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PRESS RELEASE

World International Tourism Tendencies

RIT presents the study of professor P. Pavlopoulos: "World Tourism Panorama".

This is a new kind of study for the Greek and world bibliography, as far as it concerns its plenitude, breadth, and discernment. Without the knowledge of the tendencies of international tourism and its characteristics, as well as its future development, planning and applying tourism policy would be inevitably incomplete.

The study contains two units: The first unit examines the present situation of world international tourism and its dynamic from various viewpoints. The second unit includes medium- or long-term forecasts in total and regional level.

From the three destinations of major importance, only Europe presents a clear life circle. However, it is concluded that the political and economic conditions, as formed by the global market liberalization, the border opening and the development prospects of areas with large populations such as China and Central and East Europe, and countries with large populations such as India, Indonesia and Brazil, will critically affect the positions of the life curves of tourism products of different regions. This change will require several decades to happen, given the dominant role of intra-regional international tourism –that will continue for at least another 10-20 years.

In this respect, East Asia- Pacific will have the most remarkable change due to intra-regional tourism. However, the rapid development of China and other countries with large populations of the developing world, as well as the improvement of the economic prosperity level of the residents of Eastern Europe, will create wealthy people. By influencing their preferences, the shape and position of the life circle curve of Europe's Tourism product and in particular the part of the Mediterranean will clearly be affected.

Another interesting general conclusion concerns the comparatively dominant importance of intra-regional tourism or rather intra- continental tourism. In terms of arrivals, the intra-continental tourism forms the main volume of international tourism today. Based on 1994 data, 82% of the total international tourism has intra-continental origin. It should be noted that this percentage is by 11 percentage points higher compared to 1980. An increase of international tourism at global level

by 90,5%, cause an increase in intra-regional international tourism only equal to 24,5%.

It is worth mentioning that Europe and America have the same relative shares of intra-regional international tourism over a period of 15 years, with percentages of 85% and 75% respectively, which are among the highest in the world. The other regions except South Asia have undergone dramatic changes in intra-regional tourism with increases of the relevant shares from 16 units for the Pacific region up to 39 for the Middle East region.

These findings will significantly affect the regional distribution of international tourism in the future and therefore the direction and the type of tourism policy in infrastructure, forms of tourism and direction and extent of promotion and advertising both at mega-regional level and at country level.

The examination of the effects of the changes that are estimated to take place in global economic data, technology and institutions leads to optimistic conclusions regarding global tourism development. It is predicted that it will most likely move up and to the right in life cycle curve of global international tourism with significant consequences, positive or negative. This will depend on the degree in which different countries and regions will proceed to planned adjustments in general and specific tourism infrastructure, adjusting to the requirements and opportunities created by the above perspective. Europe, with the maintenance and promotion of its unique tourism recourses has the ability to participate creatively and profitably in this new perspective that opens up.

- (a) Between 1994 and 2010, the number of international tourists is expected to become double, a progress that is equivalent to an average annual increase of 4,5% in arrivals. According to a more optimistic scenario that supports the forecast in original economic approach, the rate of increase will be 5,5% per year. This prediction implies that international tourism in 2010 will be equal to 1250 million tourists, more than double compared to 1995.
- (b) According to predictions based on data of origin East Asia – Pacific region will achieve the highest growth rate of arrivals (6,5%) and Europe the lowest (3,2%). These changes imply an increase in the share of East Asia – Pacific from 20,4% in 1944 to 30% in 2010, with a corresponding proportional decrease of the shares of Europe and America. But, based on arrivals data, Europe's share is dramatically falling from 59% in 1995 to 49% in 2010, with a corresponding increase to the share of the East from 15% to 26%. This prediction raises East Asia – Pacific to second dominant destination of international tourism.
- (c) For all regions except East Asia – Pacific, the trend is to increase the share of intra-regional tourism. This is consistent with what has been pointed out regarding possible developments in transport and information. The global share of intra-regional international tourism seems to have reached its highest point (82%). It should be noted that during the past decade it had increased by 10 percentage points.

- (d) The study of trends and consequences of the intense dualism that characterizes the global economy in terms of economic growth resulted in the estimation that for the period beyond 2020, international tourism is likely to return to higher growth rates, when hundreds of millions of people will have reached an income level capable of supporting international trips. Technological and institutional changes will reduce travel costs and ensure travel freedom. The global international tourism market does not seem to have a visible, predictable level of maturity.
- (e) It is believed that the tendency to international trips is primarily determined by non income factors. In other words, the removal of income restriction allows international trip organization which, however, significantly varies between countries. The income factor determines to a large extent the development of international tourism demand by country, but its relative size continues to be determined by non-economic parameters.
- (f) From the study of the trends of Mediterranean tourism emerges a rather pessimistic conclusion. However, this conclusion is likely to change under the influence of economic, technological and institutional factors mentioned. The establishment of EMU, the significant improvement in the financial conditions of countries of Central and Eastern Europe, the rising tourism power of the East Asia – Pacific (as origin) and the revolutionary changes in transport, communications in combination with the markets opening and the barriers removal in international travels, will breathe life into international Mediterranean tourism. We estimate that in the period until 2010 the average growth rate of international tourism activity in the Mediterranean countries will increase from 50% to 70% of global rate. This implies increase in the number of international tourists from 176 million in 1996 to 258 million in 2010, i.e. an average annual growth rate of 2,7% versus 2,2% in the period 1990-1994.

It is emphasized that the distribution of the above estimated increase, as well as the change in shares, will be determined by comparative development of competitive conditions in the related countries. By no means should be overlooked the possible positive contribution of a universal upgrading in the quality of the Mediterranean tourism product and its favorable price formation, in moving the tourism demand curve from other parts of Europe and the world to that specific region. That should not lead to the conclusion that the need to complete the basic tourism infrastructure of the country and the institutional protection of the sector's operation, in order to form a new quality image for tourist Greece, depends on the macro-tourism image of the Mediterranean. It will only ease the implementation of the necessary, known policies that will upgrade the total quality of the Greek tourism product and will make it meet the expectations of the international (and domestic) visitor.