

# TOURISM INDUSTRY IS NOT GROWING AS EXPECTED



A common experience holds that people tend to stick to their holiday plans even in the challenging economic times. This position has been backed by the evidence of recently released statistics although the data indicate that this year's growth will fall below projections.

The World Travel & Tourism Council (WTTC) forecasted that the total **tourism industry contribution to the global economy in 2013 will not exceed 2.9 percent, which is significantly lower than February's forecast that stood at 3.2 percent.**

A significant reduction in the level of investment within the travel industry in the USA, where the economy has been unstable, and China, where rapid expansion has slowed slightly, is the major cause of the travel industry's low performance. As such, there has not been any reduction in the volume of business with regard to the numbers of tourists heading to various destinations.

The President of WTTC David Scowsill said that the world economy was on the pick. Scowsill added that WTTC's slight downgrading of the 2013 forecast was the result of poor growth in certain countries such as China and India. He further pointed to the resilience of the travel industry arguing that it remained a crucial lever of general economic growth and the creation of employment opportunity. In his opinion, the industry grew faster than the average global economy.

According to Scowsill, the value of travel and tourism connects with its capacity to generate 9 percent of the world's Gross Domestic Product (GDP) and its support of 260 million people. He noted that the industry provides 1 job out of every 11 jobs around the world. In his opinion, the latest estimates by WTTC show that the travel and tourism industry will grow to 2.9 percent. Although this percentage is lower than the previous WTTC's estimates, it is still higher than the growth of the overall economy, which is pitted at 2.1 percent.

**The growth of the tourism industry is largely attributable to Europe as well as the Middle East.** This year's past eight months showed a 4.9 percent leap in the overall air passenger growth. Apart from the Asia-Pacific region, the other parts of the world have witnessed some significant growth in hotel business particularly in the growth of occupancy rates. South East Asia is one of the regions that continue to experience impressive growth in the travel industry. Estimates show that this growth was maintained at 8.9 percent since the year started.

Mr. Scowsill affirmed that the industry continues to demonstrate remarkable resilience in the wake of the world's economic challenges. He noted positive results in international arrivals in many regions as a case in point. He concluded the industry's future was on firm ground and predicted a four percent growth within the following ten years.

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