

RUSSIA: INBOUND TOURISM UP AND OUTBOUND TOURISM DOWN



Russian outbound and inbound tourism has been a real rollercoaster in the past months and years. The industry has been influenced by many factors. From geopolitical disputes, sanctions to decreasing spending power and much more. However, 2016 was a decent year for Russian inbound tourism, though not exactly a year to remember for countries focusing on Russian tourists, such as Turkey or Egypt. This year's figures seem to be promising better tomorrow for the industry.

In 2016, Russian tourists travelled abroad 31.6 million times. Last year the exact figure was 34.39 million trips, according to data from Rosstat. The drop in outbound tourism has slowed down. Now the decline is 7.94%, while in 2015 the fall was almost 20%.

In general, over the last two years the number of Russian trips abroad reduced by more than 11.26 million. In 2014, Russians made 43 million trips.

Egypt was the country hit hardest by the loss of Russian tourists. Air traffic between the countries was stopped in November 2015. If in 2014 2.88 million Russians visited Egypt, in 2016 Egypt altogether disappeared from Rosstat's list of major tourist destinations.

Turkey is another country that suffered a lot due to geopolitical disputes. In summer 2016, Russia imposed a ban on charter flights to Turkey following tensions. In 2016 the country was visited by 797 thousand Russians, five times less than in 2014 (4.2 million).

Another reason for the drop in outbound tourism is the fact that real income of Russians is constantly decreasing. In 2015 the decline was -3.2% and this year almost twice as that (-5.9%). This had a negative impact on trips to Russia's nearest neighbors. The number of Russian tourists in Finland decreased by 5.6% in 2016, in Lithuania by 6.73% and in Poland by 16.5%. Even Kazakhstan welcomed fewer Russians (-8.8%).

Some countries managed to take advantage of Russia's issues with Turkey and Egypt. For example, Abkhazia, where the number of Russian tourists in 2016 increased by more than 400 thousand (+11%). The number of trips to Cyprus increased by 260 thousand, to Thailand by almost 200 thousand and to Spain by approximately 100 thousand. Greece, Italy and China also registered an increase.

Paradoxically, 150 thousand more Russians traveled to Ukraine last year. A significant increase in outbound tourism from Russia was also registered to other former Soviet republics, including Azerbaijan (+7.36%), Latvia (+8.6%) and Georgia (+20.1%).

Least popular destinations among Russians in 2016 were Mexico (4 thousand trips), Slovenia (16 thousand, and the Maldives (23 thousand).

Meanwhile, inbound tourism in Russia grew by 7% in 2016. Domestic arrivals also experienced a rise, by 10%. This was confirmed by Russian Culture Minister Vladimir Medinsky. Inbound tourism in Russia increased in 2016 by 7%. Experts emphasize that Iran showed the largest increase - 72%. Other growing countries were China, Korea and India. Spain also registered an

increase (12%) along with Italy (5%) and France (5%).

According to the minister, the share of tourism in the total Russian GDP is 3.4%. In the future, it should be increased to 10%. "Since last year we implemented the western system of counting the share of tourism on the country's GDP and got amazing results even in the current conditions of our economy," Medinsky concluded.

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