

World Travel & Tourism Climbs to US\$ 7 Trillion in 2007

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World Travel & Tourism is expected to generate in excess of US\$7 trillion in 2007, rising to over US\$13 trillion over the coming decade according to the World Travel & Tourism Council's (WTTC) Tourism Satellite Account (TSA) research, sponsored by Accenture and prepared by Oxford Economics.

The new TSA results show strong performance for Travel & Tourism Demand in 2007, growing at a rate of 3.9 per cent. This forecast points to a mature but steady phase of growth for World Travel & Tourism in the short and medium term, averaging 4.3 per cent per annum, between 2008 and 2017.

WTTC's latest findings reveal that the world's largest Travel & Tourism Economies are holding strong in the top 10 list for 2007. The United States continues in its pole position with Travel & Tourism Demand accounting for more than US\$1,689.3 billion this year.

Over the next ten years considerable ground will be gained by China which currently stands in third position behind Japan and is forecast to move up to second position by 2017. This progression is buoyed by a percentage growth in real terms of 9.6 per cent, per annum, over the next 10 years.

Notably, by 2017 the Russian Federation will enter the top 10 list of countries expected to total the largest amount (in absolute terms) on Travel & Tourism Demand, where it has not figured previously.

The world's high performers - defined as countries set to grow fastest over 2007 and the decade to come - WTTC results show that Montenegro, China and India top the list, with demand growing each year at a rate of 10.1 per cent, 9.1 per cent and 7.9 per cent respectively. These countries have consistently appeared in the top three positions over the past 4 years, consolidating their growth year on year. Their strong foothold in terms of performance is underscored by a sustained expansion in their Travel & Tourism industry as a result of focussed strategic development and targeted investment. On the other hand, countries such as the Democratic Republic of the Congo and Chad who also figure in the top ten are boosted to these positions as a result of a sudden or sharp rebound in their economy and Travel & Tourism activity.

Other countries featured on WTTC's high performers list include Croatia, Romania and Namibia, all of which are countries that recently adopted a Simulated Tourism Satellite Account, empowering them with an economic measurement tool that can direct sound decision-making.

In summary, this year's forecasts show all-round consolidated growth. In contrast to the steep end of the curve experienced in 2006, 2007 is a year where growth trajectories are rounding off to more mature levels. The outlook is one of healthy and stable progress for the industry.

'Companies that balance innovative solutions and focus on cost effectiveness are those that will profit from the predicted growth in this market', said Guido Haarmann, senior executive, Accenture's Transportation & Travel Service practice.

'Travellers will increasingly lose interest in commodity products. Instead, they will demand solutions designed around their needs, and market leaders are perfecting their ability to achieve the right mix of distribution channels - such as the Web, agents or catalogues - to provide them.'

'The continued growth in global Travel & Tourism demand, presented by our 2007 TSA forecasts, presents a more dynamic and challenging business environment than ever before', said WTTC President, Jean-Claude Baumgarten. 'Our thriving industry can certainly generate jobs and can spread prosperity around the world. However, the full potential of Travel & Tourism can only be realized, with the full and long term support of government. Issues such as infrastructure, education and the sustainable development of Travel & Tourism can only be addressed - effectively - with public and private sector partners working in synergy.'

Newly elected WTTC Chairman, Geoffrey Kent added, 'As an industry, we must manage growth responsibly and invest now for a sustainable future. In addition to managing growth and profits, each organization within the Travel & Tourism sector must act as a responsible world citizen, balancing business needs with cultural, social and environmental factors.'

The 2007 Tourism Satellite Accounting Research is available for immediate download on the newly designed WTTC website www.wttc.travel.

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