

# TOP 5 CHALLENGES OF TOURISM IN 2016



the coming months.

Since 2010, tourism has been steadily growing on a worldwide level – despite several terror attacks and political turmoil. According to UNWTO, even in 2015 the number of tourists that visited foreign countries increased by 4.4 percent to a new level of 1.2 billion. What makes this industry grow, what makes it stagnate? Tourism-Review.com brings you the top 5 challenges of tourism industry in

## The Economy

Tourism mainly depends on the personal economic well-being of people. The European Union is on its way to recovery and recently reached a new unemployment rate of 9.1, which is the lowest since July 2009. European travel companies thus have a good opportunity this year to get more clients. Travelers from western Europe are expected to once again increase their holiday spending in spite of the weak booking situation in November and December 2015. In the recently finished travel year (cutoff date: October 31st), the German travel association, for example, projected that travel businesses made three to four percent more revenue than the year before. The total turnover increased by roughly one billion Euro to a total of 27 billion Euro. The number of guests increased by one percent.

## Political Crisis

Another challenge of tourism is, and always have been, the political instability in some regions. For example, Turkey is experiencing firsthand how much of a devastating effect diplomatic problems can have on holiday destinations. After a Russian fighter jet was shot down at the Syrian border, the country has been closed for Russian vacationers. Russian authorities stopped all charter flights and 19 large Turkish travel businesses lost their licenses. In 2014, 4.4 million Russian tourists visited the country at the Bosphorus.

## Oil Price

According to the WTO, travelers will benefit from the massive drop in oil prices – gas is getting less expensive, which in turn decreases travel expenses. Furthermore, the low oil price is already decreasing the cost of living in Europe. Wherever the income increases faster than the inflation, like in Germany, people have more money to spend. They have more purchase power, which also transfers to vacations. The other side of that coin are however the exporting countries. Their revenue from oil exports are sinking which dampens the economy of these states and leads to less tourism.

## Terror Attacks

One of the greatest challenges of tourism industry has always been the security situation of popular destinations. Acts of terror have been shaking up holiday spots for several months now. In Tunisia, the number of bookings rapidly decreased after the assault on Sousse. After the November attacks in Paris, the demand for trips to the French capital sank as well. Most recently, the assault on Istanbul has shaken up Turkish tourism. However: “Whatever may happen, the effects will always be short-

term. Based on our experience with terror attacks of recent years, they generally do not have any consequences in the long run," said general secretary of the UNWTO, Taleb Rifai. Industry experts remain confident: People are still going to travel and will use alternative destinations on a short-term basis.

## **Travel Restrictions**

After the recent terror attacks, some countries have issued travel warnings or restricted flights to the respective destinations. "It is of concern to us that states are issuing travel warnings due to the danger of terrorism," says Rifai. In doing so, the respective countries become victimized a second time: First, they are shaken by terror attacks and then they have to face international isolation. Moreover, the current refugee crisis around Europe is likely to lead to the renewal of border controls and to the closure of borders which is not helpful to tourism either.

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