

## First 2008 Results Show Firm Tourism Demand

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Advanced Results From The UNWTO World Tourism Barometer June 2008

**\* International tourism grew at around 5% during the first four months of the year - one percentage point above the long-term trend.**

**\* All subregions had positive results - fastest growth in the Middle East, North-East and South Asia, and Central and South America.**

**\* Uncertainty over the global economic situation is affecting consumer confidence and could hurt tourism demand.**

**\* For 2008 as a whole, UNWTO maintains a cautiously positive forecast.**

According to the June edition of the UNWTO World Tourism Barometer, the first results for 2008 suggest the relative stability of international tourism. In spite of uncertainties posed by the global economy, international tourist arrivals grew at around 5% between January and April 2008, compared to the same period of 2007.

Prospects for international tourism remain positive, although the overall economic climate has deteriorated since the last quarter of 2007, reducing consumer confidence and putting pressure on household spending and travel budgets. UNWTO expects tourism demand to grow, but at a slower pace over the remainder of the year.

The summer season in the northern hemisphere will be critical. This is traditionally the busiest period for international travel, with over 100 million arrivals in each July and August 2007.

"The extent of any tourism demand adjustment and its consequences for the sector will depend on how the economy evolves and consumers react, both of which are directly interrelated to oil and food prices. UNWTO is monitoring this evolving situation closely. Given current circumstances we are cautious, although we remain positive for the overall industry perspective in 2008", said UNWTO Secretary-General Francesco Frangialli.

The 280 members of the UNWTO Panel of Tourism Experts confirm this outlook. Though the UNWTO Tourism Confidence Index has weakened, the positive expectations still clearly outnumber the negative ones in the worldwide consultation done for this latest UNWTO World Tourism Barometer.

### **Regional growth**

All sub-regions posted positive results in the first months of the year. Growth was fastest in the Middle East, North-East and South Asia, and Central and South America. North-America is on track for a clearly positive year thanks to the strong inbound travel to the USA, while arrivals to the Caribbean started to rebound well on last year's stagnant results. Growth was more modest in Europe, with best performances coming from Southern and Mediterranean destinations.

A variety of destination countries all around the globe reported double-digit growth rates in the first three to five months of 2008, among which in Asia and the Pacific: China, Japan, Republic of Korea, Macao (China), Cambodia, Indonesia, Vietnam, Fiji, India and Nepal, in the Americas: the USA, Cuba, Jamaica, Costa Rica, El Salvador, Panama, Chile, Peru and Uruguay, in Europe: Sweden, Bulgaria, Latvia, Lithuania, Israel, Malta, Montenegro and Turkey, and in Africa and the Middle East: Bahrain, Egypt and Morocco.

### **Challenges for international tourism**

The anticipated softening of international tourism growth in 2008, yet still clearly at a positive level, follows four historically strong years. Between 2004 and 2007 international tourism grew at an extraordinary above average rate of 7% a year, boosted by a buoyant world economy and pent-up demand after the challenges in 2001-2003.

The current economic imbalances, in particular the rising energy prices, are very likely to influence tourism spending. But specific demand shifts - determined by disposable income, travel budgets and confidence - will vary from country to country, and from region to region, depending on their local economies, labour markets and consumer confidence.

On the whole, though consumer confidence indices show an increasing degree of uncertainty, international tourism has proven to be resilient in similar circumstances in the past and able to cope with various types of shocks, including security threats, geopolitical tensions or natural and man-made crisis.

For more information on the UNWTO World Tourism Barometer:

<http://unwto.org/facts/eng/barometer.htm>

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