Jean-Claude Baumgarten
President
World Travel & Tourism Council
Global Perspective

* WTTC
* Global Overview
* Travel & Tourism Growth
* Global Trends
* Important Considerations
* Questions & Answers
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Founding Members

Abercrombie & Kent
Accor
American Airlines
American Express
Avis, Inc.
British Airways plc
Canadian Pacific Hotels Corporation
Delta Air Lines
East Japan Railway Company
Hertz
Iberia
Regent International Hotels
The Promus Companies
Thrifty Rent-a-Car
United Airlines
Westin Hotels & Resorts
WTTC Purpose

To raise awareness of the importance of Travel & Tourism and to work with governments to realise the full potential of the industry in creating sustainable wealth and jobs.
In economic terms.....

Visitor arrivals vs. Economic impact
In economic terms.....

Travel & Tourism buried in other industry accounts
Simulated Tourism Satellite Accounting…

Based on United Nations TSA Framework
WTTC Simulated TSA - For 16 Years
Year on Year research for 176 countries
Travel & Tourism Economy contribution Constructed from international data sources
Compare Apples with Apples
Raising Awareness

WTTC introduction of Travel & Tourism Economy Concept
Regional Initiatives

APEC: WTTC advises APEC on Travel & Tourism
China: Building relations with industry & government
European Union: Informal advisors to EC President
India: 25 Members, strong government relations achieved real change with Prime Minister and the entire Cabinet
Middle East: 10 Members strong, building toward Global Travel & Tourism Summit, Dubai 2008
Working with governments
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Robust global growth to continue...

Source: Oxford Economics
Robust global growth to continue…
Growth rapid despite oil-price surge,...
...buoyed by rising per capita incomes...

**Global Overview...**

**Frequency of overseas trips and rising per capita income**

- Number of trips vs. GDP per capita
- Trips per heads vs. GDP per capita
- Source: Oxford Economics

**Chinese outbound tourism market**

- Outbound Chinese tourists (LHS)
- Travel spend (RHS)
- Source: WTO
Global Overview…

...& diversification strategies...

**Middle East's emergence as a destination**

2000=100

- Visitor numbers - Total
- Visitor numbers - Middle East

Source: Oxford Economics
Greater integration also boosting business travel...
Travel & Tourism developments in 2007-2017...

Industry direct TT GDP and economy as a whole

% y on y

Total GDP

TT industry GDP

Source: Oxford Economics
The major stories: the rise of the Middle East…

Share of global overnight stays - Middle East

Tourism’s share of investment & GDP in the Middle East

Source: Oxford Economics
China’s growing role in Travel & Tourism…

China's share of the global tourism economy

Source: Oxford Economics
2006 saw further broad-based strength in the tourism economy. In 2007, growth is not expected to be quite so dynamic as in 2006 as growth moves generally closer to the trend rates embodied in the 10-year annualized forecast.
TRAVEL & TOURISM ECONOMY GDP THE WORLD

- North America
- European Union
- Northeast Asia
- Other
- Western Europe
- Latin America
- Caribbean
- North Africa Middle East
- Southeast Asia
- Northeast Asia
- Central and Eastern Europe
- Sub-Saharan Africa
- South Asia
- Oceania
- North Africa
- T&T Economy GDP Growth 2008-2017 (Percent Annualized)
- 2007 T&T Economy GDP (Percent of Total)
- World Average
T&T Economy GDP Growth 2008-2017

(Percent Annualized)

2007 T&T Economy GDP (Percent of Total)

Northeast Asia

World Average

- China 8.3
- Hong Kong 7.0
- Korea, Republic 5.1
- Macau 5.0
- Chinese Taipei 3.8
- Japan 2.8
2007 T&T Economy GDP (Percent of Total)

T&T Economy GDP Growth 2008-2017 (Percent Annualized)

World Average
- India: 7.3
- Nepal: 5.9
- Sri Lanka: 5.6
- Bangladesh: 5.5
- Maldives: 5.2
- Pakistan: 4.8

South Asia
2007 is expected to see an even better performance than last year, as the tourism economy gathers momentum. Growth over the next ten years is expected to average over 7%pa.
2006 was a good year for Japan’s Travel & Tourism economy with most categories exceeding the 10-year forecast. The 2007 forecast is equally positive as rising income levels in Asia boost tourism within the region.
Continuation of extraordinary growth in most categories of tourism activity boosted economy GDP by 15% last year. In 2007, a pick-up in visitor exports – which will be even stronger in 2008, the Olympic year – supports industry GDP growth.
2006 was another good year across the board for US Travel & Tourism despite high gasoline prices. 2007 forecasts are expected to be below this pace, partly reflecting the general slowdown in the US economy.
The Top Ten Lists
WTTC’s Top Ten Industry Growers - Demand (2008-2017 Annualized Real Growth, Percent)

<table>
<thead>
<tr>
<th></th>
<th>Country</th>
<th>Growth (%)</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Montenegro</td>
<td>10.1</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>9.1</td>
</tr>
<tr>
<td>3</td>
<td>India</td>
<td>7.9</td>
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<tr>
<td>4</td>
<td>Croatia</td>
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<td>Congo, Dem Rep</td>
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<td>6</td>
<td>Vietnam</td>
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<td>Romania</td>
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<td>8</td>
<td>Namibia</td>
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<td>9</td>
<td>Hong Kong</td>
<td>7.0</td>
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<tr>
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<td>Rank</td>
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<td>Jobs</td>
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<td>1</td>
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<td>10</td>
<td>France</td>
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</tbody>
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Global Trends

People
World Population Continues To Grow, But Slower

World Population 2005-2050

World Total 2025: 7.9 Billion
World Total 2050: 9.1 Billion

The Number of Children Is Heading Into Decline

World Population of Children Age 0-17 2005-2050, Excl. 50 Least Developed Countries

Note that only North America and Africa has a RISING population of children!

The World’s Labor Force Peaking Around 2040

World Population Age 15-64, Excl. 50 Least Developed Countries

But The Number of Elderly Exploding - Especially in Asia

World Population Aged 60+ 2005-2050

Sources Of Information Used When Planning Travel

(Leisure Travelers Who Use Airlines/Hotels, 2007)

Source: YPB&R
Global Change

September 11, 2001
Spring 2003
December 26, 2004
September 11, 2007
Policy Messages & Publications
The Blueprint for New Tourism

• Governments recognising Travel & Tourism as a top priority

• Business Balancing economics with people, culture and environment

• A shared pursuit of long-term growth and prosperity