

Global Travel Industry to Experience “Multi-speed” Recovery



Research revealed at WTM Vision shows industry needs four more years to reach pre-financial crisis level

The global travel and tourism industry will experience a “multi-speed” recovery taking up to a further four years to fully recover to pre-global downturn levels, reveals a report launched today at the WTM Vision Conference.

Euromonitor International’s Forecast Update – Recovery In Sight? reveals the global travel and tourism industry will experience a “multi-speed” recovery kick started by the developing economies as high unemployment and debt in developed countries holds back their growth.

Global international arrivals will not recover to pre-crisis 2008 levels until 2012, while incoming tourism receipts will not recover until 2013. Furthermore, the hotels sector will not fully recover to 2008 levels until 2014.

The recovery is led by Asia with China and India projecting economic growth of 8-10% in both 2010 and 2011. This compares to projections for the strongest western economy, Canada, of 3-4% for the same period.

The Middle East and Africa were the only inbound regions to show arrivals growth during 2009, while Asia-Pacific is expected to show strong growth in 2010.

Europe’s high unemployment and mounting debt problems are holding back the continent’s travel industry growth. Spain’s unemployment rate is predicted to hit 20.7% in 2011, with Germany’s reaching 9.2%, Italy’s 8.9%, Russia’s 9.5%, and the UK’s unemployment rate hitting 7.9% in 2011.

“As the global travel industry begins its slow road to recovery, dark clouds continue to hang over Europe as the region is expected to be one of the last to recover along with North America”, said Head of Travel and Tourism Research for Euromonitor, Caroline Bremner.

The hotels sector has suffered the most with heavy discounting during the global downturn meaning the sector will not recover to pre-2008 crisis levels until 2014.

Hotel sales fell 7% in 2009 with the reduction in corporate travel and luxury hotel bookings. Hotels that discounted rates are struggling to increase prices as value for money remains at the forefront of consumers’ minds, this is predicted to lead to a further 0.1% decline in 2010

The hotel sector in Australasia, Latin America and Europe will take the longest to recover. Asia is again driving force behind the hotels recovery, due to the continued expansion of international and local chains.

World Travel Market Chairman Fiona Jeffery said: “The findings of this report show the serious impact the global downturn has had on the travel and tourism industry. Hotels dropped their rates to

respond to the financial concerns of consumers and as a result will struggle to increase their prices to more sustainable levels as the global economy recovers.”

“The information revealed at WTM Vision Conference today is exactly the high level information the leaders of the travel and tourism industry need to plan their business strategies. I am proud World Travel Market, the premier event for the travel industry, has been able to give them the insight they need.”

About World Travel Market:

World Travel Market, the premier global event for the travel industry, is the must-attend four-day business-to-business exhibition for the worldwide travel and tourism industry. Almost 46,000 senior travel industry professionals, government ministers and international press, embark on ExCeL - London every November to network, negotiate and discover the latest industry opinion and trends at WTM. WTM, which celebrated its 30th anniversary in 2009, is the event where the travel industry conducts and concludes its deals. WTM 2009 will generate £1,139 million of travel industry contracts, revealed independent research by Fusion Communications. WTM is owned by the world's leading events organiser Reed Exhibitions (RE), which organises a portfolio of other travel industry events including Arabian Travel Market and International Luxury Travel Market. RE holds more than 500 events in 38 countries throughout Americas, Europe, the Middle East and Asia Pacific covering 47 industry sectors including aerospace & aviation, healthcare, manufacturing and sport & recreation. In 2008 RE, part of the Reed Elsevier group, brought together more than six million industry professionals from around the world generating billions of dollars in business.

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