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Progress report on the 2030 study

1. Background

UNWTO Tourism Towards 2030 research project is a continuation of UNWTO's work in the area of long-term forecasting initiated in the 1990s and which aims at:

- Assisting UNWTO members in formulating policies and long-term strategic plans;
- Providing a global reference on tourism future development;
- Reinforcing UNWTO's role as pacesetter for tourism-related subjects;
- Constituting a reference for UNWTO strategic documents, programme of work and activities.

The latest UNWTO project in this area was UNWTO *Tourism 2020 Vision*, elaborated in the late 1990s and published in 2001, with 1995 as base year. This study has been since a worldwide reference in terms of international tourism forecast for UNWTO members (member states, associate and affiliate member), the international tourism community (including local governments, private sector, academia, consultant firms and others), media and the public at large.

The purpose of *UNWTO Tourism Towards 2030* (final name to be approved) is to update projections through 2030, and to enrich forecasts with an overview of the social, political, economic and technological factors, which shaped tourism in the past, and which are expected to lead development and growth in the future. The historical perspective, based upon the narration of tourism history's milestones and the evolution of tourism-correlated key economic indicators (e.g. evolution of GDP, of paid holidays, etc.), provides a support to interpret tourism trends in a long-term perspective. Going over the key issues, which will shape tourism development in the next decades, draws the attention on the most relevant points of tourism development agenda at a global level. Part of the analysis will also shed light on the relationships existing between different tourism-related indicators (e.g. International Tourist Arrivals, Trips, etc.), providing a worldwide reference for assessing total tourism volumes (e.g. including estimates for domestic tourism).

2. Project's state-of-the-art

The *UNWTO Tourism Towards 2030* project officially started in 2008, when the company Trajectory was selected as research partner from a short-list of 6 out of 10 companies that expressed interest for the project. The two-steps selection procedure involved several reviewers, who identified in Trajectory's detailed proposal the highest quality tender.

The breakout of the financial crisis in 2009 imposed the decision of postponing the publication deadline, initially set by 2009. Amid the turmoil of that year, the information needs of members focused on the current situation and short-term tourism development, rather than on long-term horizons. Furthermore, the active engagement in the activities of the Tourism Resilience Committee drained considerable resources from the Tourism Trends and Marketing Strategies team, and introduced trade-offs in terms of projects which could be in fact realized by the team considering the priorities of the Secretariat.

In post-crisis times, when long-term planning takes over immediate response, a publication about tourism development in the long run is expected to be better received by members and the general public. The aim is to issue a quality publication for worldwide and lengthy exposure. In this perspective, the project requires additional effort and management, with a first presentation of results expected by the 2nd quarter of 2011, 10 years after the publication of the previous study. Quantitative forecasts are in the process of being updated to include results for 2010, to produce projections based on a more 'regular' year.

3. Content and output

The content produced within the framework of the *UNWTO Tourism Towards 2030* project will be structured into a series of reports, each presenting UNWTO long-term forecasts and analyses at a different geographical scope, and different depth of information. The project will lead to a line of publications drawing from the content produced, namely:

(a) *UNWTO Tourism Towards 2030 - Executive Summary:* A lean, concise document (content extracted from the World Overview), which illustrates key-figures and major trends of tourism development through 2030 at global level;

(b) *UNWTO Tourism Towards 2030 - World Overview*: A comprehensive study about tourism development through 2030 at global level (see tab. 1);

(c) *UNWTO Tourism Towards 2030 - Regional Reports:* (Africa/Middle-East, Americas, Asia and the Pacific, and Europe): a series of 4 studies about tourism development through 2030 at regional level, with synthetic information about trends (sec. 2, 3 and 5 in tab. 1) and forecasts (4.1 and 4.2 in tab. 1) at global level, detailed illustration of regional projections and key trends (4.3 in tab. 1), and the analysis of opportunities and threats (SWOT) for each region.

4. Preliminary results

For the quantitative forecast a model has been constructed with as independent variables GDP growth (as a proxy for traveller affluence and business travel potential) and cost of travel. This model has been tested with past data series.

As basis for the projection a matrix has been used of data series with regard to international tourist arrivals for 1980-2010 with the following 3 dimensions:

- 17 subregions of destination (5 of which can be broken down by advanced/emerging economies) => total 22
- 5 regions of origin
- 2 means of transport: air vs. surface

In theory there are 22*5*2=220 flows. As part of the flows are negligible (i.e. surface travel between most regions), we end up forecasting some 140 individual flows and can present the results in

a range of different ways: by arrival (sub)region; by departure region; advanced vs. emerging economies; by surface vs. air transport; within region vs. between regions, etc. and crossings of these.

Basic results in a nutshell:

- Global growth in international tourist arrivals is forecast to continue, but at a more moderate pace, from 4.1% per year (1995 – 2020) in a range of 3.0% to 3.5% (2010–2030), and gradually slowing down in time. This is a result of four factors:

    o The base volumes are higher

    o Lower GDP growth

    o A lower elasticity of travel to GDP
    o A move from falling transport costs to increasing ones

- Asia and the Pacific, the Middle East and Africa will experience fastest growth and see continue to increase their share of total arrivals, while Europe and the Americas will see a further decline (mostly because of slower growth of North America)
- In percentage terms the fastest growth in arrivals will be for North East Asia and South Asia, while the slowest will be for North America and the Caribbean
- Air transport will continue to grow its share of total trips, but at a slower rate than in recent years

A sensitivity analysis has been conducted to look at the impact on the forecasts taking into account three alternative scenarios, varying assumptions with regard to GDP growth and the development of travel cost. This shows that GDP growth is a much more influential variable than travel cost.

5.   Timeline, production, dissemination and communication

The objective is to officially launch results on the occasion of XIX Session of the General Assembly, to be held in the last quarter of 2011. In preparation for this, the preliminary outcome of the project is first presented and discussed among UNWTO's senior staff.

The steps towards the launch of final results, and the following communication activities, are outlined in table 2. Communication activities serve the manifold goals of (i) informing members and non-members about the publications and their content (promotion), (ii) position the project outcome as the worldwide reference for tourism forecasts (positioning), (iii) disseminate results to assess the weight of tourism in the global economy (strengthening) and (iv) discuss results with relevant international bodies in tourism-related industries (tightening relationships).

A preliminary communication strategy has been developed together with the Communications Programme, and will be adjusted and implemented over 2011 and 2012. The communication strategy will be finalized together with UNWTO Manager Communications Sandra Carvao.

6.   Looking beyond 2011

The large body of information collected and produced within the framework of the *UNWTO Tourism Towards 2030* project opens up to an extended line of research in the area of long-term trends. The experience achieved with the previous edition suggests that the information, produced for a one-off effort, could be more efficiently used by incorporation of long-term forecasting as a regular activity in the programme of work. The production of a ready-to-use publication on long-term tourism development requires indeed the rationalization of content, to offer a usable publication and to elapse the time

between production and sale. As a regular activity, the wealth of information collected for the project could be used as basis for more specific publications, for instance on the development of key-indicators on accommodation and transportation, or of tourism-specific products. Further development of the forecasting model used would enable more frequent updates of quantitative projections. Introducing a long-term forecast regular activity would complete the scope of research undertaken by the programme in the field of trends, which together with strategic marketing compose the programme focus.

Tab. 1 – Preliminary outline for the *UNWTO Tourism Towards 2030- World Overview* (work in progress)

Sec.	Title	Content	Time Span	Pages (app.)	Analysis
0	Acknowledgments			1	
1	Executive Summary		2010-2030	5	
2	Looking back at the Beginning of Tourism Growth		1850-2010	13	
2.1		Milestones of Tourism History	1850-1960	3	Narration of tourism development milestones.
2.2		Half-Century of Mass Tourism Growth	1960-2010	10	Longitudinal analysis of tourism-related indicators.
3	World Tourism 1980-2010		1980-2010	12	
3.1		Key-Determinants Influencing International Tourism Demand.		7	Longitudinal analysis of economic indicators, socio-demographic factors (tourism-correlated indicators), political factors and technological innovation.
3.2		Key-Determinants Influencing Tourism Supply.		5	Qualitative analysis of political factors and technological innovation.
4	Tourism Prospects 2010-2030		2010-2030	20	
4.1		World Tourism Volumes		3	Assessment of the relationships between international tourist arrivals and domestic tourism, and of the economic impact of tourism on the global economy.
4.2		World Trends Towards 2030		7	Comment and illustration of forecasts at global level (absolute, growth rate, market shares).
4.3		Key-Regional Trends Towards 2030		10	Highlights of regional trends (absolute, growth rate, market shares) and possibly for special groups of countries (e.g. Mediterranean countries).
5	Game Changers, Lifestyle and Attitudes		2010-2030	10	
5.1		Game Changers		5	Qualitative analysis of game changers (e.g. globalization, climate change, the green economy, etc.) and their implication for tourism.
5.2		Lifestyle, and Attitudes Towards Tourism		5	Qualitative analysis of social trends and changes in the attitude towards tourism (e.g. fragmentation of holidays, experienced tourists, etc.) and their implication for tourism.
6	Appendices			6	
Total				67	

Tab. 2 – Activities for the internal and external presentation of the UNWTO Tourism Towards 2030 project and its results

	Timeline	Event	Content	Audience	Goal	Communication (prel.)
Internal presentation	10/2010	Extended Management Team Meeting	▪ In-house briefing (project background and structure) ▪ Discussion (publication timeline and promotion)	UNWTO senior staff	▪ Brief UNWTO staff members about the project structure, goals and promotion strategy	Presentation
	02/2011	Internal Meeting	▪ Presentation of preliminary results (forecasts sneak preview) ▪ Collection of inputs from other programmes	UNWTO staff	▪ Internal sharing of preliminary key-results and inputs	Presentation
	04-05/ 2011	UNWTO Regional Commissions' meetings	Progress report	UNWTO Regional Commissions' members	▪ Inform members about the project content, goals and publication timeline ▪ Collect comments and suggestions	Presentation
	06/2011	Executive Council	Progress report	UNWTO Executive Council's members	Consolidate comments from regional commissions and EC members	Presentation
Communication to the public	10/2011 or 11/2011	General Assembly	▪ UNWTO Tourism Towards 2030, World Overview (final, EN);	UNWTO members, affiliate members (public, private and academic), representatives of NTOs, other UN agencies and International Organizations	Official launch to UNWTO members and the general public	Internal: Presentation, printed reports. External: PRs, web, etc.
	Publication *UNWTO Tourism Towards 2030, World Overview* available in hardcopy and electronic format through UNWTO e-library and Infoshop					
	11/2011	World Travel Market	UNWTO Tourism Towards 2030 World Overview and Regional Reports (highlights)	Tourism stakeholders and general public	Promotion, positioning	TBD
	01/2012	FITUR	UNWTO Tourism Towards 2030 World Overview	Tourism stakeholders and general public	Promotion, positioning	TBD
	03/2012	Global Tourism Forum (Andorra)	UNWTO Tourism Towards 2030: World Overview and Regional Reports	UNWTO members, UN agencies, key international partners and stakeholders	Platform for dissemination of results (strengthening), positioning, tightening relationships with international bodies	TBD
	03/2012	ITB	UNWTO Tourism Towards 2030 World Overview	Tourism stakeholders and General Public	Presentation, promotion, positioning	TBD
	04-05/2012	Regional Commissions	UNWTO Tourism Towards 2030 Regional Reports (final, EN)	UNWTO members	Platform for dissemination of results (strengthening) closer to regions' specific status, provide support in terms of know-how for long-term planning, stimulate discussion	TBD
	Further presentation, promotion and positioning on events and fairs to be decided with management and Communications Programme.					