

OPPORTUNITIES AND THREATS FOR GLOBAL TOURISM IN 2024



Oxford Economics' report confirms that global tourism has rapidly recovered after the pandemic. People are eager to explore new destinations and experiences and are willing to pay more for them. However, the recovery has come with a rise in operating costs, which have gone up to 55%, the highest since 2007. This has increased prices for flights, accommodation, and tourist packages in 2023 compared to 2019, with flights seeing a 36% increase, accommodation a 23% increase, and tourist packages a 22% increase.

Despite the threat of a recession next year, experts predict that the demand for leisure travel will continue to grow. This is because European families still have savings from the worst moments of the pandemic, which they will continue to spend on travel, as it has become a priority expense compared to other expenses. In fact, global tourism has not only recovered, but has also exceeded the market share it held in consumer spending in advanced economies before COVID-19.

The global tourism recovery faces both opportunities and threats

Opportunities arise from the growth and improvement of tourism infrastructure, leading to sustainable development. Leisure events like Expos and Football World Cups offer a chance to celebrate, while the leisure trend is rising among business tourists. Affordable travel provides optimal value for money. New air routes are improving connectivity between source markets and destinations. Technological advances help destinations attract visitors that best suit their profiles. Finally, government policies supporting tourism can also present significant opportunities.

However, there are **several threats** that the tourism industry will be facing next year. The biggest risk factor is the rise in costs, which leads to an increase in prices and affects the choice of accommodation. This concerns 20% of respondents, and this percent rises to 32% for baby boomers. Another issue is the increase in business costs, which can impact profitability. There are also talent recruitment and retention issues that need to be addressed. Connectivity recovery is another challenge, particularly in areas affected by natural disasters. Additionally, government regulations and bureaucracy can slow down progress. Finally, there is a need for better destination management to ensure that tourist activity does not disturb residents, and that visitors always feel welcome.

Travel Trends in Demand

The tourism industry's recovery is expected to continue in 2024. This recovery will not just be limited to popular travel destinations but also to smaller ones. There is a growing demand for new experiential activities related to wellness, nature, and gastronomy, which has increased by 10% compared to 2019. Additionally, spending on unique experiences has risen by 65%.

50% of consumers are inclined to use a travel advisor who recommends personalized experiences after the pandemic.

The emergence of the middle class in developing countries has increased the number of people who travel. Recent data shows that there will be a significant increase in demand for travel from China,

India, and Indonesia over the next decade. Chinese demand is expected to double, while Indian demand will grow by 205%, and Indonesian by 128%. This represents 60 million new travelers exploring different continents, although they may start by traveling to countries in their immediate vicinity.

In the upcoming years, there will still be a demand for popular destinations, but smaller emerging destinations that offer new experiences will see the most growth. People seek unique experiences that differ from the usual tourist destinations.

The trend of slow travel will also become more important in the near future. This means traveling less often, but staying for a longer time.

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