-April. At the other end of the spectrum is Abu Dhabi with a 50% decline in revPAR to US\$ 137 – the steepest decline across the region. At this point last year, hotel performance in the emirate was still growing and had not encountered the decreases that other cities were experiencing. With 2,201 new rooms set to open in 2010 and an additional 8,760 to open in 2011 according to Lodging Econometrics (LE), we expect hotel performance to continue to contract against performance last year. Meanwhile in Dubai, the decline in hotel performance has decelerated significantly and year-to-April, results are down only 2% to US\$ 196. Driven by increases in occupancy, Dubai reclaimed the top spot in the Middle East with the highest occupancy and revPAR. The emirate also celebrated its first month of revPAR growth in February 2010 after 15 consecutive months of decline. However, with 8,560 rooms due to open in 2010 and 7,623 rooms to open in 2011 according to LE, the emirate may experience further adjustments in hotel performance as these new rooms are absorbed into the total supply in the city.

Outlook

The hotel industry is familiar with cycles and there is comfort knowing what must happen after the downward slope. However, with ‘unprecedented’ being the buzz word of this cycle, recovery may be just as unique as the downturn and more challenges will undoubtedly present themselves over the coming months. The silver lining is the experience the industry has gained operating under such unpredictable and tough business conditions. As the recovery takes hold, the underlying hotel business performance should be strong.

Analysis has been provided by Deloitte & Touche LLP using data from STR Global and Smith Travel Research. This commentary has been written by Marvin Rust – Global Managing Partner of Hospitality at Deloitte and 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.

Hotel performance by region (year-to-April)

		Occupancy (%)		
		2010*	2009	Change (%p)
Middle East		63.9	65.0	-1.1
Egypt	Cairo	68.0	67.8	0.2
	Sharm El-Sheikh	81.9	68.3	13.6
Jordan	Amman	57.1	54.6	2.5
Lebanon	Beirut	65.1	68.9	-3.8
Kuwait	Kuwait City	54.2	60.6	-6.4
Qatar	Doha	69.3	69.1	0.2
Untd Arab Emirates	Dubai	77.4	71.5	5.9
	Abu Dhabi	58.3	79.9	-21.6
Saudi Arabia	Riyadh	67.7	66.7	1.0
Oman	Muscat	64.5	63.5	1.0
Southern Africa		57.2	59.4	-2.2
Kenya	Nairobi	62.0	64.1	-2.1
South Africa	Greater Cape Town	61.3	65.6	-4.3
	Greater Johannesburg	57.1	59.0	-1.9

Source: STR Global

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Business intelligence



Starting from this issue of the *UNWTO World Tourism Barometer*, business intelligence provider Euromonitor International will from now on be a regular contributor, highlighting insights from its extensive travel and tourism Passport research.

Emerging Outbound Markets

Drawing from its latest research findings, Euromonitor International presents the future outlook for the major emerging source markets. With recovery to pre-crisis levels expected to take four years for outbound tourism, it is no surprise that destinations around the world are actively seeking new sources of visitor growth over the long term.

Reducing dependency on traditional source markets

While the traditional tourism source markets for many countries of Western Europe and North America remain important, the recession highlighted the need to diversify in terms of feeder markets.

In 2009, many destinations began to target or ramp up efforts to attract the new economic powerhouses of Brazil, Russia, India and China. Improving transport links and an increasingly wealthy middle class enabled a growing number to travel, both for business and leisure.

Favourable exchange rates in Brazil boosted trips to Europe and the USA. Airlines in emerging regions like the Middle East are also targeting Latin America, such as Emirates increasing its frequency to São Paulo and Qatar Airways announcing a new route from Doha to São Paulo/Buenos Aires.

Chinese travellers tend to stay within Asia, as visa restrictions still make travelling further afield difficult for many. China outbound still offers great opportunity for destinations, with a preference for mid-priced travel options.

Indian travellers tend to go to countries with which they have long-established connections, such as Singapore, Malaysia, United Arab Emirates, UK and the USA. A raft of new low-cost carriers, both domestic and foreign including the local leader, SpiceJet, and new entrants such as flydubai, facilitated travel to these destinations, with the exception of the USA.

Even though outbound travel from Russia declined in 2009, it remains an important source market. The countries of the CIS are traditionally popular destinations for Russians, while the wealthy elite opt for the United Arab Emirates and Western Europe.

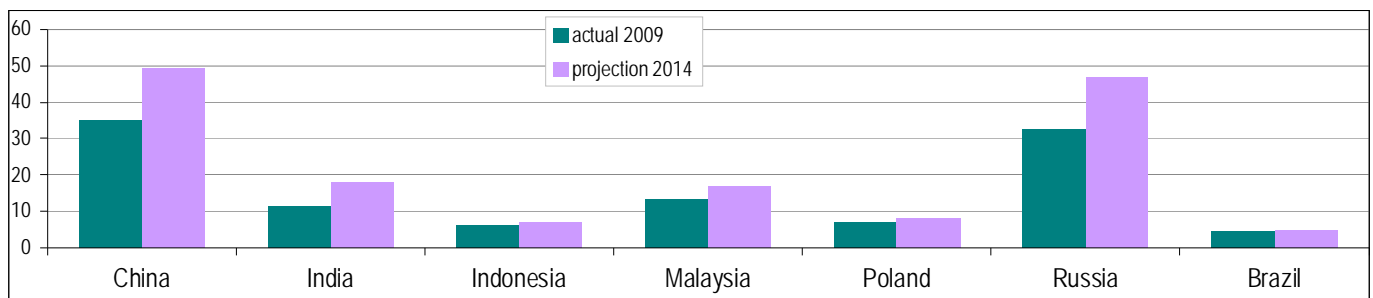
North African countries, such as Morocco and Tunisia, and Asian countries, including Indonesia and Malaysia, are focusing on attracting Gulf Cooperation Council residents, with whom they share a common religious background.

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.

Emerging outbound market performance, actual 2009 and projection 2014

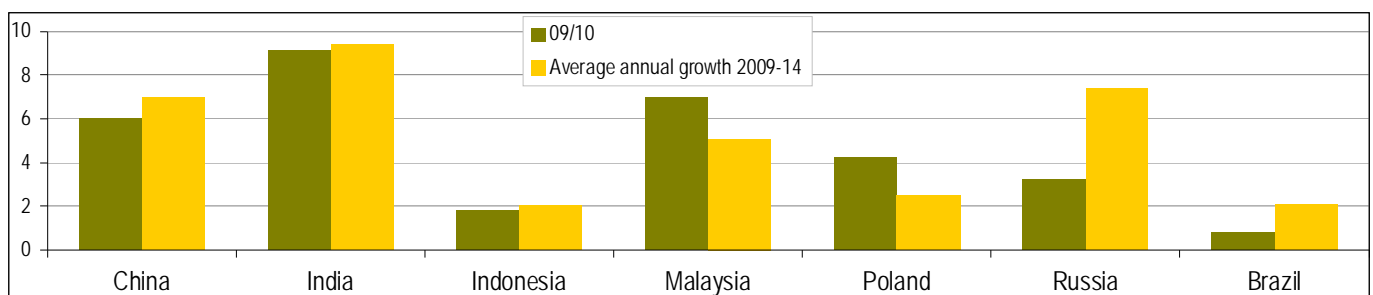
(million)



Source: Euromonitor International

Emerging outbound markets forecast performance, % volume growth

(change, %)



Source: Euromonitor International

The economic environment

Recovery underway but uncertainties remain

The world economy is coming out of its deepest recession since World War II, as evidenced by increasing confidence among consumers and business, as well as in financial markets. Global recovery is evolving better than expected, fostered by unprecedented fiscal and monetary measures. Accordingly, the International Monetary Fund (IMF) expects the world economy to bounce back to growth of 4.2% in 2010.

Nevertheless, the IMF points out that economic activity is recovering at varying speeds, tepidly in many of the advanced economies (+2.3%) but solidly in most emerging economies (+6.3%). Activity remains dependent on highly accommodative macroeconomic policies and is subject to downside risks, such as high unemployment, weak private demand and rising public debt. These problems thus underscore the need for policy action to sustain and strengthen the recovery of the global economy and financial system.

Since the publication of the last UNWTO World Tourism Barometer in January 2010, two important analytical reports on the world economy have been released. The IMF published its April 2010 edition of the *World Economic Outlook (WEO)*, while the United Nations Department of Economic and Social Affairs (UN/DESA) issued a mid-year update in May of its *World Economic Situation and Prospects 2010*.

United Nations *World Economic Situation and Prospects 2010*, Update as of mid-2010

(www.un.org/esa/policy/wesp/wesp.html)

Having fallen into the most severe recession since World War II, the global economy is on the way to recovery. Buttressed by unprecedented government support worldwide, global financial markets have progressively stabilised. Capital inflows are gradually returning to many developing economies, and the prices of primary commodities have rebounded after steep declines from the start of the crisis to the second quarter of 2009.

The recovery in the real economy has also gained more traction. Propelled by fiscal stimulus packages and expansionary monetary policies, most economies registered positive growth in late 2009 and early 2010.

The world economy continued to improve in the first half of 2010, leading to a slight upward revision in the United Nations outlook for global growth. Following a contraction of 2.0% in 2009, UN/DESA expects global GDP to grow by 3.0% in 2010 and 3.1% in 2011 (weighted in 2005 market prices, see box on page 57)

Nevertheless, UN/DESA warns that a number of uncertainties and risks are clouding the outlook. The pace of the recovery is too weak to close the global output gap and

to recover the job losses left by the crisis. The recovery is also uneven across countries. There are concerns associated with rising public sector indebtedness in major economies and resurging global imbalances under the present path of the global recovery. In addition, credit growth remains feeble in major developed economies. Unemployment rates are expected to remain high in most developed economies.

The subdued and uneven recovery of the global economy poses additional policy challenges:

- Dealing with the employment crisis is of immediate concern as persistent high unemployment and under-employment rates are slowing the global recovery, as well as progress towards poverty reduction in developing countries. In order to accelerate recovery in job markets, much more of the demand stimulus will need to be focused on providing incentives to productive employment creation.
- There is a need for more resources and greater efforts to make up for the significant setbacks in progress towards the Millennium Development Goals (MDGs).
- Those efforts will need to be underpinned by strengthened international policy coordination to avoid a weakening of the recovery, which may result from premature and uncoordinated exit strategies from the macroeconomic stimulus measures and failure to address the spillover effects from emerging public debt crises in developed countries. In times of greater uncertainty, a broad and effective policy coordination is key to putting the world economy on a robust, sustainable and more balanced growth path, and for reforming both the national and international financial system.

IMF *World Economic Outlook*, April 2010

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

The IMF's April 2010 World Economic Outlook (WEO) highlights the stronger-than-expected recovery of global activity, but sees activity reviving at different speeds in different parts of the world. After recording a decline of 0.6% in 2009, world output is projected to rebound to 4.2% in 2010, which represents an upward revision of one percentage point from that forecast in October 2009's WEO, and of 0.3% from the January 2010 WEO Update (purchasing power parity PPP weighted, see box on page 57)

Advanced economies are expected to expand by 2.3% in 2010 and by 2.4% in 2011, following a decline in output of more than 3% in 2009. The recovery underway in major advanced economies will be sluggish compared with recoveries from previous recessions. On the other hand, growth in emerging and developing economies is projected to be over 6% during 2010-11, following a modest 2.4% in 2009. According to the IMF, economies that are off to a strong start are likely to continue to lead the recovery, as growth in others is held back by lasting damage to financial sectors and household balance sheets. Among advanced economies, the United States is off to a better start than Europe and Japan. Among emerging and developing economies, emerging Asia is in the lead.

The recoveries in real and financial activity are mutually supportive, but credit remains difficult for some sectors. In advanced economies, the tightening of bank lending standards is ending, and the credit crisis appears to be bottoming out. In many emerging and developing economies, credit growth is re-accelerating. Nevertheless, financial conditions remain more difficult than before the crisis.

The IMF indicates that activity remains dependent on highly accommodative macroeconomic policies and is subject to downside risks, as room for countercyclical policy manoeuvres has sharply diminished and fiscal fragilities have come to the fore – stimulus measures pushed fiscal deficits in advanced economies to about 9% of GDP.

In most advanced economies, the IMF points out that fiscal and monetary policies should maintain a supportive thrust in 2010 to sustain growth and employment. But many of these economies also urgently need to adopt credible medium-term strategies to contain public debt and later bring it down to more prudent levels. Financial sector repair and reform are additional high-priority requirements.

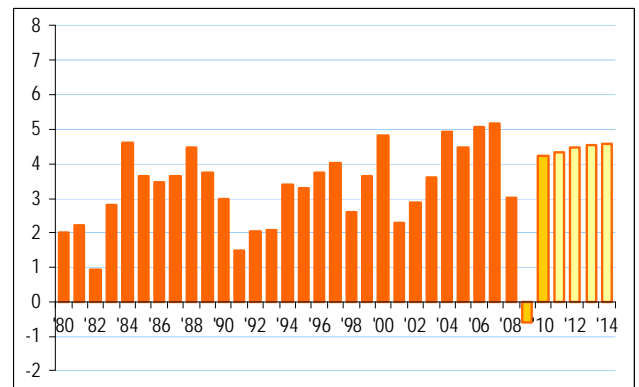
Many emerging economies are again growing rapidly and a number have begun to moderate their accommodative macroeconomic policies in the face of high capital inflows. Given the prospects for relatively weak growth in the advanced economies, the challenge for the emerging economies is to absorb rising inflows and nurture domestic demand without triggering a new boom-bust cycle.

“The goal now is to secure and advance the recovery, because even if the recovery is stronger and faster than expected, it’s still fragile. And it’s fragile mainly because it’s uneven,” said IMF Managing Director Dominique Strauss-Kahn (IMF Survey Magazine: In the News, World Must Now Focus on Financial Sector Reform, Says IMF, 22 April 2010, www.imf.org/external/pubs/ft/survey/so/2010/new042210a.htm). Thus, the IMF urges the adoption of policies to sustain and strengthen the recovery, mainly by:

- the adoption of credible medium-term fiscal consolidation strategies
- a cautious unwinding of monetary accommodation, while managing capital inflows
- the repair and reform of the financial sector, and
- policies to support unemployment and foster employment.

World

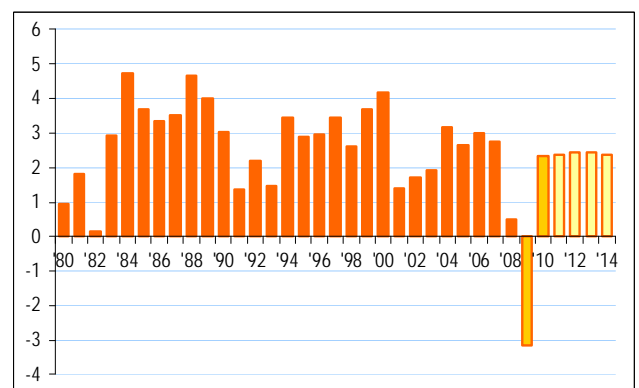
Growth of Gross Domestic Product (GDP), constant prices (%)



Source: International Monetary Fund

Advanced economies

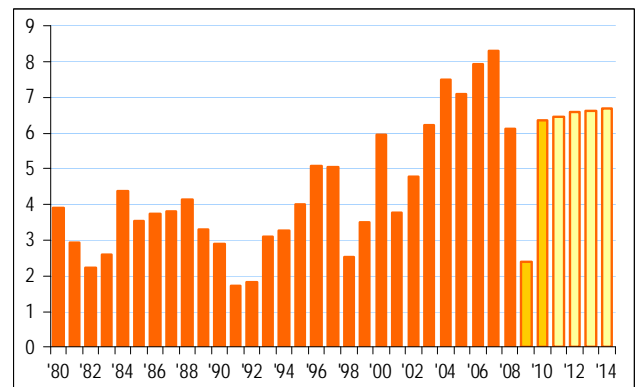
Growth of Gross Domestic Product (GDP), constant prices (%)



Source: International Monetary Fund

Emerging market and developing countries

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



Source: International Monetary Fund

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

	GDP																
	US\$ bn	Current projections														Average (%)	
		2009	2004	2005	2006	2007	2008	2009	2010*	2011*	2012*	2013*	2014*	2015*	09-08	10*-09	11*-10*	1995-2009
World (purchasing power parity (PPP) weighted)	57,937	4.9	4.5	5.1	5.2	3.0	-0.6	4.2	4.3	4.5	4.5	4.6	4.6	--	++	=	3.8
Memorandum: at market exchange rates		4.0	3.4	3.9	3.9	1.8	-2.0	3.3	3.4	3.6	3.6	3.7	3.7	--	++	=	2.9
of which:																	
Advanced economies	40,056	3.2	2.7	3.0	2.8	0.5	-3.2	2.3	2.4	2.4	2.4	2.4	2.3	--	++	=	2.4
Emerging market and developing countries	17,881	7.5	7.1	7.9	8.3	6.1	2.4	6.3	6.5	6.6	6.6	6.7	6.7	--	++	=	5.9

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

* 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, April 2010

	GDP																
	US\$ bn	Current projections											Average (%)				
		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	19,910	3.8	3.1	4.3	4.0	1.7	-4.4	1.7	2.2	2.6	2.7	2.8	2.7	--	++	+	2.6
European Union (27)	16,447	2.7	2.2	3.4	3.1	0.9	-4.1	1.0	1.8	2.2	2.3	2.2	2.1	--	++	+	2.1
Euro area	12,517	2.2	1.7	3.0	2.8	0.6	-4.1	1.0	1.5	1.8	1.8	1.8	1.7	--	++	+	1.8
Germany	3,353	1.2	0.7	3.2	2.5	1.2	-5.0	1.2	1.7	2.0	1.8	1.6	1.2	--	++	+	1.1
France	2,676	2.3	1.9	2.4	2.3	0.3	-2.2	1.5	1.8	2.0	2.1	2.2	2.2	--	++	+	1.9
Italy	2,118	1.5	0.7	2.0	1.5	-1.3	-5.0	0.8	1.2	1.5	1.4	1.3	1.3	--	++	+	0.8
Spain	1,464	3.3	3.6	4.0	3.6	0.9	-3.6	-0.4	0.9	1.5	1.6	1.8	1.7	--	++	++	3.2
Netherlands	795	2.2	2.0	3.4	3.6	2.0	-4.0	1.3	1.3	1.7	1.8	1.8	1.8	--	++	=	2.4
Belgium	470	3.1	2.0	2.8	2.8	0.8	-3.0	1.2	1.3	1.6	1.7	1.8	1.9	--	++	=	2.0
Austria	382	2.5	2.5	3.5	3.5	2.0	-3.6	1.3	1.7	1.8	2.0	2.1	2.2	--	++	+	2.2
Greece	331	4.6	2.2	4.5	4.5	2.0	-2.0	-2.0	-1.1	0.2	1.0	0.5	1.4	--	=	+	3.6
Ireland	228	4.6	6.2	5.4	6.0	-3.0	-7.1	-1.5	1.9	2.3	2.6	2.6	2.5	--	++	++	5.8
Finland	238	4.1	2.9	4.4	4.9	1.2	-7.8	1.3	2.2	2.2	2.2	2.1	2.1	--	++	+	3.0
Portugal	228	1.5	0.9	1.4	1.9	0.0	-2.7	0.3	0.7	0.8	1.3	1.4	1.4	--	++	+	1.9
United Kingdom	2,184	3.0	2.2	2.9	2.6	0.5	-4.9	1.3	2.5	2.9	2.8	2.7	2.5	--	++	++	2.3
Sweden	405	4.1	3.3	4.2	2.6	-0.2	-4.4	1.2	2.5	3.0	3.5	3.4	2.3	--	++	++	2.4
Denmark	309	2.3	2.4	3.4	1.7	-0.9	-5.1	1.2	1.6	2.6	2.6	2.3	2.3	--	++	+	1.5
Poland	430	5.3	3.6	6.2	6.8	5.0	1.7	2.7	3.2	3.9	4.0	4.0	4.0	--	++	+	4.8
Norway	383	3.9	2.7	2.3	2.7	1.8	-1.5	1.1	1.8	1.9	1.9	2.0	2.0	--	++	+	2.7
Switzerland	495	2.5	2.6	3.6	3.6	1.8	-1.5	1.5	1.8	1.8	2.0	2.0	2.0	--	++	+	1.9
Russian Federation	1,229	7.2	6.4	7.7	8.1	5.6	-7.9	4.0	3.3	3.7	4.1	4.4	5.0	--	++	-	3.9
Turkey	615	9.4	8.4	6.9	4.7	0.7	-4.7	5.2	3.4	3.6	3.8	4.0	4.0	--	++	--	3.9
Americas	19,567	4.2	3.5	3.4	3.2	1.5	-2.3	3.4	3.0	3.0	3.0	2.9	2.9	--	++	-	2.9
United States	14,256	3.6	3.1	2.7	2.1	0.4	-2.4	3.1	2.6	2.4	2.5	2.4	2.4	--	++	-	2.8
Canada	1,336	3.1	3.0	2.9	2.5	0.4	-2.6	3.1	3.2	3.0	2.6	2.4	2.1	--	++	=	2.8
Latin America and Caribbean	3,975	6.0	4.7	5.6	5.8	4.3	-1.8	4.0	4.0	4.3	4.2	4.1	4.0	--	++	=	3.3
Brazil	1,574	5.7	3.2	4.0	6.1	5.1	-0.2	5.5	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	4.2	4.5	5.2	4.9	4.4	4.0	--	++	+	3.0
Argentina	310	9.0	9.2	8.5	8.7	6.8	0.9	3.5	3.0	3.0	3.0	3.0	3.0	--	++	-	3.6
Venezuela	337	18.3	10.3	9.9	8.2	4.8	-3.3	-2.6	0.4	0.5	1.6	2.2	2.3	--	+	++	2.7
Colombia	229	4.7	5.7	6.9	7.5	2.4	0.1	2.3	4.0	5.0	5.0	4.5	4.5	--	++	++	3.1
Chile	162	6.0	5.6	4.6	4.6	3.7	-1.5	4.7	6.0	4.8	4.6	4.6	4.5	--	++	++	4.1
Peru	127	5.0	6.8	7.7	8.9	9.8	0.9	6.3	6.0	5.7	5.7	5.7	5.8	--	++	-	4.6
Asia and the Pacific	15,910	6.6	6.6	7.3	8.1	5.1	3.4	6.8	6.8	6.8	6.8	6.9	6.9	--	++	=	5.7
Japan	5,068	2.7	1.9	2.0	2.4	-1.2	-5.2	1.9	2.0	2.0	1.8	1.8	1.7	--	++	=	0.7
Australia	997	3.6	3.2	2.6	4.7	2.4	1.3	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	2.9	3.2	3.0	2.8	2.7	2.4	--	++	+	2.7
Newly Industrialized Asian Economies	1,599	5.9	4.8	5.8	5.8	1.8	-0.9	5.2	4.9	4.4	4.4	4.4	4.3	--	++	-	4.5
Korea, Republic of	833	4.6	4.0	5.2	5.1	2.3	0.2	4.5	5.0	4.1	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	6.5	4.8	4.9	4.9	5.0	5.0	--	++	--	4.2
Hong Kong (China)	211	8.5	7.1	7.0	6.4	2.1	-2.7	5.0	4.4	4.2	4.2	4.2	4.2	--	++	-	3.6
Singapore	177	9.2	7.6	8.7	8.2	1.4	-2.0	5.7	5.3	5.1	4.7	4.6	4.5	--	++	-	5.4
Developing Asia	7,793	8.6	9.0	9.8	10.6	7.9	6.6	8.7	8.7	8.6	8.6	8.6	8.5	--	++	=	8.1
China	4,909	10.1	10.4	11.6	13.0	9.6	8.7	10.0	9.9	9.8	9.7	9.6	9.5	-	++	=	10.3
India	1,236	7.9	9.2	9.8	9.4	7.3	5.7	8.8	8.4	8.0	8.1	8.1	8.1	--	++	-	7.3
Pakistan	167	7.4	7.7	6.1	5.6	2.0	2.0	3.0	4.0	4.5	5.0	5.5	6.0	=	++	+	4.4
Indonesia, Malaysia, Philippines, Thailand	1,156	5.9	5.2	5.4	6.1	4.5	1.3	5.3	5.5	5.7	5.7	5.8	5.8	--	++	=	3.9
Iran	330	5.1	4.7	5.8	7.8	2.3	1.8	3.0	3.2	3.2	3.2	3.2	3.2	-	++	=	5.1
Africa	1,216	6.6	5.8	6.2	6.3	5.2	2.4	4.6	5.5	5.4	5.4	5.3	5.2	--	++	+	5.2
South Africa	287	4.6	5.3	5.6	5.5	3.7	-1.8	2.6	3.6	4.0	4.4	4.5	4.5	--	++	++	3.5
Algeria, Morocco, Tunisia,	272	5.2	4.3	4.3	3.5	3.8	3.2	4.0	4.4	4.8	4.7	4.7	4.7	-	+	+	4.5
Nigeria	173	10.6	5.4	6.2	7.0	6.0	5.6	7.0	7.3	6.7	6.6	6.1	6.0	-	++	+	7.4
Middle East	1,317	6.3	5.8	5.7	5.0	6.5	2.4	5.2	5.4	5.4	5.2	5.3	5.4	--	++	+	4.8
Saudi Arabia	370	5.3	5.6	3.2	2.0	4.3	0.1	3.7	4.0	4.3	4.4	4.6	4.6	--	++	+	3.2
Untd Arab Emirates	230	9.7	8.2	8.7	6.1	5.1	-0.7	1.3	3.1	4.0	4.4	4.7	4.8	--	++	++	6.3
Egypt	188	4.1	4.5	6.8	7.1	7.2	4.7	5.0	5.5	5.7	5.9	6.2	6.5	--	+	+	5.7
Kuwait	111	10.2	10.6	5.1	2.5	6.4	-2.7	3.1	4.8	4.8	4.8	4.8	4.9	--	++	++	4.7

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

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

GDP growth measurement, methodological note

World aggregated growth of Gross Domestic Product (GDP) as reported by the UN is calculated as a weighted average of individual country GDP growth rates, where weights are based on GDP in 2005 prices and exchange rates (i.e. at 2005 market value).

IMF estimates growth rates 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 25% and of China 6%, while at PPP their weights are respectively 21% and 11%

Regional and country outlook

USA – stimulus-driven recovery underway

Substantial stimulus has underpinned the US recovery, but private demand remains soft and well below the pre-crisis level. In response to the stimulus and a robust inventory cycle, real GDP grew at a seasonally adjusted annualised rate of 2.2% in Q3 2009 and by 5.6% in Q4, while consumption rose by only 1.6% as households continued to rebuild wealth. During the same period, net exports also made a modest positive contribution to growth, as the rebound in global trade and recovery in partner economies boosted exports. The labour market remains unusually weak. The rate at which jobs are being lost has substantially slowed, but employment growth remains negative, and the unemployment rate had reached 10% by the end of 2009, although it decreased marginally during Q1 2010. Meanwhile, financial market conditions have normalised and the housing market has tentatively stabilised, but credit conditions remain on the tight side.

Reflecting these conditions, the recovery ahead is expected to be gradual, particularly when the effects of the stimulus subside. Real GDP is projected to grow by 3.1% in 2010. The recovery will be tempered by households' continued need to rebuild wealth, the expected slow but necessary process of financial sector repair and deleveraging, and continued weakness in the labour market. The removal of a policy stimulus will detract from growth, which will moderate to 2.6% in 2011. Unemployment is projected to remain high and inflation is expected to continue subdued.

Risks to the US growth outlook appear broadly balanced in 2010, but they are tilted downwards in 2011 as fiscal stimulus winds down. When the recovery is solidly underway, fiscal consolidation should be a top priority.

Restoring the financial sector to full health and addressing the gaps in regulation highlighted by the crisis will be essential for stable medium-term growth.

Asia – leading the way forward

Although the downturn in many Asian economies in late 2008 was steeper than expected, the recovery came quickly and was just as sharp. Output growth in 2009 in almost all Asian economies was stronger than projected in the October 2009 WEO, with Japan a notable exception. The V-shaped recovery points to an overall slowdown that was more moderate than in other regions. The recovery has also been more balanced in Asia than elsewhere. Four factors have supported Asia's recovery. First, the rapid normalisation of trade which has benefited the export-oriented economies in the region. Second, the bottoming out of the inventory cycle, which is boosting industrial production and exports. Third, a resumption of capital inflows into the region. Finally, domestic demand has been resilient.

Against this backdrop, Asia's GDP is projected to grow by 7% in both 2010 and 2011. However, significant differences remain within the region. In both China and India strong domestic demand will support the recovery. In China, GDP growth exceeded the government's 8% target in 2009 and is expected to reach 10.0% in both 2010 and 2011. In India, growth is projected to surpass 8% both in 2010 and 2011, supported by rising private demand. Private domestic demand is also expected to be the main driver of growth in the ASEAN-5 economies – Indonesia, Thailand, the Philippines, Malaysia and Vietnam – where real activity is projected to be up 5.4% in 2010. While exports have helped support a tentative recovery in Japan, spillovers to domestic demand have so far been limited. GDP in Japan is projected to grow by 1.9% in 2010, supported by fiscal stimulus and rising exports.

A variety of policy challenges face the region's economies. For policymakers in Asia's export-driven economies, who now face the prospect of weaker external demand conditions, a key challenge is how to achieve a durable rebalancing toward domestic sources of growth. On the other hand, given the region's strong recovery, planning the speed and sequencing of the exit from stimulative macroeconomic policies must become a policy priority.

Europe – sluggish and uneven recovery

Many economies in advanced and emerging Europe faced the global crisis with substantial current account imbalances and weak fiscal positions. Substantial output losses and costly crisis-related measures led to very large fiscal deficits in a number of countries (e.g. Greece, Ireland, Lithuania, Portugal, Spain and the UK). Sizable fiscal and current account imbalances are a threat to

recovery in several eurozone countries, with potentially negative spillover effects on the rest of Europe. Indeed, in order to address Greece's fiscal and debt problems – which created turmoil in financial markets – the IMF, the European Commission and the European Central Bank (ECB) agreed on a focused programme to stabilise its economy, become more competitive, and restore market confidence with the support of a €110 billion (about US\$ 145 billion) financing package. (IMF Survey: Europe and IMF agree €110 billion Financing Plan with Greece, 2 May 2010, www.imf.org/external/pubs/ft/survey/so/2010/car050210a.htm).

In addition, the IMF and the ECB announced in May a new European Stabilisation Mechanism to help underpin confidence in Europe after a period of financial market stress, triggered by concerns over government solvency in several countries.

(IMF Survey: Europe Moving to Restore Growth and Sustainability, 11 May 2010, www.imf.org/external/pubs/ft/survey/so/2010/car051010a.htm)

Marek Belka, Director of the IMF's European Department, points out that: "The recovery is underway in Europe, but it's still much weaker than in other parts of the world." Mr Belka warns that: "Lending conditions are still very tight, unemployment is high and still rising and, most importantly, people are worried about fiscal sustainability in a number of countries, which is depressing confidence in the outlook."

Given this panorama, Europe's growth performance is expected to be modest and uneven. In particular, advanced Europe's GDP is projected to grow at only 1.0% in 2010, edging up to 1.7% in 2011. Specifically, eurozone GDP is projected to grow by 1.0% in 2010 and 1.5% in 2011. The recovery is expected to be moderate in Germany and France, while smaller eurozone economies such as Greece, Ireland, Portugal and Spain will come out of recession even more slowly. Outside the eurozone, real activity in the UK is projected to continue at a moderate pace. Emerging Europe's growth in real activity is expected to be 3% in 2010, picking up to 3.4% in 2011.

The global crisis and its ripple effects have exposed weakness in existing policy arrangements on various fronts. While there is a need for continued support for the recovery, and evolving financial and sovereign risks need attention, it is also the time to re-establish sustainable policies and move to address medium- and long-term challenges in a decisive manner. These challenges include getting public finances back on a sustainable track, reforming the financial system, and improving the efficiency of labour and product markets. Emerging Europe faces the added challenge of attracting new capital flows, and figuring out how to manage them well.

Commonwealth of Independent States – recovering at a moderate pace

Having suffered a large output collapse during the crisis, the Commonwealth of Independent States (CIS) is emerging from the recession at a moderate pace.

As in Europe, economic prospects across the region vary considerably. Among the factors underpinning recovery in the CIS are higher commodity prices and the normalisation of global trade and capital flows. Real activity in the CIS region is projected to expand by 4.0% in 2010, before moderating slightly to 3.6% in 2011.

Latin America and the Caribbean – growth gaining momentum

Having weathered the global downturn comparatively well, the Latin America and Caribbean (LAC) region is recovering at a robust pace. Strong recovery in this region has been shaped by a number of factors. First, accommodative policies are contributing to underpinning domestic demand. Second, good fundamentals are helping the region to recover and re-attract capital flows in an improved global financial environment. Third, higher commodity prices and external demand are supporting growth in many economies, given their dependence on commodity-related earnings.

Against this backdrop, GDP in the LAC region is projected to grow at 4.0% in 2010 and 2011. Growth in Brazil and Mexico, the two largest economies in the region, is expected to rebound to 5.5% and 4.2% respectively, reversing the negative result recorded by both countries in 2009.

However, weak external demand for tourism from North America and Europe is impeding growth in a number of economies in the region, especially in the Caribbean, while lower remittances are affecting many LAC economies. For most tourism-intensive economies, the key challenge is to manage the recovery and maintain macroeconomic stability with limited policy choices. On the whole, risks to LAC growth are substantial but broadly in balance. The main downside risks are external to the region. They relate to the fragility of the recovery in advanced economies and a potential weakness in commodity prices.

Middle East and North Africa – growing out of its downturn

The Middle East and North Africa (MENA) region is recovering at a good pace. At least two forces are helping to drive the recovery. First, higher commodity prices and external demand are boosting production and exports in many economies in the region. Second, government

spending programmes are playing a key role in fostering the recovery.

GDP in the Middle East and North Africa is projected to grow at 4.5% in 2010, edging up to 4.8% in 2011. Nevertheless, there is substantial uncertainty about this outlook, as a slower-than-expected recovery in advanced economies could dampen commodity prices and tourism. On the other hand, there is a downside risk related to the long-term impact of the Dubai World debt crisis.

Africa – coming through the crisis well

Subsaharan Africa has weathered the global crisis well, and its recovery from the slowdown in 2009 is expected to be stronger than following past global downturns. Declining trade and commodity prices hurt Subsaharan Africa during the crisis, but the recovery of both is supporting the rebound. Remittances and official aid flows have also been less affected than anticipated by the recessions in advanced economies.

Subsahara's growth is projected to reach 4.7% in 2010 and accelerate to 5.9% in 2011. Attracting private capital flows and building fiscal room in order to increase spending on growth-enhancing priorities – including infrastructure, health and education – will continue to be major policy challenges.

High unemployment poses social risks

With the recovery of the world economy underway, job growth is slowly reappearing. But global unemployment is still at record levels. According to the IMF's April 2010 projection, unemployment rates in advanced economies are expected to reach 8.4% in 2010 (up from 8.0% in 2009). In the USA, more than 7 million jobs have been lost and 8.8 million people are involuntarily working part-time since the start of the crisis. The rate at which jobs are being lost in the USA has slowed substantially, but the unemployment rate had reached 10% by the end of 2009, although it decreased marginally during the first quarter of 2010. Unemployment in the USA is projected to remain high in 2010, at 9.4%, before declining to 8.3% in 2011 as employment growth picks up. On the other hand, the unemployment rate in the eurozone is expected to rise to 10.5% in 2010 (up from 9.4% in 2009) and remain at the same level in 2011.

Most eurozone economies will record unemployment rates above 8%, but Spain (19.4%), Ireland (13.5%), Greece (12%), the Slovak Republic (11.6%), Portugal (11.0%) and France (10.0%) will be the most affected, posting double-digit rates. While the UK is expected to increase its unemployment rate in 2010 to 8.3% (up from 7.5%), the opposite is expected to occur in major economies such as Australia (from 5.6% to 5.3%) and Canada (from 8.3% to 7.9%). Given the expected sluggish recovery in output and the lingering effects of financial stress, the global unemployment rate is forecast to remain high throughout 2011 (8%) – dampening consumption in many countries – and then decline only slowly.

The IMF points out that the response of unemployment to the sharp declines in output during the crisis has been markedly different across advanced economies because of differences in output declines, labour market institutions, and factors such as financial stress and house price busts. Short-time work programmes have also been important in dampening the unemployment response in some economies, notably Germany. As an example, in the USA, the employment rate increased by about four percentage points in 2009 compared to the previous year while, in Germany, it rose only marginally.

However, in many countries the problems are larger than the headline unemployment rate suggests. Both the IMF and the International Labour Organization (ILO) warn on the potential social risks behind high unemployment. According to the ILO, unemployment is only the tip of the iceberg of labour market distress, as underemployment has increased significantly, raising concerns that many discouraged workers may permanently become detached from the labour market. The IMF adds that a major concern is the potential for temporary joblessness to turn into long-term unemployment and to lower potential output growth.


In this setting, the IMF urges the adoption of policies to support job creation and the unemployed. To limit

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damage to the labour market, macroeconomic policies need to be appropriately supportive of the recovery where possible. At the same time, policies need to foster wage flexibility and provide adequate support for the jobless. Adequate unemployment benefits are essential to support confidence among households and to avoid large increases in poverty, and wage flexibility is important for facilitating a re-allocation of labour in economies that have suffered major sectoral shocks.

“The world faces not only a fiscal deficit, but also a huge deficit of decent work”, ILO’s Director-General Juan Somavia points out. Bearing in mind the continuing global jobs crisis that has elevated global unemployment to more than 210 million, ILO’s message for the forthcoming Toronto G20 meeting is very clear: Put jobs at the centre of the recovery.

ILO sources:

Press releases:

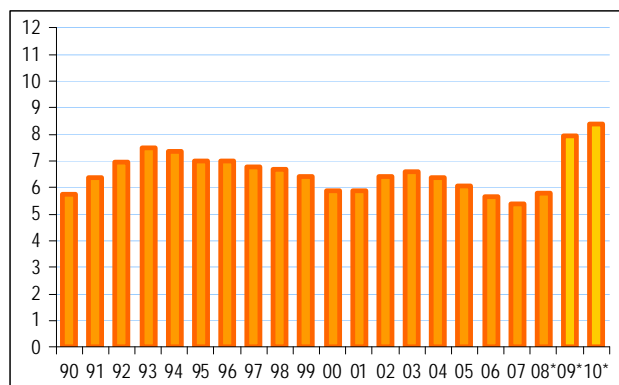
- ‘ILO urges strong action on jobs to ensure balanced economic recovery on eve of Toronto G20 Summit’, (www.ilo.org/global/About_the_ILO/Media_and_public_information/Press_releases/lang--en/WCMS_142029/index.htm)
- ‘ILO Director-General calls for focus on reactivating real economy and creating jobs’, (www.ilo.org/global/About_the_ILO/Media_and_public_information/Press_releases/lang--en/WCMS_141672/index.htm)

Report:

Recovery and growth with decent work, report of the Director-General, June 2010, www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_140738.pdf

Unemployment rate

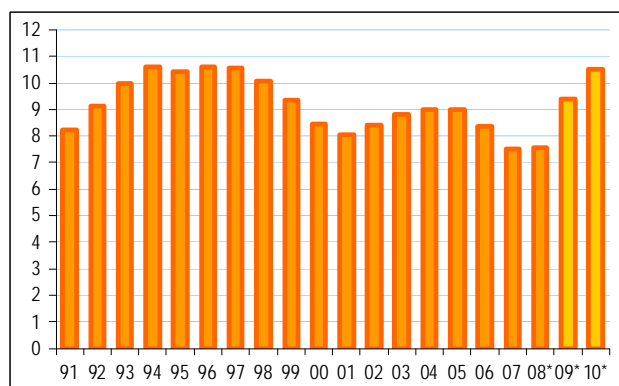
Advanced economies (%)



Source: International Monetary Fund

Euro area

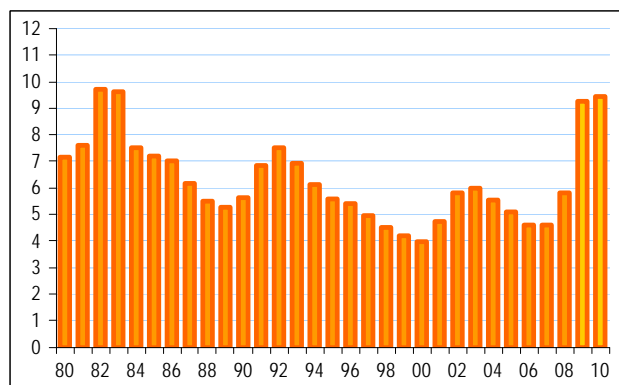
(%)



Source: International Monetary Fund

United States

(%)



Source: International Monetary Fund

Commodities, inflation, interest rates

Commodity prices have rebounded in response to expanding activity. Oil posted the largest rebound among all commodity groups in 2009, followed by metals. According to the IMF, commodities have recovered faster and more strongly during this recovery due to a better-than-expected recovery in global demand (especially in Asia) and to the increasingly important role of emerging and developing economies in global commodity markets. After rebounding rapidly from their crisis lows in the second quarter of 2009, oil prices have largely remained range-bound since mid-2009, fluctuating between US\$ 70-80 a barrel.

According to the International Energy Agency, global oil demand is projected to expand by 2% in 2010 as a result of stronger-than-expected preliminary OECD demand data, although downside risks remain. These include the threat to global economic recovery from OECD sovereign debt issues and the sustainability of Chinese oil demand growth and, on the supply side, the potential consequences of April's sinking of the Deepwater Horizon drilling rig (June 2010 Oil Market Report, www.oilmarketreport.org). Looking to the medium term, the IMF points out that the oil price outlook depends on prospects for maintaining sustainable demand-supply balances.

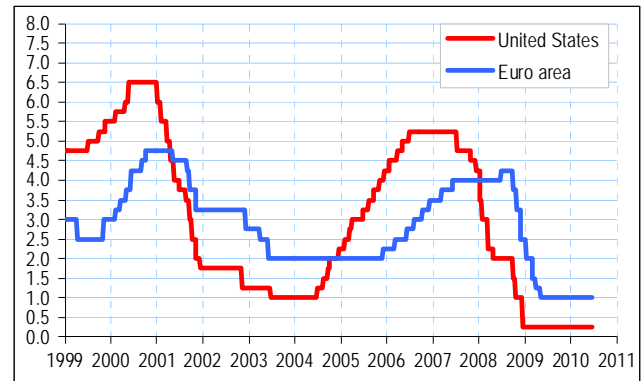
According to the IMF, inflation pressures are projected to remain low, held down by high unemployment rates and excess capacity. The IMF's latest projections indicate that inflation in advanced economies will rise to 1.5% in 2010-11, following a zero rate in 2009. This reflects well-anchored inflation expectations, rising commodity prices and a potential reluctance for firms to lower prices and margins in the face of weak revenues. In emerging economies, where consumer prices are more sensitive to commodity prices, inflation is forecast to hover around 6% in 2010, and will decrease slightly to 5% in 2011. The IMF warns that, as inflation has historically been higher and more volatile in emerging economies, inflation pressures could resurface more easily there than in advanced economies.

In a context of low inflationary pressures and continuous support for economic recovery, key interest rates in advanced economies are expected to remain low. In its latest statement (23 June 2010), the Federal Reserve (FED) kept interest rates unchanged (0% to 0.25%) as household spending is increasing but remains constrained by high unemployment, modest income growth, lower housing wealth, and tight credit. The FED adds that economic conditions, including low rates of resource utilisation, subdued inflation trends, and stable inflation expectations, are likely to warrant exceptionally low levels of the federal funds rate for an extended period. In its latest monetary decision (10 June 2010), the European Central Bank also decided to leave interest changes unchanged

(1%), as it continues to expect price developments to remain moderate over the policy-relevant medium-term horizon. The ECB's President Jean-Claude Trichet points out that maintaining price stability in the eurozone over the medium term is the central contribution that monetary policy makes to foster sustainable economic growth, job creation and financial stability.

Interest rate Federal Reserve and ECB

(%)

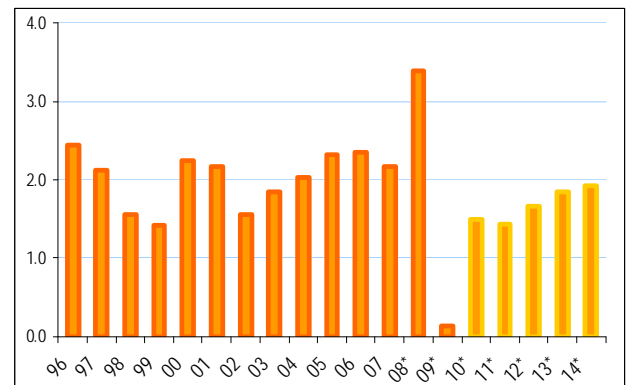


Source: Federal Reserve and European Central Bank (ECB)

Inflation

Advanced economies

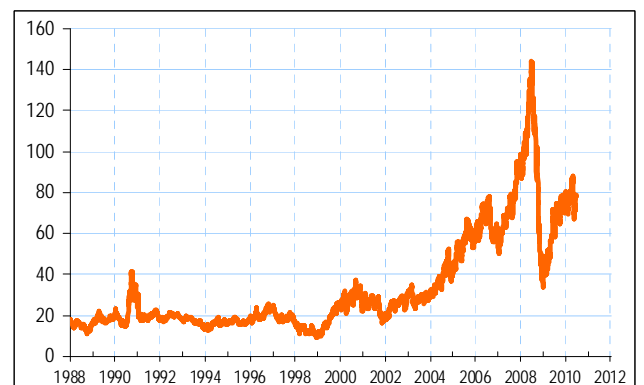
(%)



Source: International Monetary Fund

Crude Oil Spot Price Brent (daily)

(US\$ per barrel)



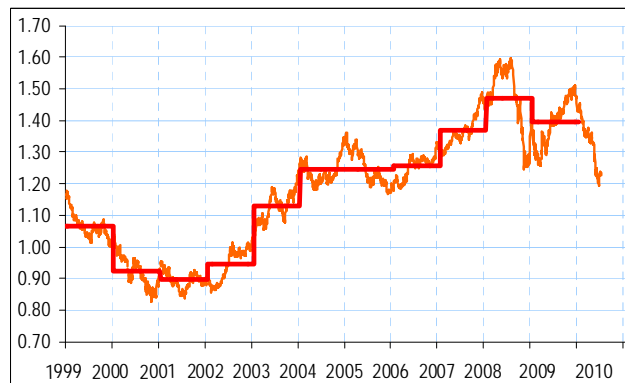
Source: US Department of Energy, Energy Information Administration

Exchange rates

The most significant movement during the first half of 2010 in the area of exchange rates has been the loss in strength of the euro due to the prospects of a sluggish recovery in the eurozone and fears of the debt crisis spreading. Between January and May, the euro and many other European currencies weakened around 12% against the US dollar and other American currencies, as well as most Asian and Middle East currencies. In May, the euro exchange rate was US\$ 1.26 to €1.00 (1 US\$=€0.80) as against US\$ 1.43 (1 US\$=€0.70) in January. The euro is now back at its level of 2004-2006, but is still higher than it was in the five years before that. For the troubled European tourism industry this could be a relief as it has improved competitiveness compared to destinations elsewhere in the world.

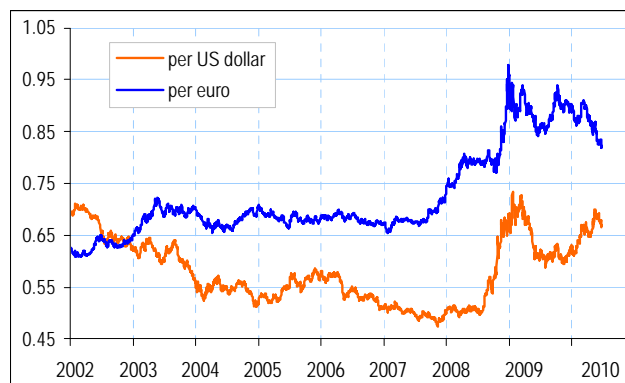
Exchange rate euro to US dollar

(US\$ per €)



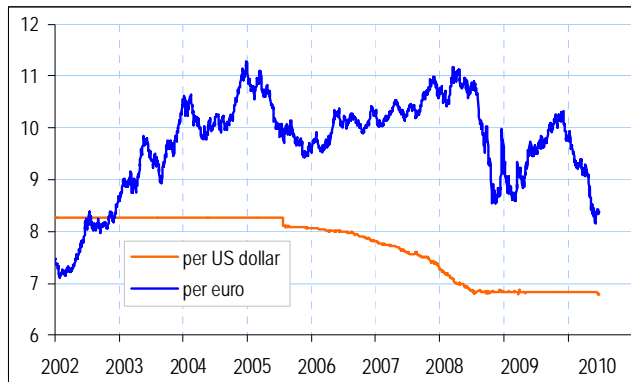
Source: De Nederlandse Bank

Exchange rate British pound



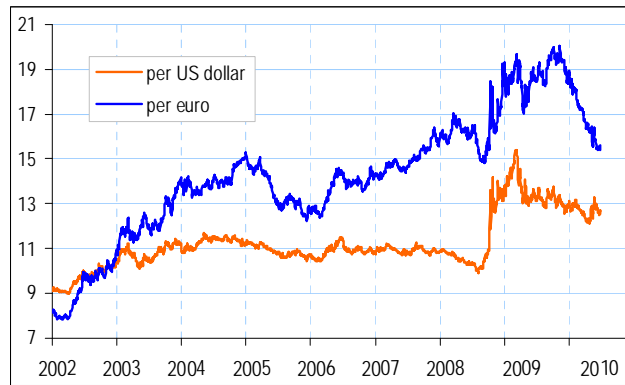
Source: De Nederlandse Bank

Exchange rate Chinese yuan renminbi



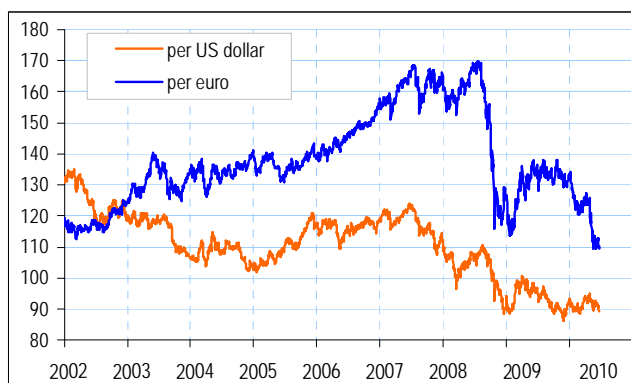
Source: De Nederlandse Bank

Exchange rate Mexican peso



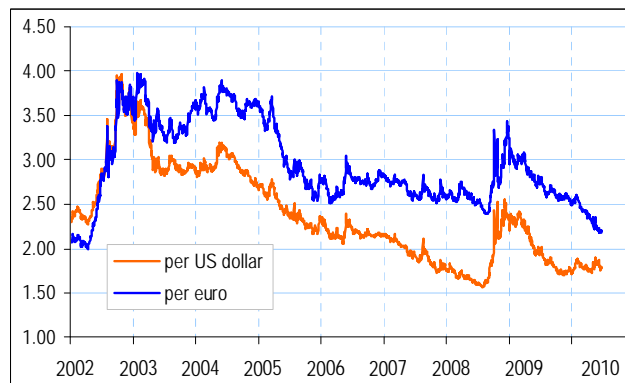
Source: De Nederlandse Bank

Exchange rate Japanese yen (100)



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	J.-M.10		Average		08/07	09/08	2009	2010	year ago	J.-M.10	
	2008	2009	%	%	May	Jan	May	%		2008	2009	%	%	May	Jan	May	%	
US dollar										1.47	1.39	7.3	-5.2	1.37	1.43	1.26	-7.9	-12.0
Canadian dollar	1.06	1.14	-1.0	7.2	1.15	1.04	1.04	-9.7	-0.3	1.56	1.59	6.2	1.6	1.57	1.49	1.31	-16.9	-12.2
Mexican peso	11.08	13.48	1.4	21.7	13.18	12.81	12.72	-3.5	-0.7	16.29	18.80	8.8	15.4	18.00	18.28	15.99	-11.2	-12.6
Jamaican dollar	72.43	87.49	4.9	20.8	88.63	89.05	88.27	-0.4	-0.9	106.54	122.04	12.6	14.5	120.98	127.09	110.91	-8.3	-12.7
Guatemalan quetzal	7.55	8.14	-1.7	7.8	8.09	8.35	8.00	-1.2	-4.2	11.11	11.35	5.5	2.2	11.05	11.91	10.05	-9.0	-15.6
Honduran lempira	18.88	18.87	-0.1	-0.1	18.91	18.89	18.88	-0.2	-0.1	27.77	26.32	7.2	-5.2	25.82	26.96	23.72	-8.1	-12.0
Argentine peso	3.20	3.77	1.7	17.7	3.77	3.87	3.93	4.3	1.6	4.71	5.26	9.2	11.6	5.15	5.53	4.94	-4.0	-10.6
Brazilian real	1.82	1.98	-6.4	9.1	2.07	1.78	1.81	-12.5	1.8	2.67	2.77	0.4	3.5	2.82	2.54	2.28	-19.4	-10.4
Chilean peso	518	557	-0.7	7.4	566	501	534	-5.8	6.4	762	777	6.6	1.9	773	715	670	-13.3	-6.3
Colombian peso	1952	2143	-5.9	9.8	2224	1975	1983	-10.9	0.4	2870	2989	1.0	4.1	3036	2819	2491	-17.9	-11.6
Peruvian new sol	2.91	3.00	-6.8	3.0	3.00	2.86	2.84	-5.1	-0.4	4.29	4.19	0.0	-2.3	4.09	4.08	3.57	-12.7	-12.4
Euro	0.68	0.72	-6.8	5.4	0.73	0.70	0.80	8.6	13.6									
Danish krone	5.07	5.34	-6.8	5.3	5.46	5.21	5.92	8.6	13.6	7.46	7.45	0.1	-0.1	7.45	7.44	7.44	-0.1	0.0
Swedish krona	6.54	7.61	-3.1	16.5	7.75	7.14	7.69	-0.8	7.7	9.62	10.62	3.9	10.4	10.58	10.19	9.66	-8.7	-5.2
Pound sterling	0.54	0.64	8.4	18.0	0.65	0.62	0.68	5.3	10.3	0.80	0.89	16.4	11.9	0.88	0.88	0.86	-3.1	-2.9
Czech koruna	16.96	18.95	-16.3	11.7	19.58	18.31	20.42	4.3	11.5	24.95	26.43	-10.2	6.0	26.73	26.13	25.66	-4.0	-1.8
Hungarian forint	171	201	-6.8	17.5	207	189	220	6.7	16.7	252	280	0.1	11.5	282	269	277	-1.8	2.7
Polish zloty	2.39	3.10	-13.5	29.9	3.23	2.85	3.23	-0.1	13.2	3.51	4.33	-7.2	23.2	4.41	4.07	4.06	-8.0	-0.3
Croatian kuna	4.91	5.26	-8.3	7.1	5.39	5.11	5.78	7.3	13.1	7.22	7.34	-1.5	1.6	7.35	7.29	7.26	-1.2	-0.4
Norwegian krone	5.59	6.26	-4.4	11.9	6.44	5.73	6.28	-2.5	9.5	8.22	8.73	2.6	6.1	8.79	8.18	7.89	-10.3	-3.6
Swiss franc	1.08	1.08	-10.0	0.3	1.11	1.03	1.13	1.9	9.1	1.59	1.51	-3.4	-4.9	1.51	1.48	1.42	-6.2	-4.0
Russian rouble	24.76	31.64	-3.1	27.8	31.92	29.83	30.46	-4.6	2.1	36.42	44.14	4.0	21.2	43.57	42.57	38.27	-12.2	-10.1
Turkish lira	1.30	1.55	-0.6	19.6	1.56	1.47	1.55	-0.5	5.1	1.91	2.16	6.7	13.5	2.13	2.10	1.95	-8.4	-7.5
Israeli new shekel	3.57	3.92	-13.0	9.7	4.07	3.71	3.79	-6.7	2.2	5.25	5.46	-6.6	4.0	5.55	5.30	4.77	-14.1	-10.0
UAE dirham	3.67	3.67		0.0	3.68	3.67	3.67	-0.2	0.0	5.40	5.12		-5.2	5.02	5.24	4.61	-8.1	-12.0
Moroccan dirham	7.71	8.07	-5.8	4.6	8.22	7.92	8.80	7.0	11.0	11.35	11.25	1.1	-0.8	11.22	11.31	11.05	-1.5	-2.3
Tunisian dinar	1.23	1.35	-4.1	9.8	1.37	1.33	1.49	8.3	12.1	1.80	1.88	2.9	4.1	1.87	1.89	1.87	-0.3	-1.3
South African rand	8.20	8.37	16.3	2.1	8.39	7.46	7.65	-8.8	2.5	12.06	11.67	24.8	-3.2	11.45	10.65	9.61	-16.0	-9.7
Japanese yen	104	93	-11.9	-9.8	97	91	92	-4.6	0.9	152	130	-5.5	-14.5	132	130	116	-12.1	-11.1
Chinese yuan renminbi	6.95	6.83	-8.6	-1.7	6.82	6.83	6.83	0.0	0.0	10.22	9.53	-1.9	-6.8	9.32	9.74	8.58	-7.9	-11.9
Hong Kong dollar	7.79	7.75	-0.2	-0.5	7.75	7.76	7.79	0.5	0.3	11.45	10.81	7.1	-5.6	10.58	11.08	9.78	-7.5	-11.7
Taiwan dollar	31.47	33.00	-4.2	4.9	32.86	31.88	31.90	-2.9	0.1	46.28	46.03	2.8	-0.5	44.86	45.49	40.09	-10.6	-11.9
Singapore dollar	1.41	1.45	-6.3	2.8	1.46	1.40	1.39	-4.6	-0.2	2.08	2.02	0.6	-2.5	1.99	1.99	1.75	-12.2	-12.2
Korean won	1092	1271	17.6	16.4	1253	1138	1167	-6.9	2.5	1606	1773	26.2	10.4	1710	1625	1466	-14.3	-9.8
Thai baht	32.96	34.27	2.2	4.0	34.61	33.04	32.40	-6.4	-1.9	48.48	47.80	9.6	-1.4	47.24	47.15	40.71	-13.8	-13.7
Malaysian ringgit	3.32	3.52	-3.2	5.8	3.52	3.38	3.25	-7.6	-3.6	4.89	4.91	3.9	0.4	4.81	4.82	4.09	-14.9	-15.1
Indonesian rupiah	9,631	10,355	5.4	7.5	10,357	9,293	9,166	-11.5	-1.4	14,165	14,444	13.1	2.0	14,137	13,264	11,517	-18.5	-13.2
Philippine peso	44.31	47.56	-3.6	7.3	47.33	46.04	45.61	-3.6	-0.9	65.17	66.34	3.4	1.8	64.60	65.70	57.32	-11.3	-12.8
Vietnamese dong	16392	17793	1.8	8.5	17726	18294	18889	6.6	3.3	24109	24818	9.3	2.9	24195	26109	23735	-1.9	-9.1
Australian dollar	1.18	1.27	-0.7	7.3	1.31	1.09	1.15	-12.0	4.9	1.74	1.77	6.5	1.8	1.78	1.56	1.44	-19.0	-7.6
New-Zealand dollar	1.41	1.59	3.9	12.3	1.66	1.38	1.43	-13.7	4.1	2.08	2.21	11.5	6.5	2.27	1.96	1.80	-20.5	-8.3
Fiji dollar	1.58	1.95	-1.5	22.9	2.13	1.91	1.97	-7.6	3.5	2.33	2.71	5.8	16.6	2.91	2.72	2.48	-14.9	-8.9
Indian rupee	43.25	48.29	5.1	11.7	48.48	45.92	45.85	-5.4	-0.1	63.61	67.36	12.8	5.9	66.18	65.54	57.62	-12.9	-12.1
Pakistan rupee	70.21	81.59	15.5	16.2	80.68	84.57	84.40	4.6	-0.2	103.26	113.80	23.9	10.2	110.13	120.70	106.04	-3.7	-12.1
Sri Lanka rupee	108	115	-2.2	6.1	117	114	114	-2.7	-0.6	159	160	5.0	0.7	160	163	143	-10.5	-12.5

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

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

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

Available in English



Published: 2009
Price: € 75

Handbook on Tourism Destination Branding

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

Available in English



Published: 2009
Price: € 75

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

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

Available in English

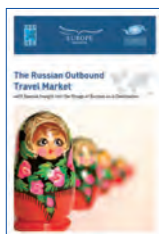


Published: 2008
Price: € 75

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

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

Available in English



Published: 2009
Price: € 75

Handbook on Tourism Forecasting Methodologies

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

Available in English



Published: 2008
Price: € 45

Handbook on E-marketing for Tourism Destinations

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

Available in English



Published: 2008
Price: € 75

Cruise Tourism – Current Situation and Trends

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

Available in Spanish, only



Published: 2008
Price: € 80

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 350 Affiliate Members representing local governments, tourism associations and private sector companies including airlines, hotel groups and tour operators.

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