

# HOW TO MEASURE THE TOURISM INDUSTRY PERFORMANCES ACCURATELY?



To determine which country is the best performing in terms of tourism, limiting itself to the number of foreign visitors to the country is a decoy. This is a diversion that allows France to claim the number one spot in the world with nearly 90 million tourists. In Europe, only Spain is comparable. Italy in third place is behind, as is the United Kingdom, which with less than 40 million visitors is about half as successful.

## Number of tourists per inhabitant

To measure the tourism industry performances in a more accurate way, we must eliminate the size effect and report the number of visitors proportionally to the local population. This first reprocessing upsets the established order. Two countries stand out. **The first has become a star destination of the summer, Croatia.** The country benefits from its geographical positioning, its climate, massive investments in the infrastructure since the early 2000s, its accession to the European Union in 2013, and more recently the disaffection of tourists to North Africa.

Moreover, the winter's flagship destination, Austria, and its important ski areas, make the country the world's leading ski destination. Croatia and Austria thus welcome more than 3 tourists for every inhabitant. Greece is in 3rd position with more than 2.5 visitors for every inhabitant, while France slips to 7th place with only 1.3 tourists per inhabitant. At the bottom of the list, three countries receive significantly fewer visitors than their populations: the United Kingdom, Poland and Germany.

## Tourism revenue and GDP

The second pitfall to avoid is that with these figures we are partly missing the point, i.e. the turnover of all these tourists in the territory. And to erase the size effect, once again, it must be related to GDP. This is a good way to detect countries that are hyper-specialized or hyper-efficient in terms of tourism industry performances. Tourism revenues thus represent nearly 20% of Croatian GDP, but this is more indicative of a small economy that is mono-specialized in tourism than an indication of the true performance of its tourism sector. Similarly, at the other end of the spectrum, Germany's position is the hallmark of an undersized tourism sector and an economy with a very broad sectorial base. On the other hand, France's place in 8th position, while the country benefits from the two forms of leisure tourism (summer and winter), reinforced in addition by business tourism, is indeed indicative of weakness, the weakness that Italy also shares.

## Average turnover per tourist

The average revenue generated per tourist completes the analysis. Once again, the ranking is turned

upside down. The United Kingdom is clearly in the lead this time with more than €1,150 in earnings per visitor, ahead of Portugal and Germany. France is in the middle of the rankings with about 618 euros. In fact, many northern European holidaymakers, English, Germans, Belgians, Dutch people only cross the country before reaching their real final destination, in this case, Spain or Portugal. They stay one night, spend little and their main budget is fuel and tolls.

By combining the three main relevant indicators — the number of tourists per capita, tourism revenues based on GDP and average turnover per tourist — **Portugal finally comes out on top thanks to a strategy offensive to scale up and develop the offer, as did Croatia and Spain, who completed the podium.** Austria and Greece are in the top five. France falls off its pedestal and finds itself in 7th position and returns the image of a country that under exploits its tourism potential, just like Italy relegated to 10th place – two countries that happen to share one of the most beautiful cultural heritages but live largely on their achievements.

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