

# UNWTO: DOMESTIC TRAVEL IS THE PATH TO TOURISM RECOVERY



Promoting domestic travel as the first step towards the recovery of tourism is one of the strategies recommended by the UNWTO.

The international travel restrictions, reduced flights and strict protocols for tourists have largely defined this summer season. While countries work on containing the virus externally and monitoring the entry of foreign travelers by closing borders and establishing safe corridors, they also try to implement measures within their territories.

In this sense, two important questions are raised: **will countries be able to survive without foreign tourists?** Can a country stay afloat with just national tourists given the socio-economic impact of the pandemic?

It is impossible to answer these questions yet since each group has its own problems and case studies. For example, hospitality, restaurants, travel agencies, promotion and MICE (Meetings, Incentives, Conferences and Events) go through rather complex situations and demand complex solutions given the VUCA (Volatility, Uncertainty, Complexity & Ambiguity) environments that surround them. In order to be prepared for changes, industry leaders must know and understand this type of tourism to work on adding value, like the efforts made by the TLL Community, and developing new marketing and promotion strategies that lead to recovery.

## Evolution of Domestic Travel

UNWTO highlights the potential of domestic tourism as a way to boost economic and tourism recovery in destinations around the world. They explain that as global travel restrictions begin to ease, destinations all over the world are focusing on the growing domestic travel, with many offering promotions for travelers to meet and visit their own countries as an ideal opportunity for destinations and tourism businesses - in both developed and developing countries - to recover from the social and economic impacts of the COVID-19 pandemic.

Zurab Pololikashvili, UNWTO Secretary-General, said “UNWTO expects domestic tourism to return faster and stronger than international travel. Given the size of domestic travel, this will help many destinations recover from the economic impacts of the pandemic, while at the same time safeguarding jobs, protecting livelihoods and allowing the social benefits tourism offers to also return.”

The UNWTO briefing also shows that, in most destinations, domestic travel generates higher revenues than international tourism. In OECD countries, domestic tourism accounts for 75% of total tourism expenditure, while in the EU, domestic travel expenditure is 1.8 times higher than inbound tourism expenditure.

Globally, the largest domestic tourism markets in terms of expenditure are the United States with nearly US\$1 trillion, Germany with US\$249 billion, Japan with US\$201 billion, the United Kingdom

with US\$154 billion, and Mexico with US\$139 billion.

Analyzing the data, understanding how the market operates and establishing proactive measures with which to promote domestic tourism in destinations around the world is the strategy agreed upon by the UNWTO. In its briefing note *Understanding Domestic Tourism and Seizing Its Opportunities*, the specialized agency shares proactive steps to grow domestic tourism in destinations around the world, that range from offering bonus holidays for workers to providing vouchers and other incentives to people travelling in their own countries.

### **Initiatives to Boost Domestic Travel**

Taking into account the current value of domestic tourism and the new economic trend, there will be an increasing number of countries taking steps to grow and promote their markets, UNWTO reports.

In the briefing note, the agency shares examples of initiatives focused on boosting domestic demand: some leaning towards marketing and promotion, and others on financial incentives.

The examples of countries taking targeted steps to increasing domestic tourism include Italy, with the Bonus Vacanze initiative that offers families up to EUR 500 to spend in domestic tourist accommodation; and France with its #CetÉtéJeVisiteLaFrance ('This summer, I visit France') campaign, which highlights the diversity of destinations across the country.

In Latin America, initiatives such as **Costa Rica's stand out, in which all holidays of 2020 and 2021 were moved to Mondays so that Costa Ricans enjoy long weekends to travel domestically** and extend their stays; and Argentina, with the creation of an Observatory for Domestic Tourism.

Lastly, the reports mention fund allocations such as those of Malaysia, which allocated US\$113 million in travel discount vouchers and personal tax relief of up to US\$227 for domestic tourism-related expenditure; and Thailand, which will subsidize 5 million nights of hotel accommodation at 40% of normal room rates for up to five nights.

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