UNWTO World Tourism Organization

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Agenda item 3 (a)

Current trends of international tourism

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Executive summary

According to the September 2022 issue of the UNWTO World Tourism Barometer, international tourism continued to show strong performance through July 2022, with arrivals reaching 57% of pre-pandemic levels in the first seven months of 2022.

International tourist arrivals almost tripled (+172%) in January-July 2022 compared to the same period of 2021.

The steady recovery reflects strong pent-up demand for international travel, especially in the months of June and July which are part of the Northern Hemisphere summer season. The easing or lifting of travel restrictions in an increasing number of countries also contributed to boost results.

An estimated 207 million international arrivals were recorded in June and July 2022 combined, over twice the numbers seen in the same two months last year. These months represent 44% of the total arrivals recorded in the first seven months of 2022.

Europe and the Middle East showed the fastest recovery in January-July 2022, with arrivals reaching 74% and 76% of 2019 levels, respectively.

Stronger-than-expected demand has also created important operational and workforce challenges in tourism companies and infrastructure, particularly airports. Additionally, the economic situation, exacerbated by the aggression of the Russian Federation against Ukraine, represents a major downside risk. The combination of increasing interest rates in all major economies, rising energy and food prices and the growing prospects of a global recession, are major threats to the recovery of international tourism through the remainder of 2022 and 2023.

The potential slowdown can be seen in the latest UNWTO Confidence Index, which reflects a more cautious outlook, as well as in booking trends which are showings signs of slower growth.

UNWTO will continue to monitor the key indicators and insights on international tourism. Regular updates are available at UNWTO Tourism Data Dashboards and at UNWTO Market Intelligence.

DRAFT DECISION[1]

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(document CE/117/3 (a))

The Executive Council,

Having examined the report.

1. *Welcomes* the report and updated information provided by the Secretary-General as well as UNWTO continuous monitoring tools developed since the outbreak of COVID-19; and

2. *Requests* the Secretary-General to continue monitoring trends and recovery and update Members accordingly.

[1]This is a draft decision. For the final decision adopted by the Council, please refer to the Decisions document issued at the end of the session.

I. International Tourism consolidates recovery

1. According to the September 2022 issue of the UNWTO World Tourism Barometer, International tourism continued to show strong performance through July 2022, with arrivals reaching 57% of pre-pandemic levels in the first seven months of 2022.

2. Numbers climbed from -64% in January 2022 (versus 2019) to -28% in July, the strongest month since the start of the pandemic.

3. Though international tourism was still 43% below 2019 levels in the first seven months of 2022, this also means it has recovered almost 60% of pre-pandemic levels.

4. An estimated 474 million tourists travelled internationally during these seven months, compared to the 175 million in the same months of 2021.

5. The steady recovery reflects strong pent-up demand for international travel, especially in the months of June and July which are part of the Northern Hemisphere summer season. The easing or lifting of travel restrictions in an increasing number of countries also contributed to boost results (86 countries had no COVID-19 related restrictions as of 19 September 2022, according to the UNWTO/IATA Destination Travel – Easy Travel).

6. An estimated 207 million international arrivals were recorded in June and July 2022 combined, over twice the numbers seen in the same two months last year. These months represent 44% of the total arrivals recorded in the first seven months of 2022.

7. Europe and the Middle East showed the fastest recovery in January-July 2022, with arrivals reaching 74% and 76% of 2019 levels, respectively.

8. Europe (+190%) welcomed almost three times as many international arrivals as in the first seven months of 2021, with results boosted by strong intra-regional demand and travel from the United States. The region saw particularly robust performance in June (-21% over 2019) and July (-16%), reflecting a busy summer period. Arrivals climbed to about 85% of 2019 levels in July. The strong dollar, which recently reached parity with the euro, has also favoured US travel to Europe, in particular during the summer months. The lifting of travel restrictions in a large number of destinations in Europe (44 as of 19 September 2022) also fuelled these results.

9. The Middle East (+287%) saw international arrivals grow almost four times year-on-year in January-July 2022. Arrivals exceeded pre-pandemic levels in July (+3%), boosted by the extraordinary results posted by Saudi Arabia (+121%) following the Hajj pilgrimage.

10. The Americas (+103%) and Africa (+171%) also recorded strong growth in January-July 2022 compared to 2021, reaching 65% and 60% of 2019 levels, respectively. Asia and the Pacific (+165%) saw arrivals more than double in the first seven months of 2022, though they remained 86% below 2019 levels. International tourism has slowly improved in the region further to some relaxation of restrictions in several destinations, particularly in South Asia but some borders remained closed to non-essential travel.

11. Several subregions reached 70% to 85% of their pre-pandemic arrivals in January-July 2022. Southern Mediterranean Europe (-15% over 2019), the Caribbean (-18%) and Central America (-20%) showed the fastest recovery towards 2019 levels. Western Europe (-26%) and Northern Europe (-27%) also posted strong results.

12. Among destinations reporting data on international arrivals in the first five to seven months of 2022, those exceeding pre-pandemic levels were: the US Virgin Islands (+32% over 2019), Albania (+19%), Sint Maarten (+15%), Ethiopia and Honduras (both +13%), Andorra (+10%), Puerto Rico (+7%), United Arab Emirates and Dominican Republic (both +3%), San Marino and El Salvador (both +1%), and Curaçao (0%).

13. Among destinations reporting data on international tourism receipts in the first five to seven months of 2022, Serbia (+73%), Sudan (+64%), Romania (+43%), Albania (+32%), North Macedonia (+24%), Pakistan (+18%), Türkiye, Bangladesh and Latvia (all +12%), Mexico and Portugal (both +8%), Kenya (+5%) and Colombia (+2%) all exceeded pre-pandemic levels in January-July 2022.

14. The ongoing recovery can also be seen in outbound tourism spending from major source markets. Expenditure from France was at -12% in January-July 2022 compared to 2019 while spending from Germany stood at -14%. International tourism spending remained at -10% in Belgium, -23% in Italy and -26% in the United States.

15. IATA's data shows that a growth of 234% in international passenger air traffic (RPKs) in January-July 2022 as compared to 2021 (45% below 2019 levels) and a recovery of some 70% of pre-pandemic traffic levels in July.

16. According to STR, global hotel occupancy gradually improved throughout January-July 2022. Global occupancy rates reached 67% in August 2022, from 43% in January 2022.

II. Major risks weighing on the recovery of tourism

17. Stronger-than-expected demand has also created important operational and workforce challenges in tourism companies and infrastructure, particularly airports, as the recovery was quicker than anticipated.

18. Additionally, the economic situation, exacerbated by the Russian offensive in Ukraine, represents a major downside risk to tourism recovery.

19. The combination of increasing interest rates in all major economies, rising energy and food prices and the growing prospects of a global recession as indicated by the World Bank (global growth would slump from 5.7% in 2021 to 2.9% in 2022), are major risks to the recovery of international tourism through the remainder of 2022 and 2023.

20. High inflation has increased the cost of living around the world, reduced household budgets and put extra pressure on companies recovering from the crisis, particularly small and medium enterprises.

21. The aggression by the Russian Federation against Ukraine and mounting geopolitical tensions in different parts of the world are also adding to the uncertainty.

22. The potential slowdown can be seen in the latest UNWTO Confidence Index, which reflects a more cautious outlook, as well as on booking trends which are showing signs of slower growth. According to ForwardKeys data included in the UNWTO Tourism Recovery Tracker, air bookings declined from -50% in July 2022 to -61% in August 2022.

23. Based on the survey conducted in September 2022, the UNWTO Panel of Tourism Experts rated the period May-August 2022 with a score of 125 (on a scale of 0 to 200), matching the bullish expectations expressed by the Panel in the May survey for that 4-month period (124).

24. Although prospects for the remainder of the year remain cautiously optimistic, the UNWTO Confidence Index shows a downgrade compared to the previous period. Tourism experts rated the period September-December 2022 with a score of 111, below the 125 score of the previous four months, but still indicating above-average performance. Experts seem also confident about 2023, with 65% foreseeing better tourism performance than in 2022.

25. The uncertain economic environment seems to have reversed prospects for a return to pre-pandemic levels in the near term. Some 61% of experts now see a potential return of international arrivals to 2019 levels in 2024 or later while those indicating a return to pre-pandemic levels in 2023 has diminished (27%) compared to the May survey (48%).

26. According to experts, the economic environment continues to be the main factor weighing on the recovery of international tourism. Travel restrictions and the spread of the coronavirus, which have been the main obstacles to the effective recovery of international tourism since the pandemic began, have gradually diminished.

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