

Report on World Tourism Economy Trends (2023) (Simplified Version)



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**Report on World Tourism Economy
Trends (2023)
(Simplified Version)**

**World Tourism Cities Federation
Tourism Research Center, Chinese Academy of Social Sciences**



I. Development Environment: The Global Economic Growth is Slowing down



1. Growing complexities of the international situation

(1) Growing complexities of the international situation

The repetitive of the COVID-19 pandemic across the globe Although many countries and regions have adopted relevant prevention and control measures, most of them still have to tackle the resurging of the pandemic on a regional scale. Negative effects of the Russia-Ukraine conflict The conflict not only led to a dramatic slowdown or even contraction in regional economic growth, but also caused serious negative spillover effects on the global economy.

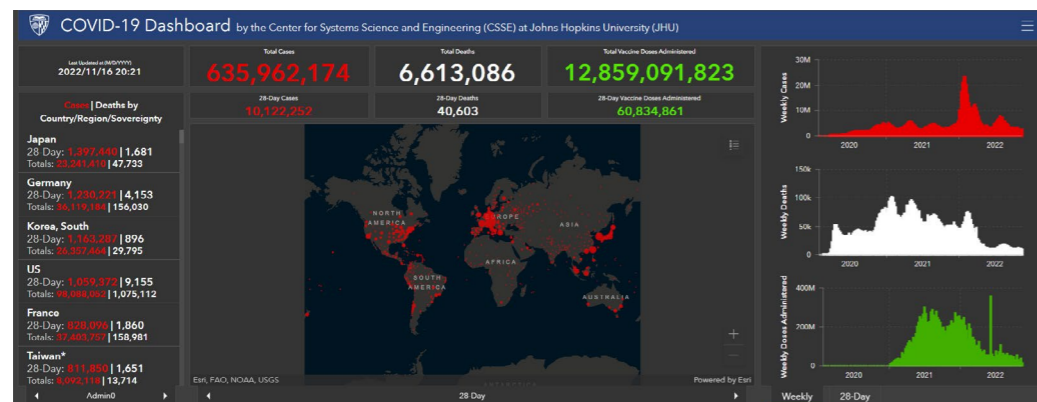


Figure 1.1 A Global Picture of the COVID-19 pandemic

Data Source: Hopeskin University, USA <https://coronavirus.jhu.edu/map.html>

(2) Global economy facing strong headwinds

Lower forecasts of global economic growth In October 2022, the International Monetary Fund (IMF) predicted in the World Economic Outlook that global economic growth would decrease from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. There is a possibility of 25% that it would fall below 2%. According to the Trade and Development Report 2022 issued by the UNCTAD, global economic growth was expected to further slow from 2.5% in 2022 to 2.2% in

2023, and the slowdown in global economic growth would keep real GDP below the pre-pandemic level, with a cumulative gap of more than USD 17 trillion that accounts for nearly 20% of global economic revenue. Significant slowdown of the growth rate of international investment As shown by the Global Investment Trends Monitor released by the UNCTAD on October 27, 2022, global FDI flows in the second quarter of 2022 were down 37% from Q1 and 7 percentage points below the quarterly average of 2021. International investment growth would be significantly slow throughout 2022.

3. Downward trends of the five regions

(1) Lower forecasts of global economic growth

According to the *Regional Economic Outlook* released by the International Monetary Fund (IMF) in October 2022, the economic growth rate of the Europe was projected to further decline to 2.6% and 0.6% in 2022 and 2023. After a strong rebound of 6.5% in 2021, growth in the Asia-Pacific region was expected to moderate to 4.0% in 2022. Emerging markets, middle-income economies and low-income countries in the Middle East were hit hard, with many facing curtailed access to market financing. Economic growth in Africa would slow sharply to 3.6%. Growth in the Americas would slow down in late 2022 and 2023.

4. Challenges faced by most T20 countries

Nearly 80% of new confirmed cases of the COVID-19 pandemic are from T20 countries The number of new confirmed cases in T20 countries on November 13, 2022 totaled 287,500, accounting for 78.89% of the global total on that day. Economic growth slowed in most T20 countries According to the *Regional Economic Outlook* released by IMF in October 2022, it can be found that the economic growth rates of T20 countries excluding China and Thailand decreased to varying degrees.



II. Tourism Economy: The Global Tourism Economy is Recovering Steadily



1. In 2022, Global tourism recovered to 60-80% of the pre-pandemic level

In 2022, the total number of global tourist trips (including domestic and international trips, the same below) reached 9.57 billion, up 18.9% year on year. The total number of global tourist trips recovered to 66.1% of the pre-pandemic level in 2019 (see Figure 2.1).

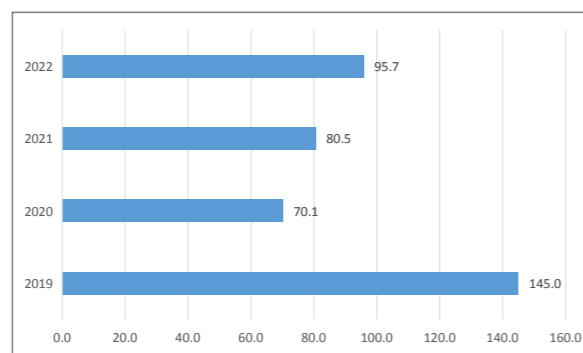


Figure 2.1 Total Number of Global Tourist Trips During 2019-2022 (Unit: 100 million)³

In 2022, the total global tourism revenue (including domestic tourism revenue and international tourism revenue, the same below) reached USD 4.6 trillion, an increase of 21.1% year on year. The total number of global tourism revenue recovered to 79.6% of the pre-pandemic level in 2019 (see Figure 2.2).

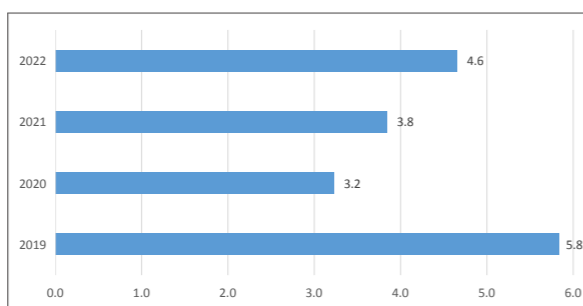


Figure 2.2 Total Global Tourism Revenues During 2019-2022 (Unit: trillion USD)

¹ Unless otherwise noted, all the data below are derived from the research group of the Tourism Research Center, Chinese Academy of Social Sciences.

2. Global tourism revenue recovered better than that of global economy in 2022

In 2022, the global economic growth is expected to slow down. However, the growth rate of tourism economy keeps rising as the vaccination rate generally increases and countries gradually relax the pandemic control measures and introduce recovery strategies to promote tourism. The growth rate of the tourism economy continued to increase. In 2022, the growth rate of global tourism revenue reached 21.1%, 2 percentage points higher than that in 2021 (19.1%). The world economy grew by 3.2% in 2022, down 2.8 percentage points from 6.0% in 2021.

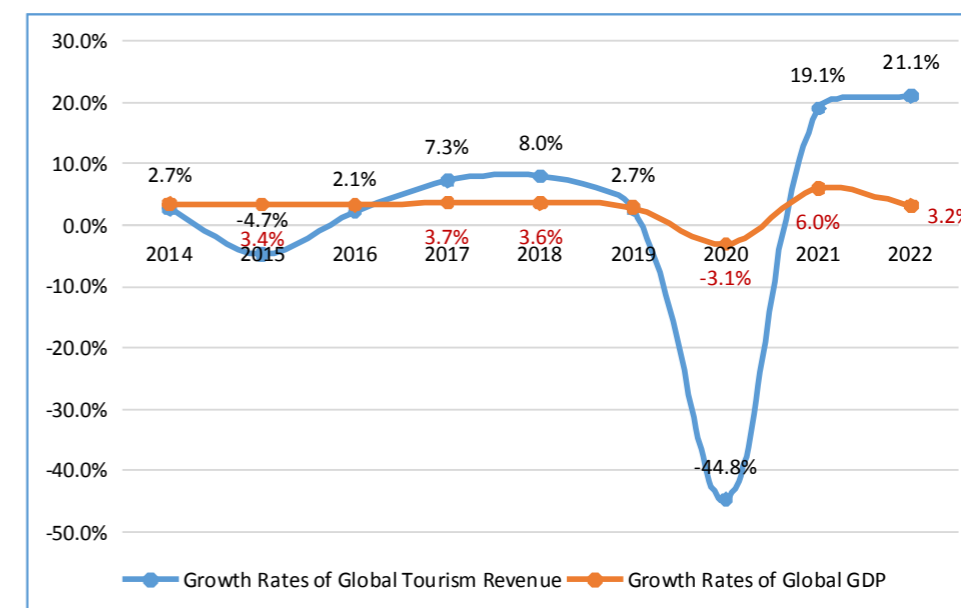


Figure 2.3 Comparison Between the Growth Rates of Global Tourism Revenue and Global GDP During 2014-2022

Note: The data about the GDP growth rates are derived from the IMF *World Economic Outlook* in April 2022 and in October 2022.



3.The proportion of global tourism revenue to global GDP recovered to nearly 5% in 2022

The total tourism revenue accounted for 4.8% of the total GDP, 2 percentage points lower than that in 2019 but 0.7 percentage points higher than that in 2021.

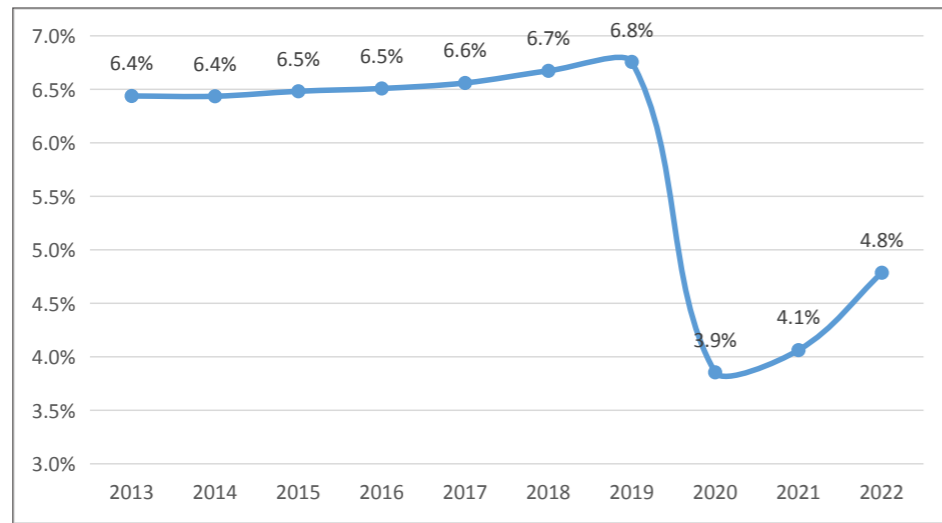


Figure 2.4 Proportion of Global Tourism Revenue to Global GDP during 2013-2022

4.Domestic tourism recovered better than international tourism in 2022

Global domestic tourist trips in 2022 reached 900 million, up 99.8% year on year and recovering to 63.3% of the pre-pandemic level. Global revenue from international tourism in 2022 reached USD 1.1 trillion, up 58.7% year on year and recovering to 66.9% of the pre-pandemic level in 2019 (see Figures 2.5 and 2.6).

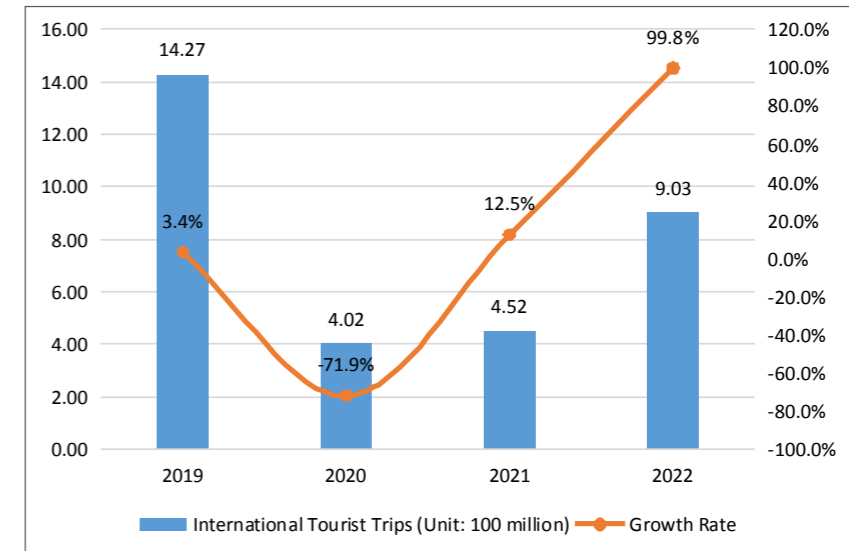


Figure 2.5 International Tourist Trips and Growth Rate during 2019-2022

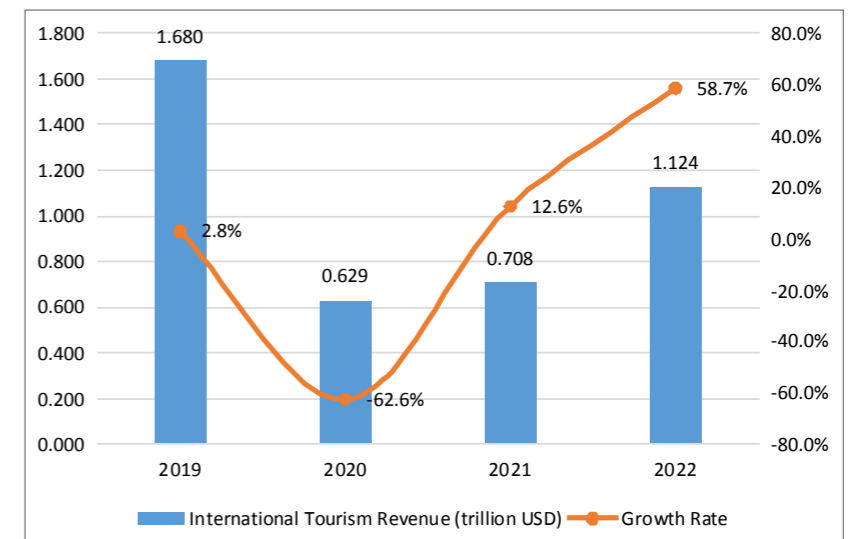


Figure 2.6 Global Revenue from International Tourism and Growth Rate during 2019-2022



The global domestic tourist trips in 2022 reached 8.67 billion, up 14.2% year on year and recovering to 66.4% of the pre-pandemic level in 2019. The global revenue from domestic tourism in 2022 reached USD 3.5 trillion, up 12.6% year on year and recovering to 84.8% of the pre-pandemic level in 2019 (see Figures 2.7 and 2.8).

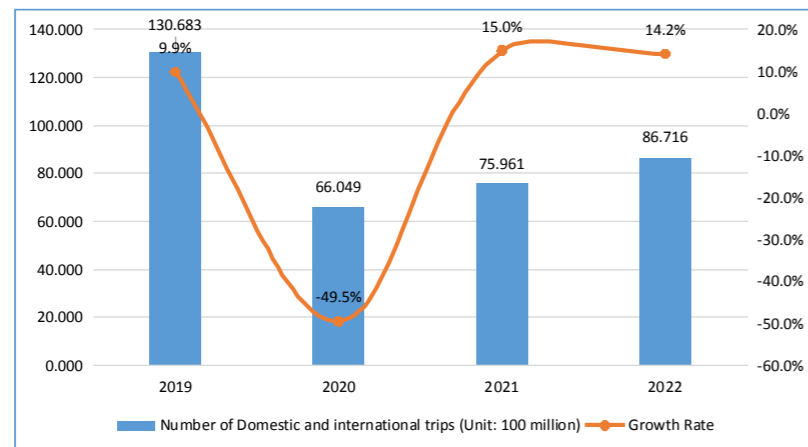


Figure 2.7 Growth Rate of Global Domestic Tourist Trips during 2019-2022

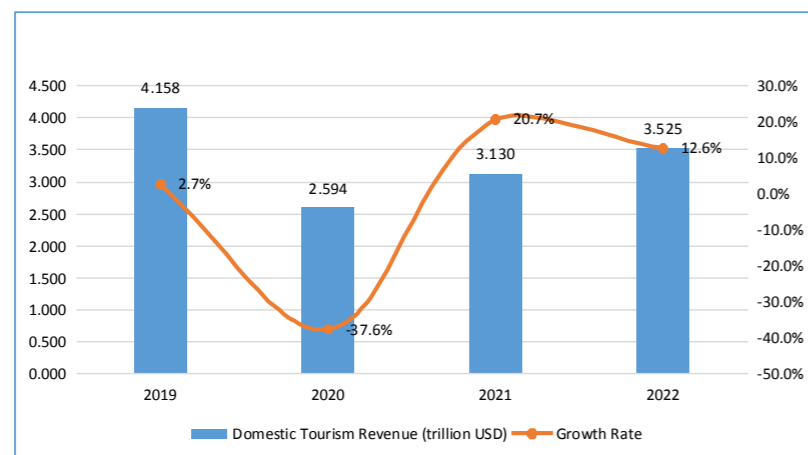


Figure 2.8 Global Domestic Tourism Revenue and Growth Rate during 2019-2022

Globally, domestic tourist trips recovered slightly better than international ones in 2022. In 2022, international tourist trips worldwide recovered to 63.3% of the pre-pandemic level in 2019, 3.1 percentage points lower than that of domestic tourist trips (66.4%) (see Figure 2.9).

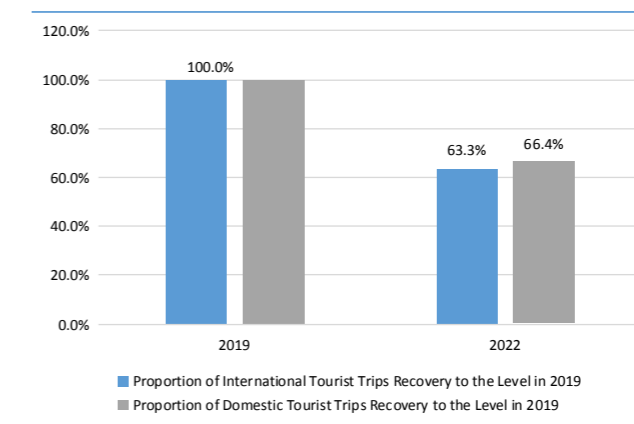


Figure 2.9 Comparison of Recovery Levels Between International and Domestic Tourist Trips in 2022

The global revenue from domestic tourism recovered far better than that from international tourism. In 2022, the global revenue from international tourism recovered to 66.9% of the pre-pandemic level in 2019, 17.9 percentage points lower than that of domestic tourism revenue (84.8%) (see Figure 2.10).

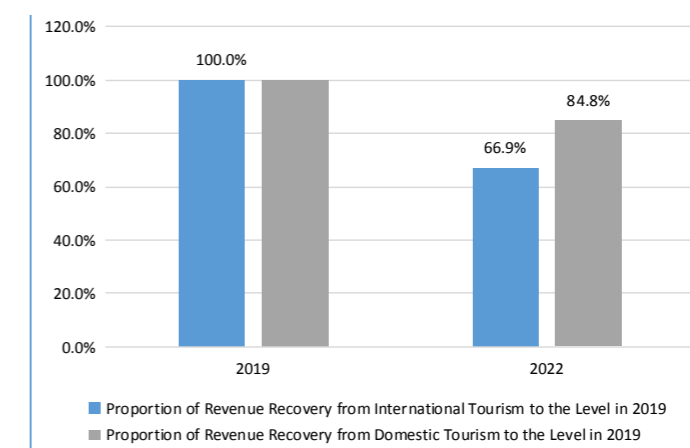


Figure 2.10 Comparison of Recovery Levels Between Global Revenue from International Tourism and That from Domestic Tourism in 2022



5. Global tourism recovered more slowly than global aviation in 2022

The results show that global air passenger trips recovered better than global tourist trips in 2022. The total number of global air passengers in 2022 recovered to 83%² of the pre-pandemic level in 2019. In contrast, global tourist trips in 2022 recovered to 66.1% of the pre-pandemic level in 2019, indicating a difference of 16.9 percentage points (see Figure 2.11).

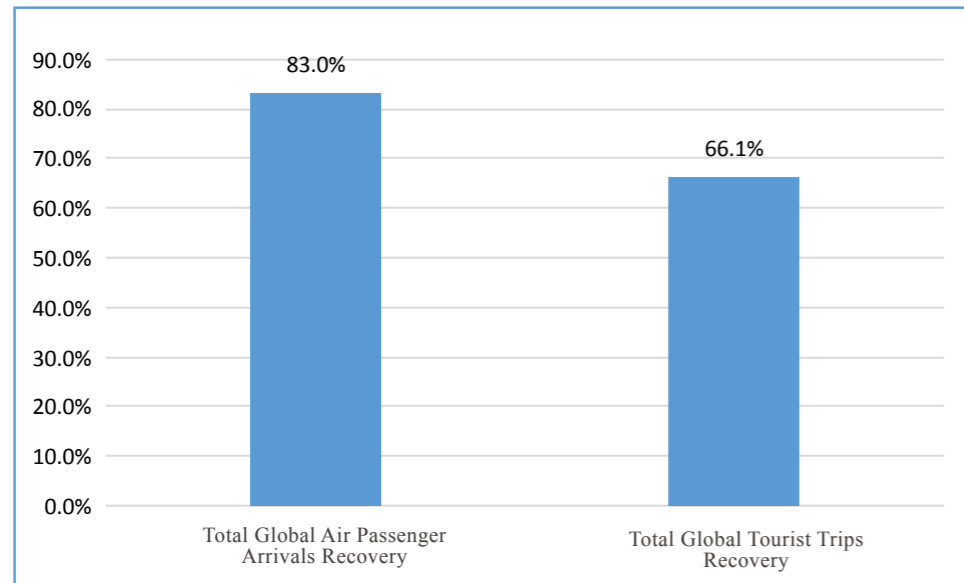
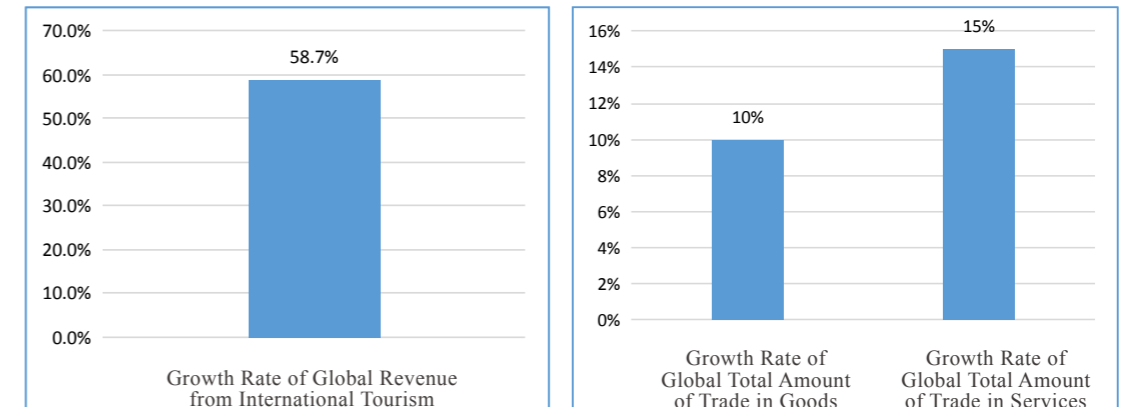


Figure 2.12 Growth Rate of Global Revenue from International Tourism and Growth Rate of International Trade in Goods and Services in 2022

2.6 Global tourism revenue grew much faster than that of international trade in 2022

In 2022, global revenue from international tourism totaled USD 1.1 trillion, up 58.7% year on year. Global trade in goods and services grew by about 10% and 15% respectively. Additionally, the growth rate of global revenue from international tourism was 48.7 percentage points higher than that of global trade in goods and 43.7 percentage points higher than that of global trade in services (see Figure 2.12).



2. IATA (International Air Transport Association) represents about 290 airlines, accounting for 83% of global aviation.
<https://www.iata.org/en/pressroom/2022-releases/2022-03-01-01/>



7.Developed economies outperformed emerging economies in tourism in 2022

In 2022, 3.28 billion tourist trips were made in developed economies, up 25.3% year on year (see Figure 2.13). 6.29 billion tourist trips were made in emerging economies, up 15.9% year on year (see Figure 2.14). The growth rate of total tourist trips in developed economies is around 10 percentage points higher than that in emerging economies.

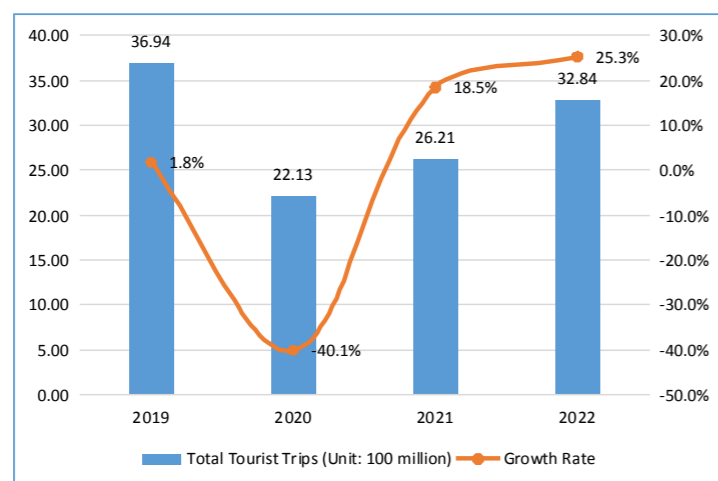


Figure 2.13 Total Tourist Trips and Growth Rate in Developed Economies during 2019-2022

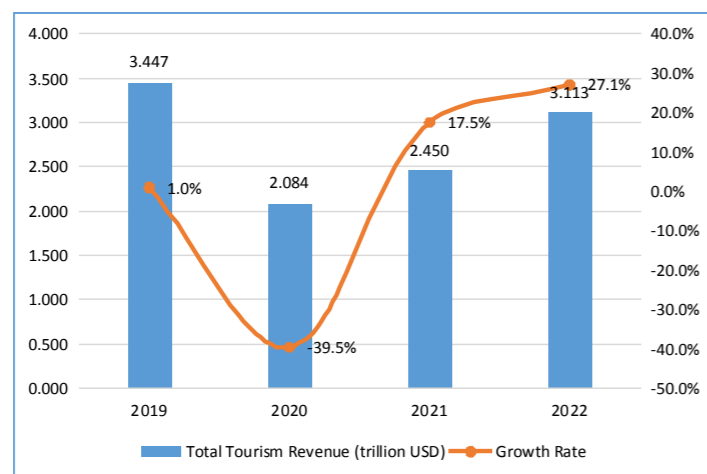


Figure 2.14 Total Tourism Revenue and Growth Rate in Developed Economies during 2019-2022

In 2022, the tourism revenue in developed economies totaled USD 3.1 trillion, up 27.1% year on year (see Figure 2.15). Emerging economies registered a total tourism revenue of USD 1.5 trillion, up 10.6% year on year (see Figure 2.16). The growth rate of total tourism revenue in developed economies was approximately 17 percentage points higher than that in emerging economies.

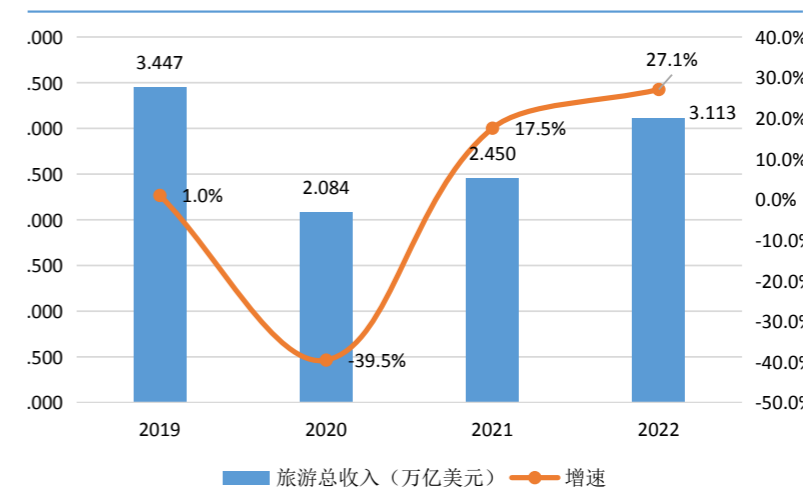


Figure 2.15 Total Tourism Revenue and Growth Rate in Developed Economies during 2019-2022

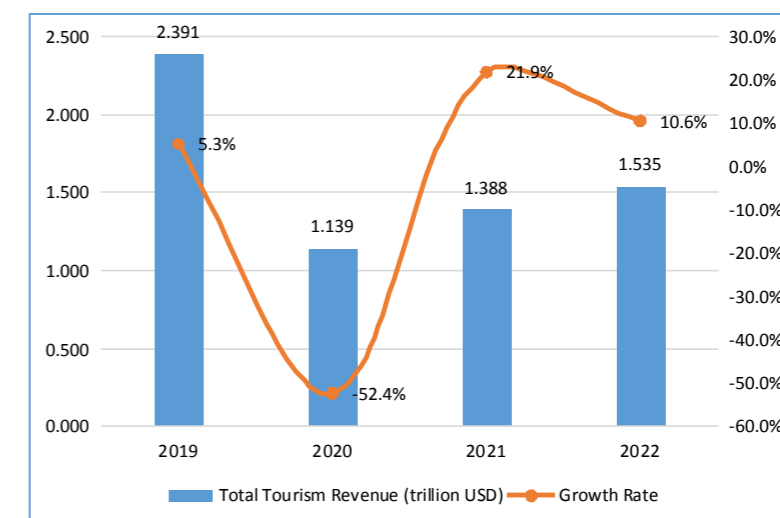


Figure 2.16 Total Tourism Revenue and Growth Rate in Emerging Economies during 2019-2022



Developed economies outperformed emerging economies in terms of tourism recovery by about 30% in 2022. The total tourist trips of developed countries recovered to 88.9% of the pre-pandemic level in 2019, while the figure of emerging economies was 58.2%, 30.7 percentage points lower than that of the former. The total tourism revenue of developed countries recovered to 90.3% of the pre-pandemic level in 2019, while the figure of emerging economies was 64.2%, 26.1 percentage points lower than that of the former.

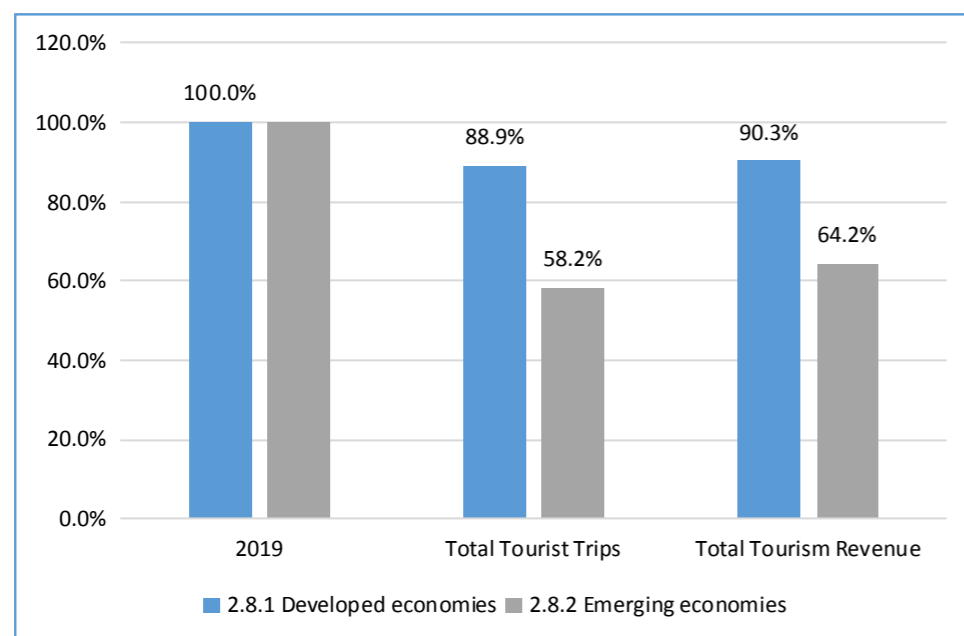


Figure 2.17 Recovery Levels of Tourism in Different Economies in 2022 (Baseline Scenario)

8. The global tourism in 2023 is expected to recover better than that in 2022

The recovery level of the total global tourist trips. Under the pessimistic scenario, the total number of global tourist trips is expected to reach 9.24 billion in 2023, recovering to 63.8% of the pre-pandemic level in 2019 and being 5.6 percentage points higher than that in 2022 (58.2%). Under the baseline scenario, the total number of global tourist trips in 2023 will reach 10.78 billion, recovering to 74.4% of the pre-pandemic level in 2019 and being 8.3 percentage points higher than that in 2022 (66.1%). Under the optimistic scenario, the total number of global tourist trips will reach 11.99 billion, recovering to 82.7% of the pre-pandemic level in 2019 and being 11.5 percentage points higher than that in 2022 (71.2%) (see Table 2.1 and Figure 2.18).

Table 2.1 Total Global Tourist Trips and Growth Rates Under Different Scenarios in 2023

	Total global tourist trips (100 million)	Growth rate (%)
Pessimistic scenario	92.4	9.6%
Baseline scenario	107.8	12.6%
Optimistic scenario	119.9	16.2%

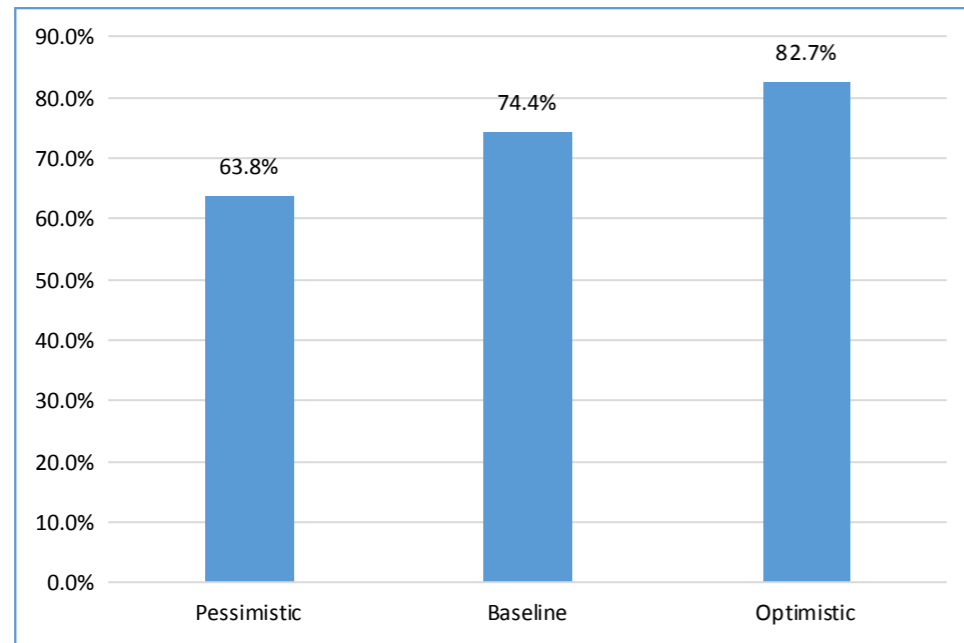


Figure 2.18 Recovery Levels of Total Global Tourist Trips under Different Scenarios in 2023

The recovery level of the total global tourism revenue. Under the pessimistic scenario, the total revenue of global tourism in 2023 is expected to reach USD 4.5 trillion, recovering to 77.6% of the pre-pandemic level in 2019 and being 2 percentage points lower than that in 2022 (79.6%). Under the baseline scenario, the total revenue of global tourism in 2023 will reach USD 5.0 trillion, recovering to 86.2% of the pre-pandemic level in 2019 and being 6.6 percentage points higher than that in 2022 (79.6%). Under the optimistic scenario, the total revenue of global tourism in 2023 will reach USD 5.5 trillion, recovering to 94.8% of the pre-pandemic level in 2019 and being 15.2 percentage points higher than that in 2022 (79.6%) (see Table 2.2 and Figure 2.19).

Table 2.2 Total Global Tourism Revenues and Growth Rates Under Different Scenarios in 2023

	Total global tourist trips (100 million)	Growth rate (%)
Pessimistic scenario	4.5	5.4
Baseline scenario	5.0	8.6
Optimistic scenario	5.5	13.0

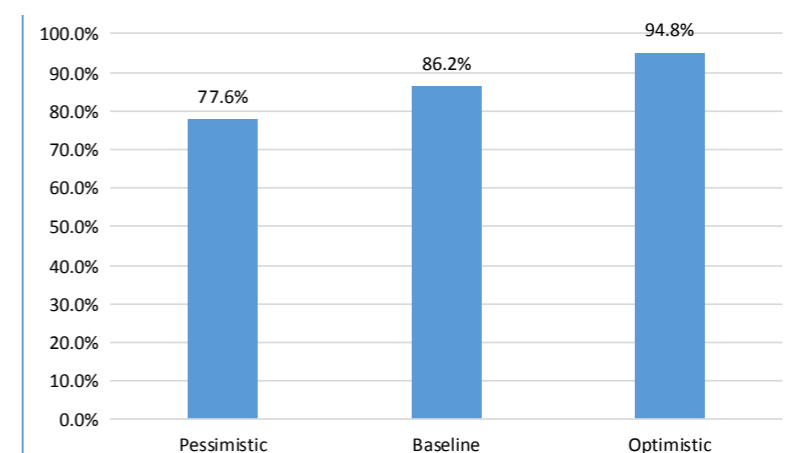


Figure 2.19 Recovery Levels of Total Global Tourism Revenue under Different Scenarios in 2023



9.Domestic tourism will continue to recover better than international tourism in 2023

Under the pessimistic scenario, global domestic tourist arrivals in 2023 recovered to 64.1% of the pre-pandemic (2019) level, 3.7 percentage points higher than that of the global international tourist arrivals of 60.4%. Under the baseline scenario, the former is higher than the latter by 1.7 percentage points. Under the optimistic scenario, the latter is lower than the former by 7.1 percentage points (See Figure 2.19).

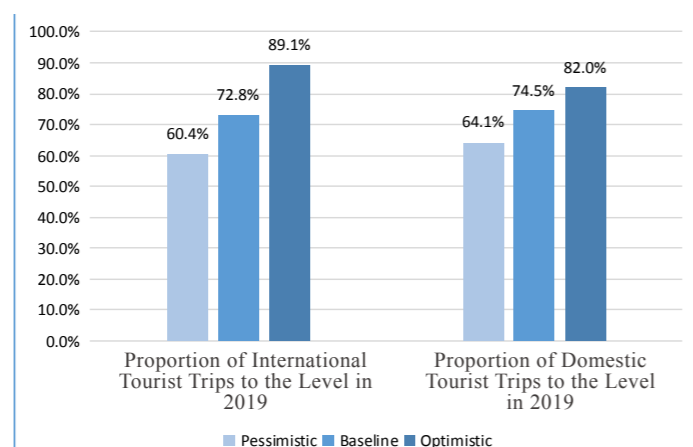


Figure 2.20 Comparison of Recovery Levels Between International and Domestic Tourist Trips in 2023

Under the pessimistic scenario, the global revenue from international tourism in 2023 recovered to 64.7% of the pre-pandemic level in 2019, 17.7 percentage points higher than that of domestic tourism revenue (60.4%). Under the baseline scenario, the former is higher than the latter by 16.3 percentage points. Under the optimistic scenario, the latter is lower than the former by 9.1 percentage points (see Figure 2.21).

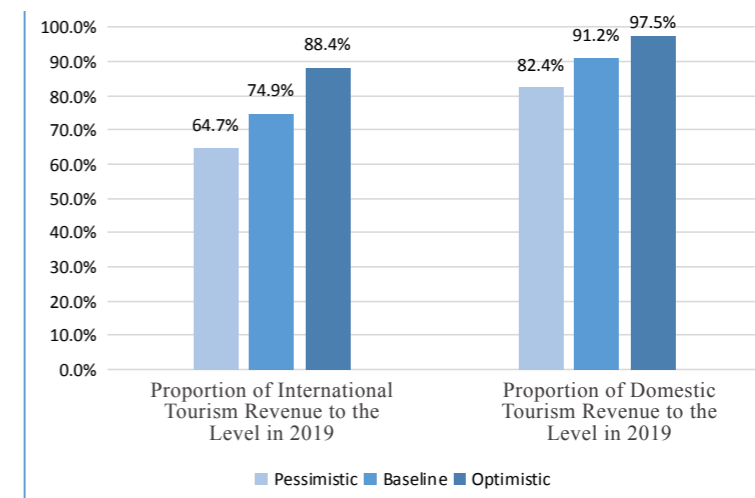


Figure 2.21 Comparison of Recovery Levels Between International and Domestic Tourism Revenues in 2023

10.Developed economies will still recover better than emerging economies in tourism in 2023

It is expected that tourism in developed economies in 2023 will basically recover to the pre-pandemic level in 2019. And that in emerging economies will recover to 60-80% of the pre-pandemic level (see Figure 2.21 and Figure 2.22).

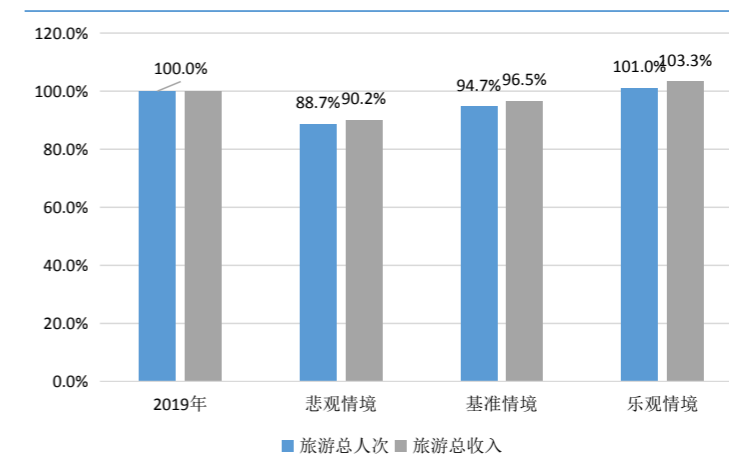


Figure 2.22 Recovery Levels of Tourism in Developed Economies in 2023



III. Five Regions: The Tourism Development Landscape is Being Reshaped Faster



1. It is expected that tourism recovery in the Middle East, Europe, the Americas, Africa and Asia-Pacific will decrease in order in 2022.

The tourism of the Middle East recovered best with the total number of tourist trips and total tourism revenue recovering to over 90% of the pre-pandemic level. In 2022, the total number of tourist trips in the Middle East was 260 million, up 29.2% year on year (see Figure 3.1). The total tourism revenue reached USD 0.2 trillion, up 26.9% year on year (see Figure 3.2). The total number of tourist trips recovered to 94.7% of the pre-pandemic level in 2019, and the total tourism revenue recovered to 93.7% of the pre-pandemic level in 2019 (see Figure 3.3).

Europe ranked second. Its total number of tourist trips and total tourism revenue will recover to about 90% of the pre-pandemic level in 2019. In 2022, the total number of tourist trips in Europe was 1.73 billion, up 25.1% year on year (see Figure 3.1). The total tourism revenue reached USD 1.6 trillion, up 19.4% year on year (see Figure 3.2). The total number of tourist trips recovered to 89.5% of the pre-pandemic level in 2019, and the total tourism revenue recovered to 92.1% of the pre-pandemic level in 2019 (see Figure 3.3).

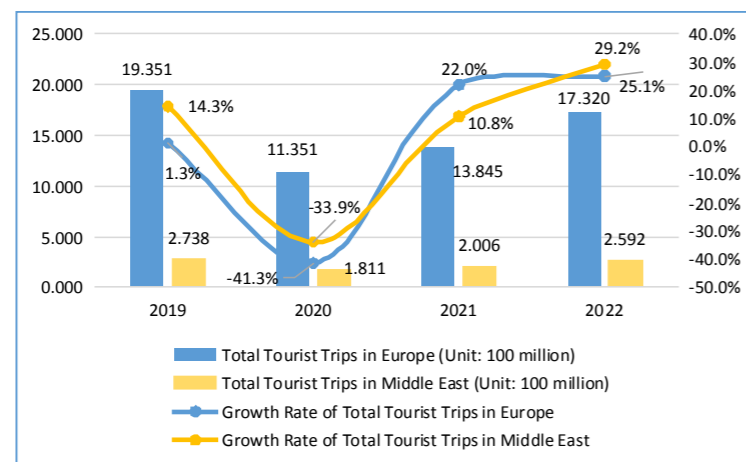


Figure 3.1 Total Number of Tourist Trips and the Growth Rate in Europe and the Middle East During 2019-2022

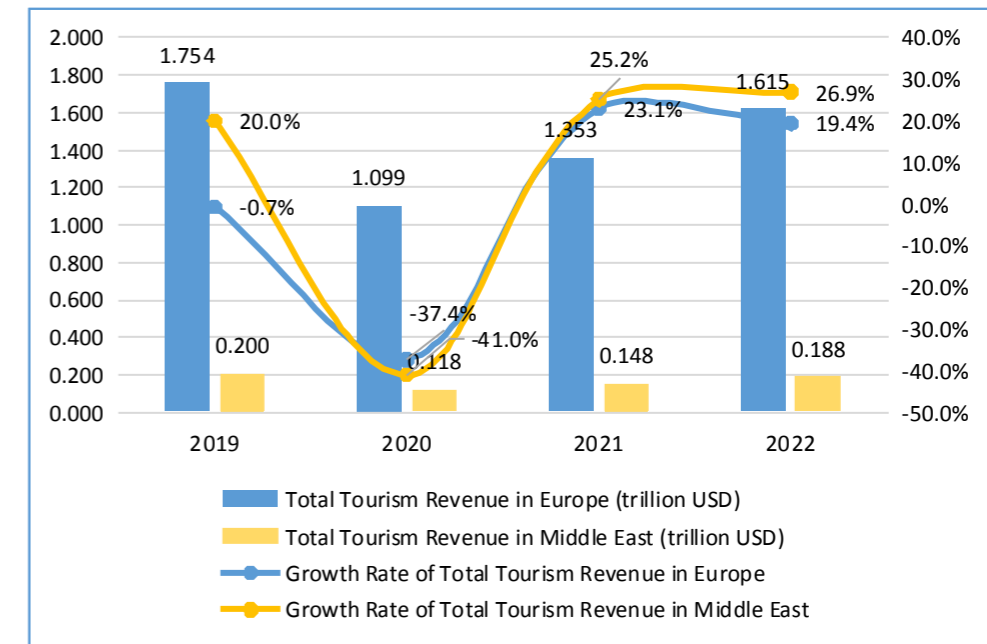


Figure 3.2 Total Tourism Revenue and the Growth Rate in Europe and the Middle East During 2019-2022

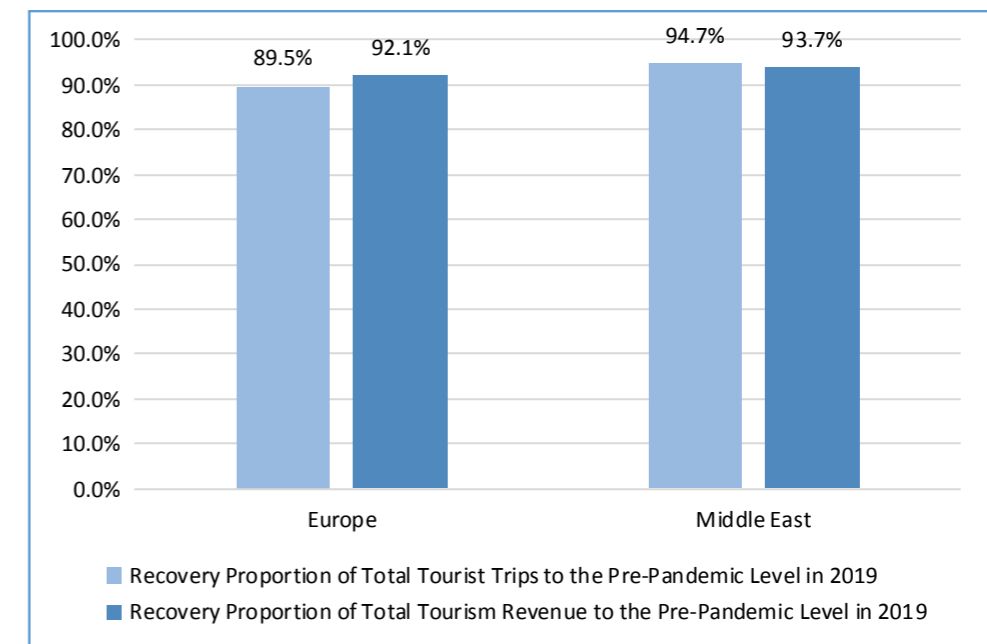


Figure 3.3 Recovery Levels of Tourism in Europe and the Middle East in 2022



Tourism in the Americas recovered to about 90% of the pre-pandemic level, only behind the Middle East and Europe. In 2022, the total number of tourist trips in the Americas was 1.89 billion, up 18.1% year on year (see Figure 3.4). The total tourism revenue reached USD 1.6 trillion, up 21.8% year on year (see Figure 3.5). The total number of tourist trips recovered to 88.8% of the pre-pandemic level in 2019, and the total tourism revenue recovered to 89.0% of the pre-pandemic level in 2019 (see Figure 3.6).

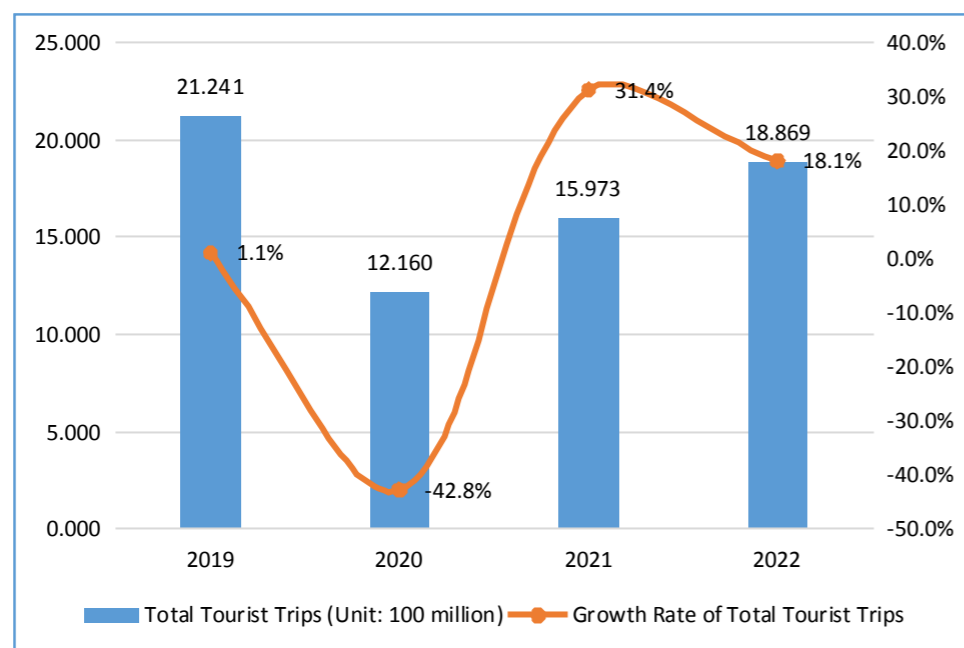


Figure 3.4 Total Number of Tourist Trips and the Growth Rate in the Americas (2019-2022)

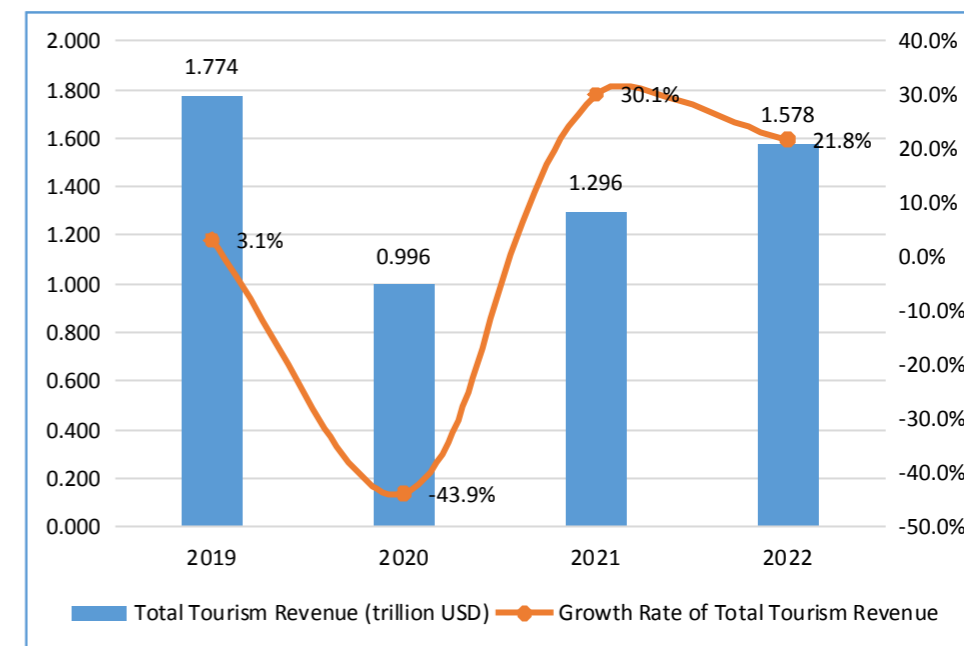


Figure 3.5 Total Tourism Revenue and the Growth Rate in the Americas During 2019-2022

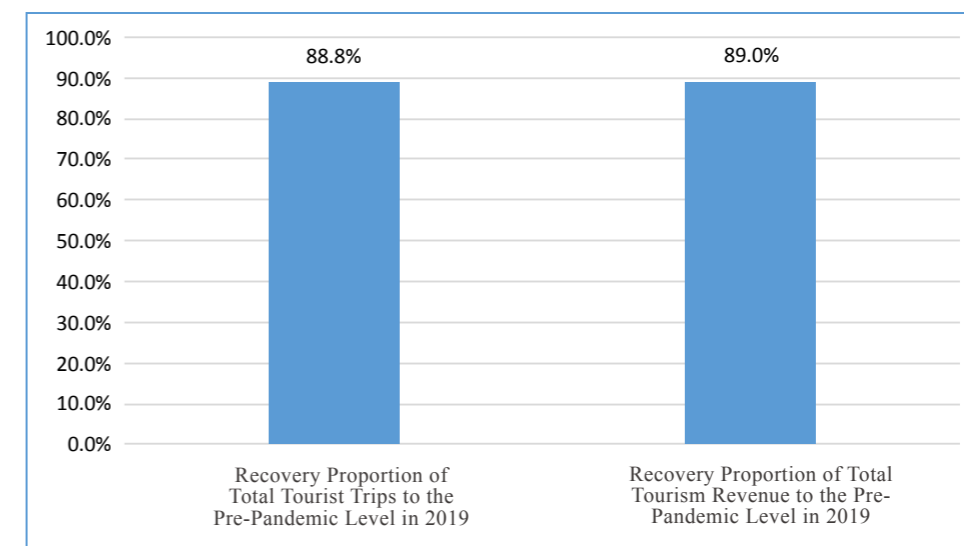


Figure 3.6 Recovery Levels of Total Number of Tourist Trips and Total Tourism Revenue in the Americas in 2022



The tourism of Africa rapidly grew with a low recovery level In 2022, the total number of tourist trips in Africa was 170 million, up 62.1% year on year (see Figure 3.7). The total tourism revenue reached USD 0.09 trillion, up 59.3% year on year (see Figure 3.8). The total number of tourist trips recovered to 74.4% of the pre-pandemic level in 2019, and the total tourism revenue recovered to 80.9% of the pre-pandemic level in 2019 (see Figure 3.9).

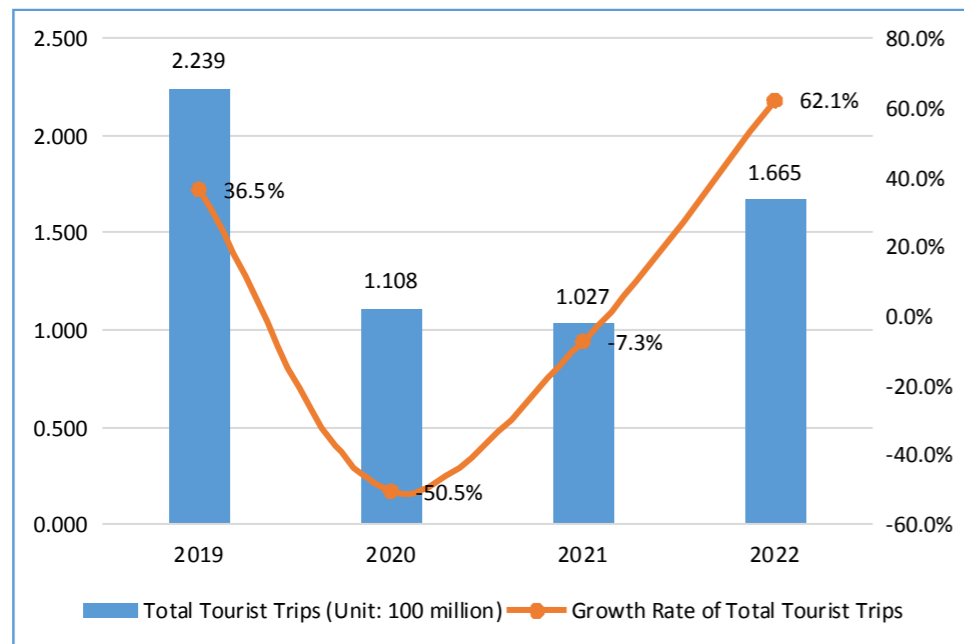


Figure 3.7 Total Number of Tourist Trips and the Growth Rate in Africa During 2019-2022

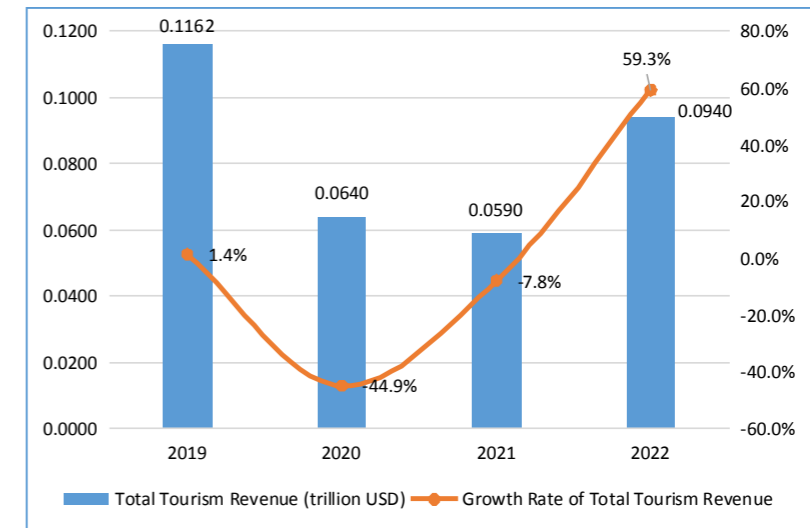


Figure 3.8 Total Tourism Revenue and the Growth Rate in Africa During 2019-2022

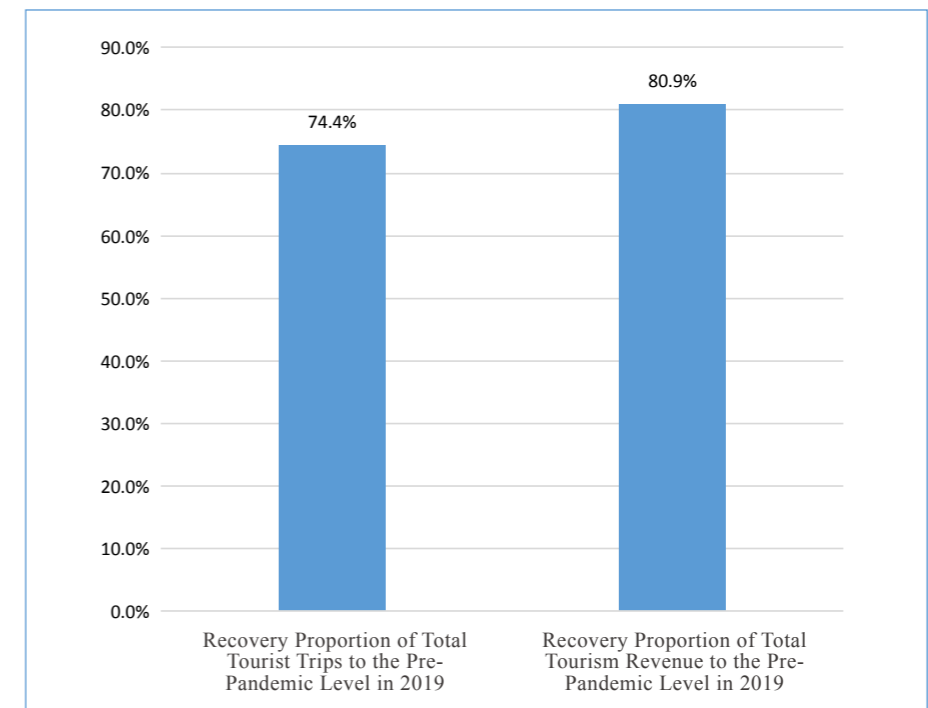


Figure 3.9 Recovery Level of Total Number of Tourist Trips and Total Tourism Revenue in Africa in 2022



The Asia-Pacific tourism recovered worst to less than 60% of the pre-pandemic level In 2022, the total number of tourist trips in the Asia-Pacific was 5.53 billion, up 16.1% year on year (see Figure 3.10). The total tourism revenue reached USD 1.2 trillion, up 19.5% year on year (see Figure 3.11). The total number of tourist trips recovered to 55.6% of the pre-pandemic level in 2019, and the total tourism revenue recovered to 58.9% of the pre-pandemic level in 2019 (see Figure 3.12).

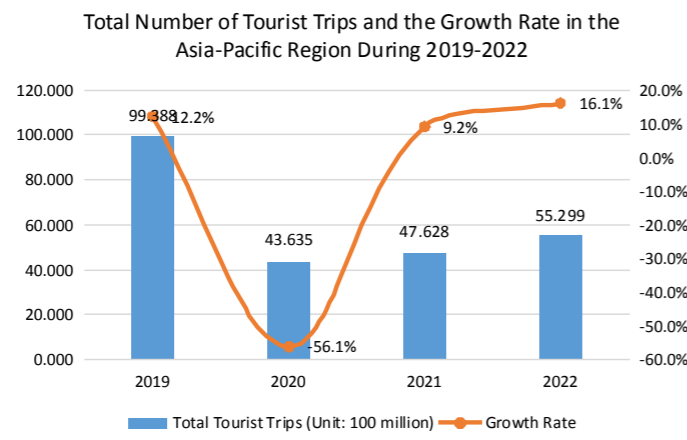


Figure 3.10 Total Number of Tourist Trips and the Growth Rate in the Asia-Pacific Region During 2019-2022

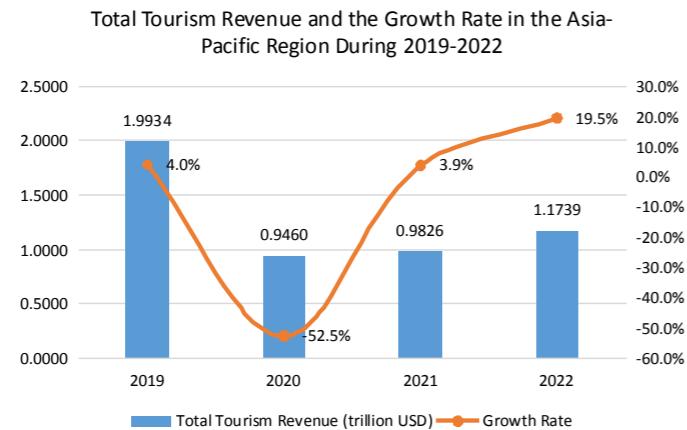


Figure 3.11 Total Tourism Revenue and the Growth Rate in the Asia-Pacific Region During 2019-2022

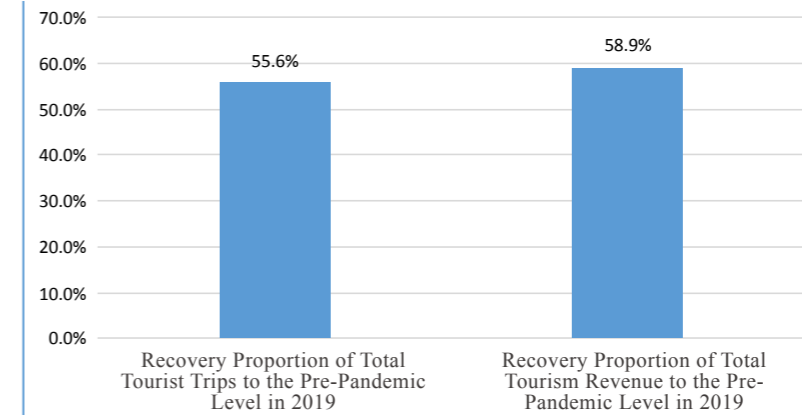


Figure 3.12 Asia-Pacific Tourism Recovery in 2022 Compared with the Pre-pandemic Level in 2019

2. It is expected that the proportion of total tourism revenue to the GDP in the Middle East, Europe, the Americas, Africa and Asia-Pacific will decrease in order in 2022.

The proportion of total tourism revenue to the GDP of the Middle East in 2022 recovered to around 90% of the pre-pandemic level in 2019, with 82.7% for the Americas, 82.2% for Europe, 75% for Africa and 50% for the Asia-Pacific region (see Figure 3.13).

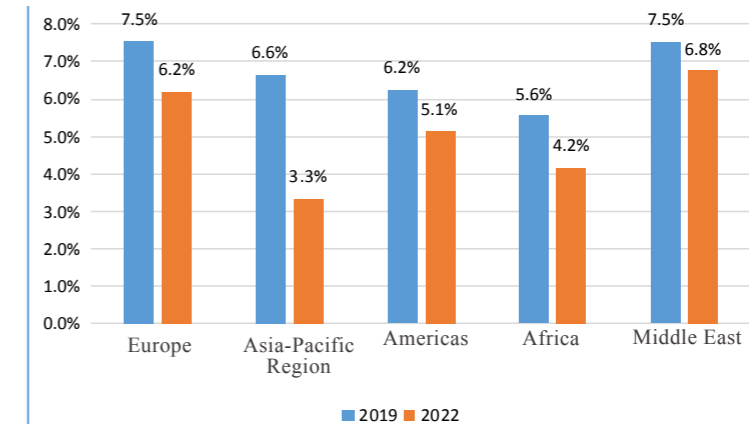


Figure 3.13 Proportion of Total Tourism Revenue to GDP in the Five Regions in 2019 and 2022



3. In 2023, the five regions are listed as the Asia-Pacific region, Africa, the Middle East, the Americas and Europe in descending order by the growth rate of tourism economy.

Asia-Pacific tourism will usher in a small upsurge, with the total number of tourist trips and total tourism revenue growing by more than 25%. The growth rate of the total number of tourist trips and total tourism revenue in Africa will exceed 10%. The growth will slow in Europe, the Americas and the Middle East. The growth rate of the total number of tourist trips and total tourism revenue will fall to less than 10% in all three regions.

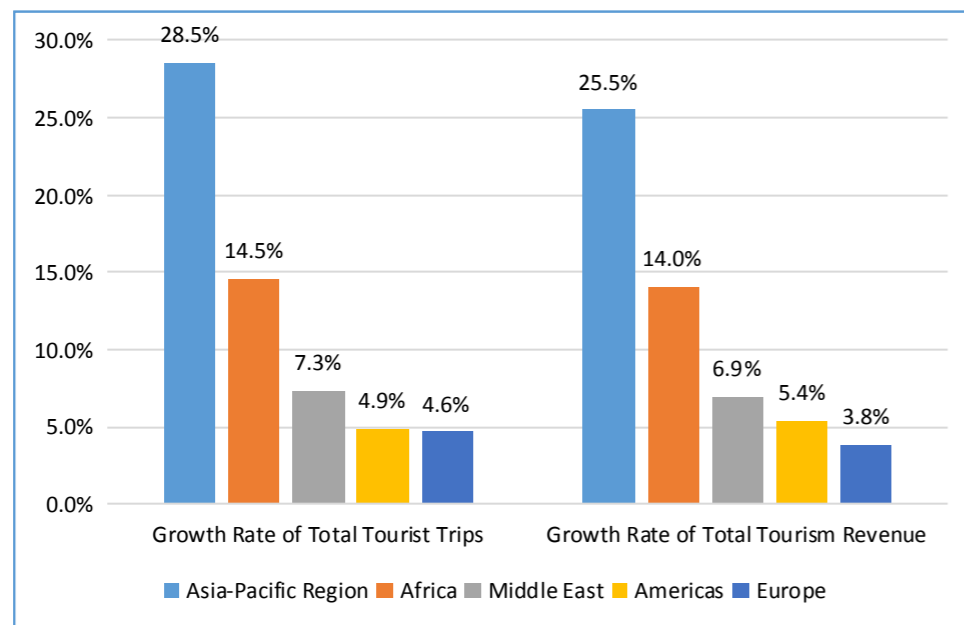


Figure 3.14 Growth Rates of Total Tourist Trips and Total Tourism Revenues in Five Regions in 2023

4. It is expected that tourism recovery in the Middle East, Europe, the Americas, Africa and Asia-Pacific will decrease in order in 2023.

The tourism in the Middle East in 2023 will basically recover to the pre-pandemic level. Under the pessimistic scenario, the total number of tourist trips and total tourism revenue in the Middle East will recover to 98.0% and 96.8% respectively of the pre-pandemic level. Under the optimistic scenario, the total number of tourist trips and total tourism revenue in the Middle East will exceed the pre-pandemic levels, increasing by 4.9 and 3.6 percentage points over 2019, respectively (see Figure 3.15).

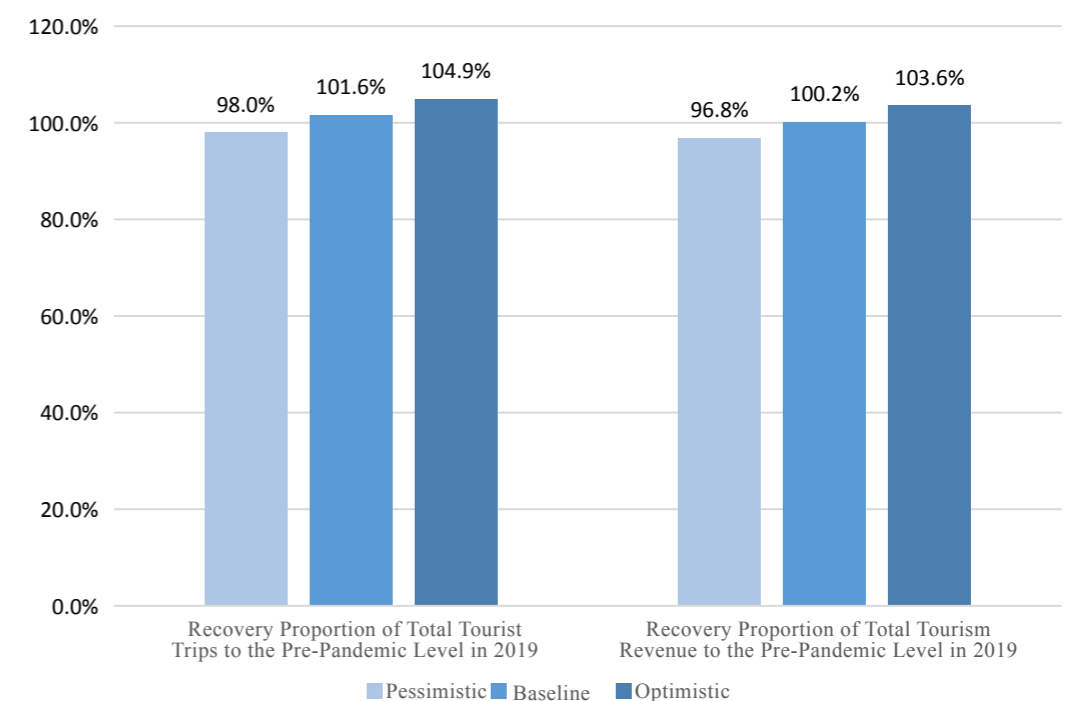


Figure 3.15 Recovery Levels of Tourism Economy in Middle East under Different Scenarios in 2023



The tourism in Europe and the Americas in 2023 will recover to more than 85% of pre-pandemic levels (see Figure 3.16 and Figure 3.17)

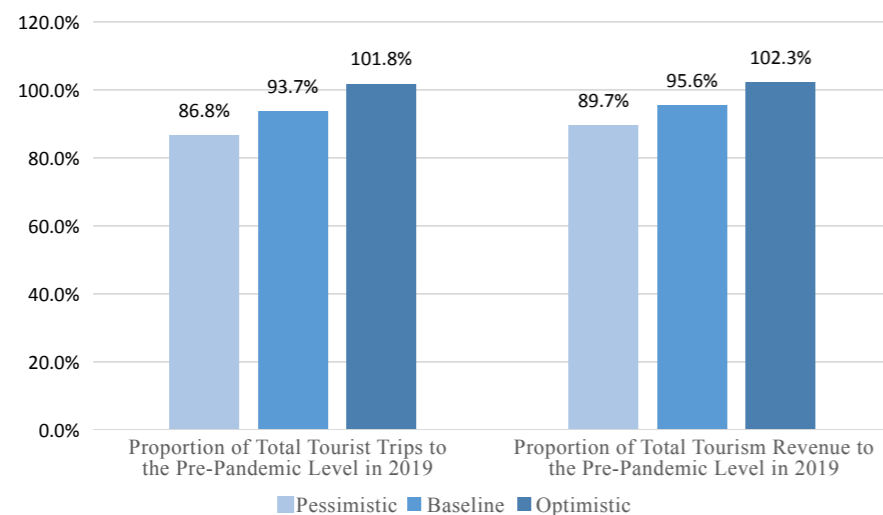


Figure 3.16 Recovery Levels of Tourism Economy in Europe under Different Scenarios in 2023

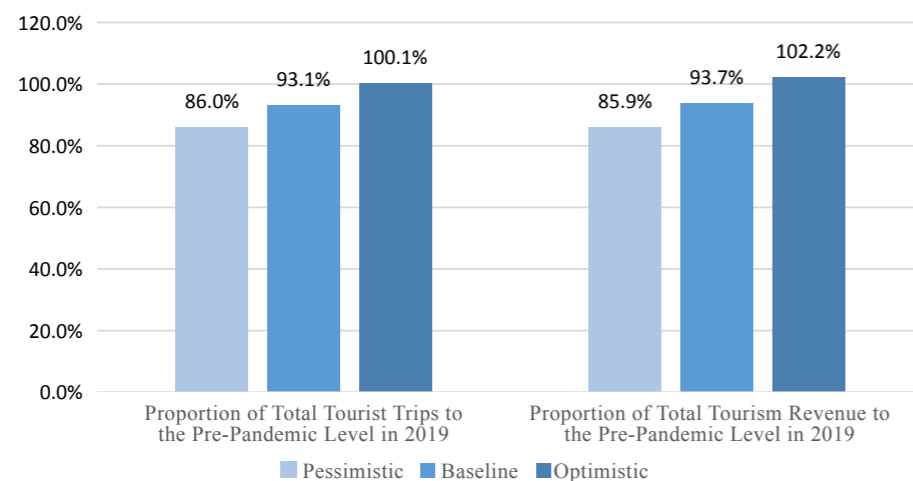


Figure 3.17 Recovery Levels of Tourism Economy in the Americas under Different Scenarios in 2023

Under the pessimistic scenario and the optimistic scenario, the total numbers of tourist trips in Asia-Pacific will recover to 71.5% and 93.4% of the pre-pandemic levels, respectively, a difference of 21.9 percentage points. The total tourism revenues will recover to 77.9% and 100.9% of their pre-pandemic levels respectively, with a difference of 23 percentage points between the two scenarios (see Figure 3.18).

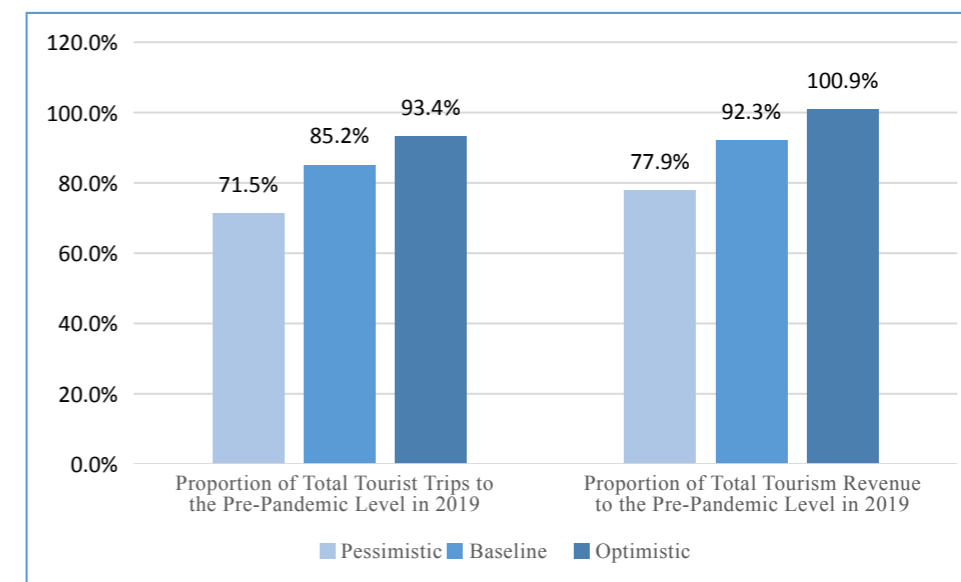


Figure 3.18 Recovery Levels of Tourism Economy in Africa under Different Scenarios in 2023



Under the pessimistic scenario and the optimistic scenario, the total numbers of tourist trips in Asia-Pacific in 2023 will recover to 59.3% and 80.3% of the pre-pandemic levels, respectively, a difference of 21 percentage points. The total tourism revenues will recover to 52.7% and 71.7% of their pre-pandemic levels respectively, with a difference of 19 percentage points between the two scenarios (see Figure 3.19).

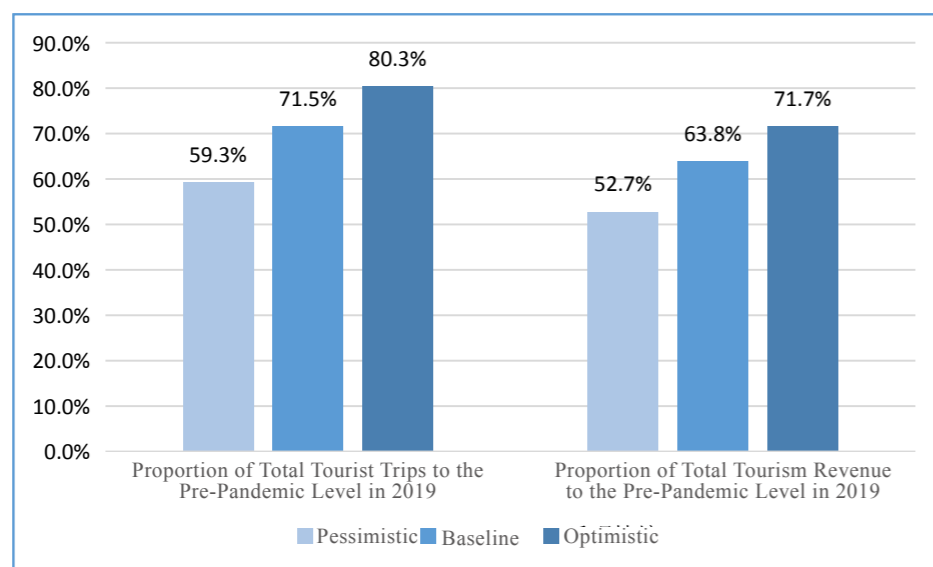


Figure 3.19 Recovery Levels of Tourism Economy in Asia-Pacific under Different Scenarios in 2023

5. In 2023, the proportion of tourism economy in the Asia-Pacific region will decline significantly

Under the baseline scenario, the proportion of tourism economy in the Asia-Pacific region will decrease sharply compared with the pre-pandemic level in 2019. The proportion of total tourist trips made in the Asia-Pacific region to the global total tourist trips will stand at 63%, down 6 percentage points from 69% in 2019 (see Figure 3.20). The proportion of the Asia-Pacific tourism revenue to the total global tourism revenue will reach 29%, down 5 percentage points from 34% in 2019 (see Figure 3.21).

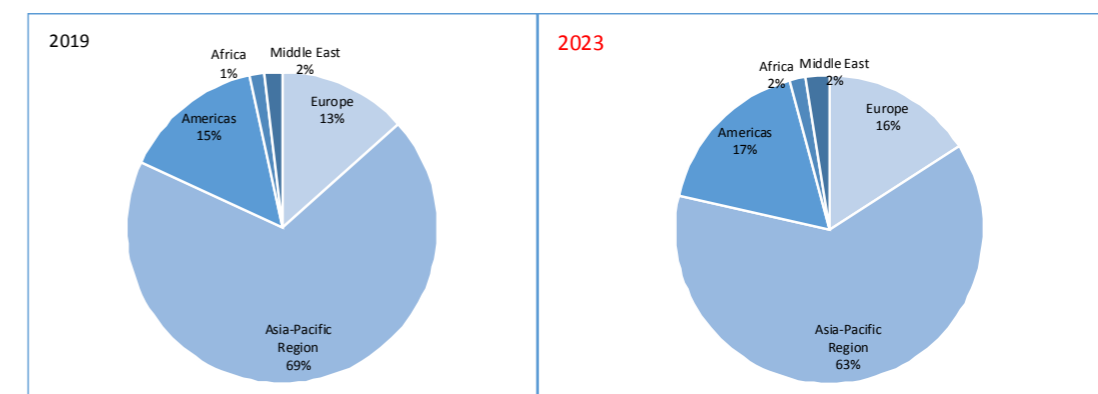


Figure 3.20 Proportion of Total Tourist Trips in Five Regions in 2019 and 2023

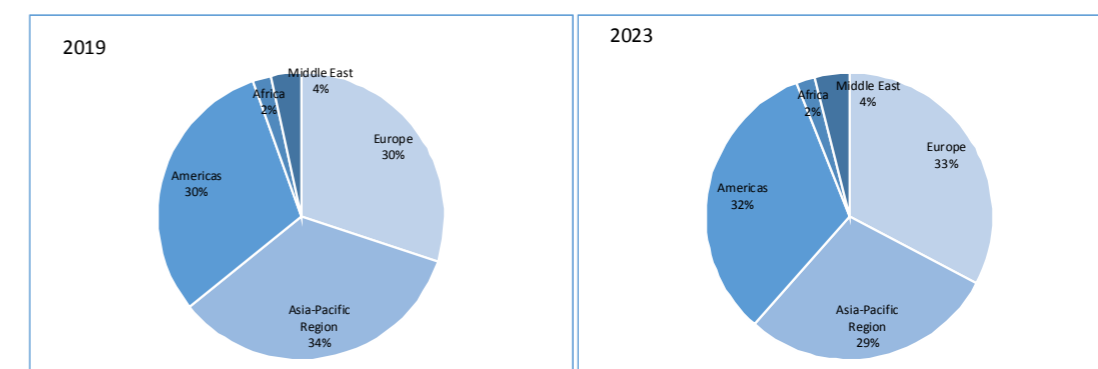


Figure 3.21 Proportion of Total Tourism Revenues in Five Regions in 2019 and 2023



IV.T20 Countries: The Level of Tourism Recovery Varies



1. Over 70% of the T20 countries had vaccination rates over 70% in 2022

In 2022, 17 of the T20 countries had vaccination rates above 70%, with only Türkiye, the Philippines and Russia having a vaccination rate below 70%. As many as 11 countries completely relaxed entry restrictions (the countries marked as blue dots in Figure 4.1), and these countries reported fewer than 40 million confirmed cases. Eight countries adopted partial restriction measures, including negative proof of nucleic acid test, entry restriction and isolation (the countries marked as blue dots in Figure 4.1). South Korea implemented the full restriction of personnel flow across its borders (the country marked as a red dots in Figure 4.1).

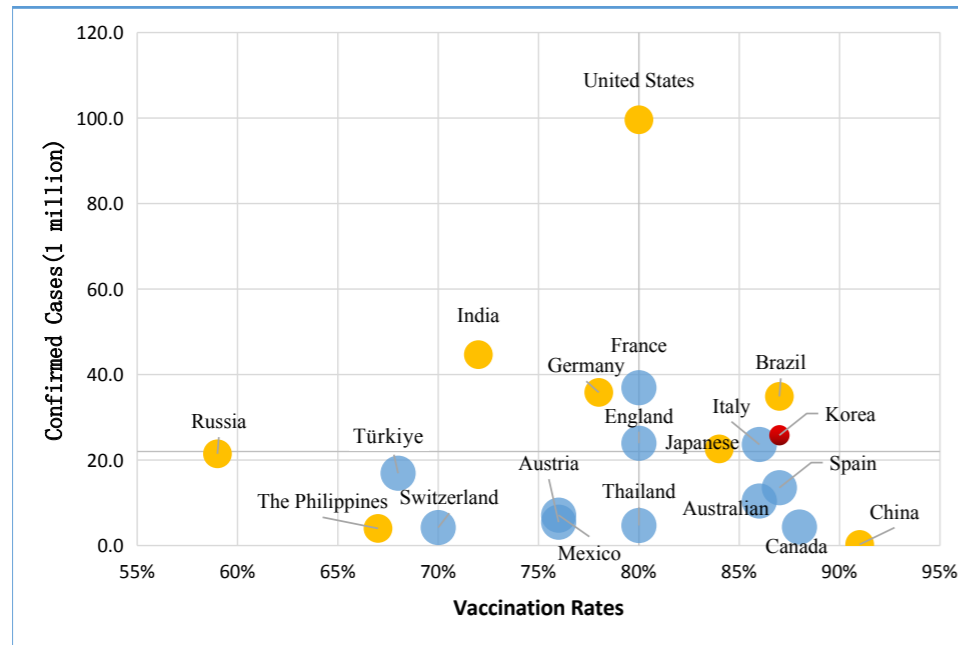
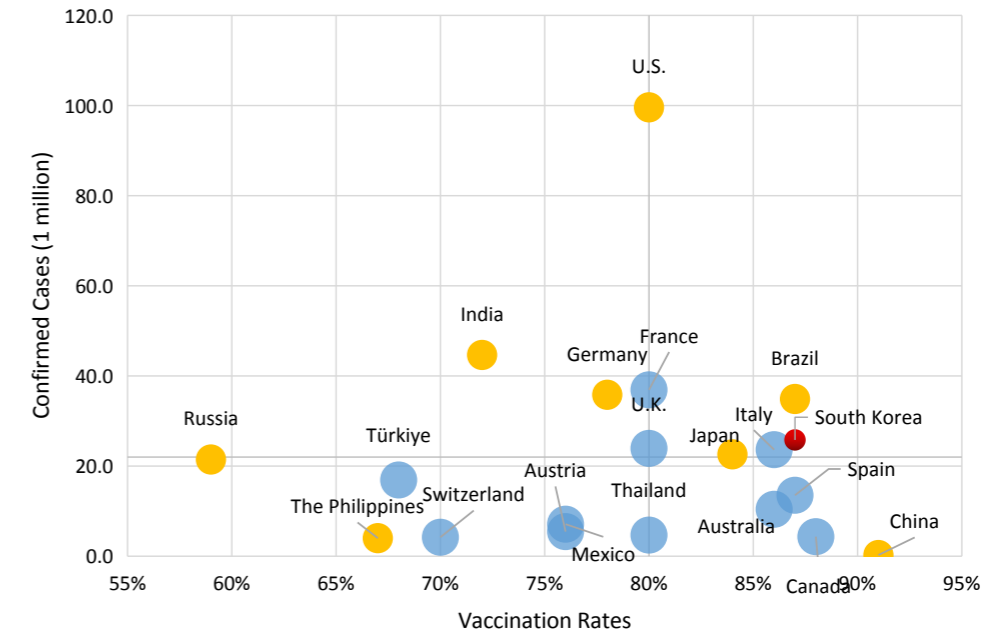


Figure 4.1 Number of Confirmed Cases and Vaccination Rates of T20 Countries in 2022

Source: Worldometer for world real-time statistics

<https://www.worldometers.info/coronavirus/>, Our World in Data <https://ourworldindata.org/covid-vaccinations>



2. T20 countries have released tourism recovery strategies in 2020

In order to effectively facilitate tourism recovery, T20 countries have taken measures such as formulating tourism development strategies, adopting fiscal, financial and industrial support policies, promoting the digital transformation of tourism, establishing tourism development funds, and hosting promotional events.

No.	Country	Content
1	The US	Release the <i>National Travel & Tourism Strategy</i> and launch a five-year plan for tourism recovery
2	China	Introduced a series of policies to support tourism recovery



No.	Country	Content
3	Germany	Promote the digital transformation of the tourism industry
4	The UK	Introduce a package of measures to boost tourism recovery
5	France	Release a new 10-year development plan called <i>Leplan Destination France</i>
6	Italy	Release the <i>2023-2027 Tourism Strategic Plan</i>
7	Mexico	Benefit greatly from policies for stabilizing the economy
8	Japan	Propose six recovery policies for 2022
9	Spain	Allocate EUR 3.4 billion to support the digitalization and sustainable transformation of tourism projects
10	Australia	Form the Tourism Restart Taskforce
11	Brazil	Actively promote Brazil to overseas tourists
12	Canada	Devote 1 billion Canadian dollars to tourism recovery
13	India	Announce “Heal in India” initiative to boost inbound medical tourism
14	Türkiye	Introduce a series of policy measures to advance tourism recovery

No.	Country	Content
15	Austria	Lift restrictions and seize trends of the tourism market
16	Switzerland	Hold a series of promotional activities to develop the Chinese market
17	Russia	Introduce a “tourist cashback” program
18	The Philippines	Further relax entry requirements to promote inbound tourism
19	South Korea	Implement the strategy for restarting tourism
20	Thailand	Formulate the <i>Tourism Development Strategy 2023-2027</i>

Table 4.1 Tourism Recovery Strategies in T20 Countries Since 2022



3.The tourism in T20 countries where restrictions have been fully relaxed recover to over 80% of the pre-pandemic level

Overall, the tourism of those countries that have relaxed restrictions has recovered better than those still imposing restrictions in 2022. The tourism of the former (the countries marked as blue dots in Figure 4.2) has recovered to more than 80% of the pre-pandemic level in 2019, with that of the latter (the countries marked as yellow dots in Figure 4.2) recovering to less than 70% of the pre-pandemic level. South Korea (marked as a red dot in Figure 4.2) imposed a series of complete restrictions, like prohibiting cross-boarder personnel movement, and has recovered to less than 60% of the pre-pandemic level.

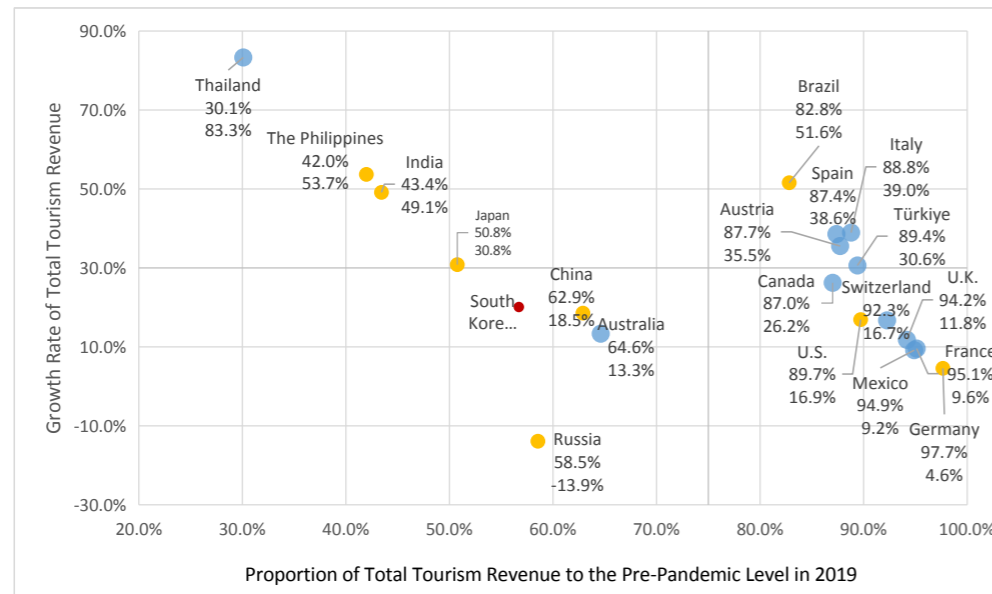


Figure 4.2 Growth Rate and Recovery Level of Total Tourism Revenue of T20 Countries in 2022

4.The proportion of the total tourism revenue of T20 countries to that of the global decreases

The total national tourism revenue of T20 countries accounted for 77.3% that of the global in 2021, indicating an increase over the previous year. The proportion of total tourism revenue of T20 countries to the global total is expected to rise to 78.6% in 2023 (see Figure 4.3).

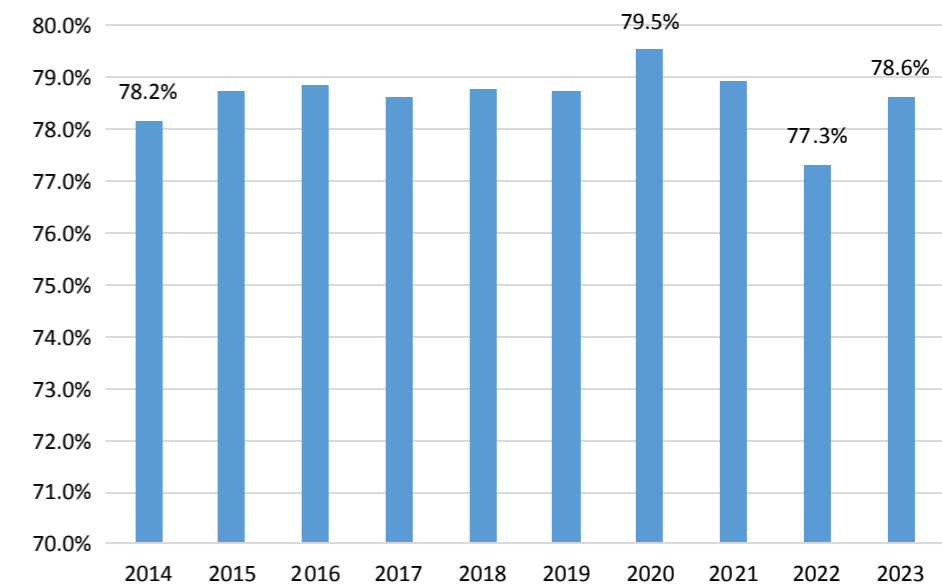


Figure 4.3 Proportion of Total Tourism Revenue of T20 Countries to That of the Global Total



5.The total international tourism revenue of T20 countries accounts for nearly 60% that of the global

The total international tourism revenue of T20 countries accounted for 56.1% that of the global in 2022, indicating an increase over the 55.7% in the previous year. The proportion is expected to increase to 57.1% in 2023, still 1 percentage point lower than the pre-pandemic level in 2019 (see Figure 4.4).

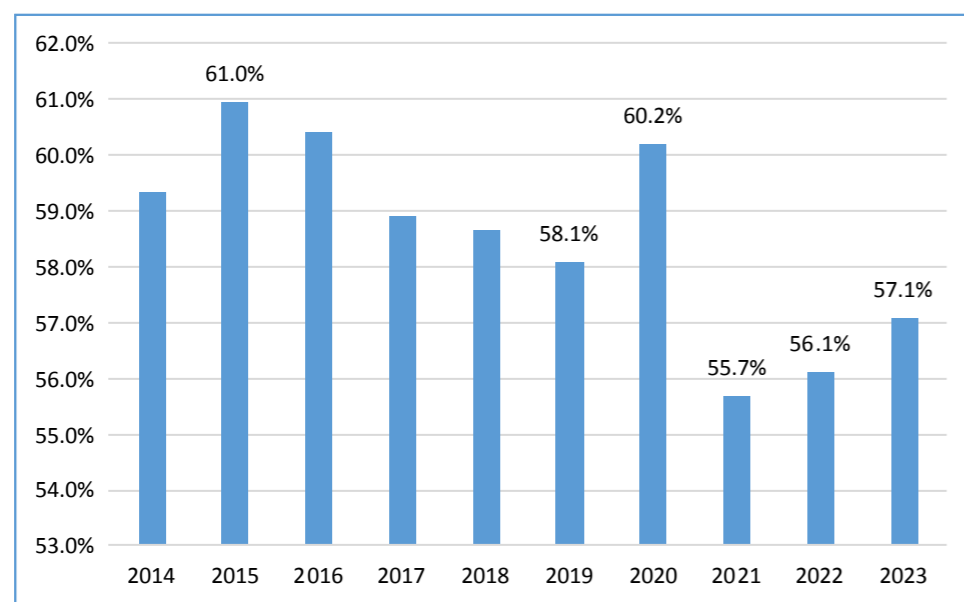


Figure 4.4 Proportion of Total International Tourism Revenue of T20 Countries to That of the Global

6.The proportion of the total tourism revenue to the GDP of T20 countries is lower than that in 2019

Compared with the pre-pandemic level in 2019, the proportion of total tourism revenue to the GDP of T20 countries in 2022 decreased to varying degrees, with that in the Philippines and Thailand decreasing the most.

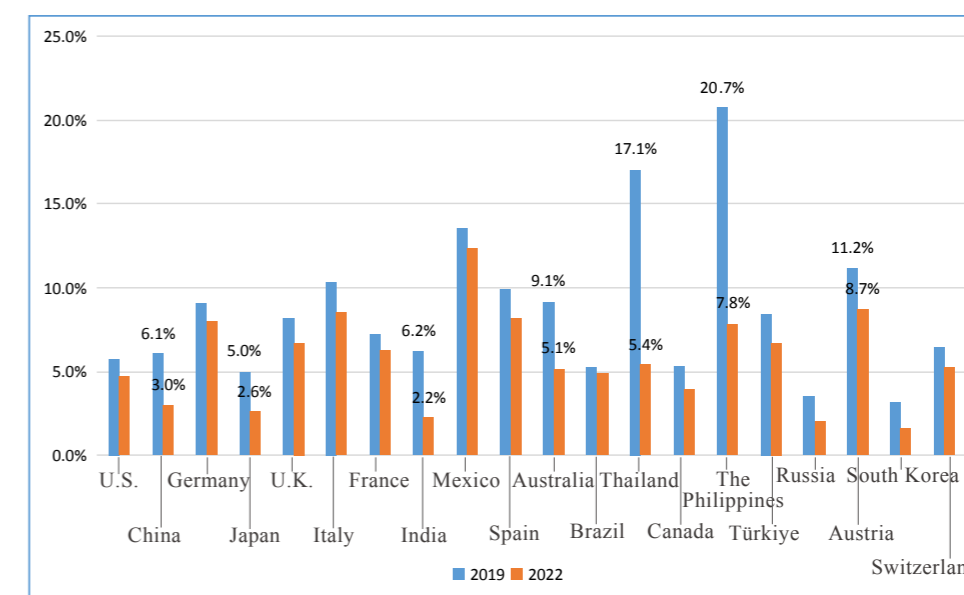


Figure 4.5 Proportion of Total Tourism Revenue to GDP of T20 Countries in 2019 and 2022

7.The ranking of eight of T20 countries slightly changed in 2022

The ranking of 8 countries changed slightly in 2022 (see Table 4.1). The ranking of 12 countries is expected to change in 2023 (see Table 4.1).



Table 4.2 Ranking of T20 countries During 2021-2023

Ranking	2021	2022	2023
1	The US	The US	The US
2	China	China	China
3	Germany	German	Germany
4	The UK	The UK	The UK
5	France	France	Italy (+1)
6	Mexico	Italy (+1)	France (-1)
7	Italy	Mexico (-1)	Mexico
8	Japan	Japan	Japan
9	Spain	Spain	Spain
10	Australia	Australia	India (+3)
11	Canada	Brazil (+1)	Australia (-1)
12	Brazil	Canada (-1)	Brazil (-1)
13	India	India	Canada (-1)
14	Türkiye	Türkiye	Türkiye
15	Russia	Austria (+2)	The Philippines (+3)
16	Switzerland	Switzerland	Austria (-1)
17	Austria	Russia (-2)	Switzerland (-1)
18	South Korea	The Philippines (+1)	Russia (-1)
19	The Philippines	South Korea (-1)	Thailand (+1)
20	Thailand	Thailand	South Korea (-1)

8.The tourism of 12 of T20 countries will recover to more than 90% of the pre-pandemic level in 2023

It is estimated that the total tourism revenue in 12 of the T20 countries will recover to more than 90% of the pre-COVID-19 level in 2019, over 80% for one country, over 70% for one country and below 70% for six countries (see Figure 4.6).

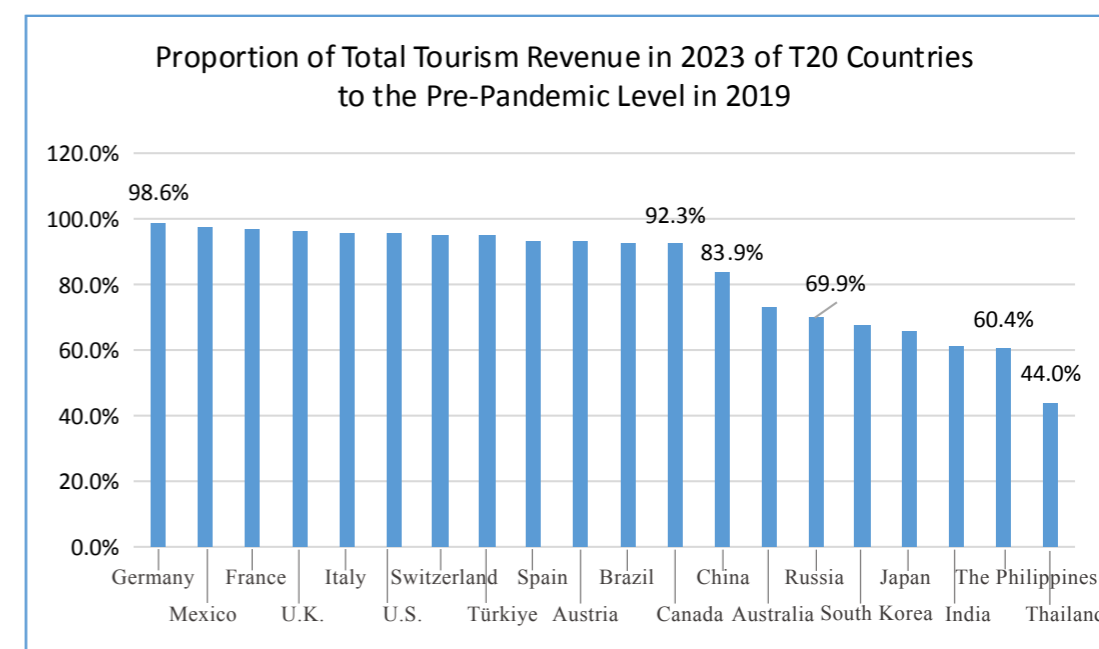


Figure 4.6 Recovery Levels of Total Tourism Revenues of T20 Countries in 2023



9.China's three tourism markets are expected to recover to 40-80% of their pre-pandemic levels

In 2023, the total number of domestic tourist trips in China was 4.776 billion, up 88.9% year on year, recovering to 79.5% of the pre-pandemic level (see Figure 4.7). The total tourism revenue reached USD 704.4 billion, up 124.7% year on year, recovering to 85.0% of the pre-pandemic level in 2019 (see Figure 4.8).

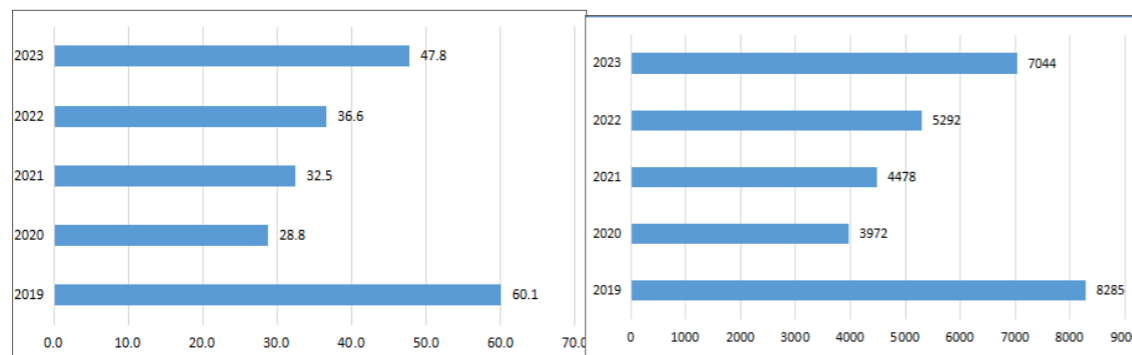


Figure 4.7 China's Domestic Tourist Trips during 2019-2023 (Unit: 100 million)

Figure 4.8 China's Domestic Tourism Revenue during 2019-2023 (Unit: USD 100 million)

Under the baseline scenario, it is expected that China's inbound tourist trips will reach 30.32 million in 2023, a YoY growth of 81.2%, returning to 46.1% of the level before the pandemic (2019). The inbound tourism revenue will reach USD 23.3 billion, raising by 44.5% YoY and will recover to 60.3% of the pre-pandemic (2019) level.

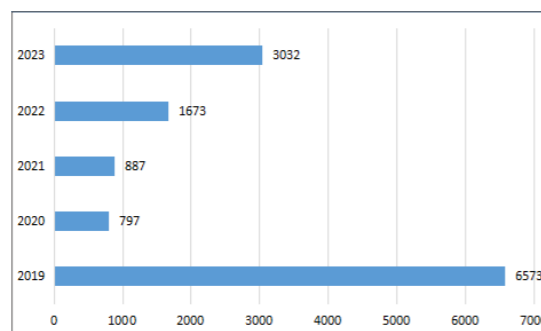


Figure 4.9 China's Inbound Tourist Trips during 2019-2023 (Unit: 10,000)

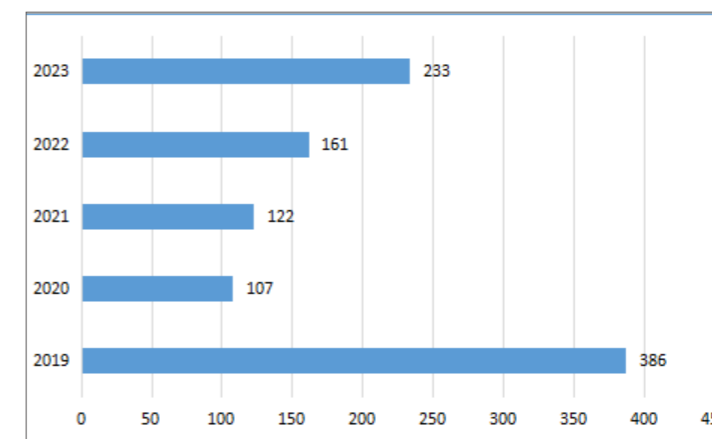


Figure 4.10 China's Inbound Tourism Revenue during 2019-2023 (Unit: USD 100 million)

It is expected that outbound tourism in China in 2023 will basically recover to 70% of the pre-pandemic level in 2019. In terms of outbound destinations, Hong Kong, Macao, Taiwan and Southeast Asia will be the first to recover, and the outbound tourists to these countries and regions will account for more than 90% of China's outbound tourism market. China's tourist trips to central and eastern Europe will also recover. The recovery level of outbound tourism to the United States is closely related to the Sino-US relation. There will also be another growth in tourism to the "Belt and Road" initiative countries and regions.



V. Key Cities: Actively Promote Tourism Recovery and Revitalization



In 2022, tourism cities across the world promoted more resilient, sustainable development of tourism through such means as tax and fee cuts, preferential subsidies, festival events, service upgrading, technological innovation and marketing promotion. First, new aspects are chosen to make breakthroughs. For instance, Singapore has released the Tourism Sustainability Programme as part of its endeavor to empower business transformation and product development with resources and financial support. Second, digital application is increased. Izmir, the first city in Türkiye which is fully constructed in digital tourism infrastructure, launched VisitIzmir, a mobile travel application through which travelers can access information about more than 2,300 locations in 30 districts of Izmir anytime, anywhere. Third, Hong Kong of China has launched four programs, including “Local Tours Hong Kong”, “Staycation Delights” and “Hot Summer Deals”, in an attempt to stimulate local consumption during festivals. Fourth, various forms of strategic cooperation are carried out, including international cooperation between cities in different countries, cooperation between domestic cities, cooperation between cities and enterprises or organizations, and cooperation between different sectors within cities. A growing number of cities have relaxed or completely lifted travel restrictions. The recovery of the tourism market has gradually picked up, and urban tourism activities become increasingly more active. Tourism cities have resorted to new development patterns, including driving growth through continuous innovation, enhancing openness and cooperation, facilitating low-carbon transformation, and prioritizing intelligent safety facilities and services.



VI. Core Industries: The Recovery Shows Different Trends



6.1 Accommodation: As the core value is highlighted again, the asset-light model may prevail

Under the influence of the COVID-19 pandemic, the consumer market is marked by a gradual downturn and overall change in consumer behavior. Consumers begin to choose the core value over the added value of hotels which are originally used for accommodation. All major hotel groups are run mainly in the asset-light model. Through franchising and management franchising strategy, their capital investment and marginal cost of expansion are reduced. This will further increase the share of famous hotel brands worldwide, and also require enterprises with independent hotel brands to strengthen the asset-light operation ability and enhance brand management..

6.2 OTA: The global market is recovering strongly and diversified businesses are expanding horizontally

A number of OTAs such as Expedia, Booking and Ctrip saw their revenue and net profit rise rapidly in 2022, thanks to the sustained recovery of the Asia-Pacific market and growth in the European market. The OTA industry is seeking to develop the horizontal business and extend its efforts to destination tourism. Third, they are making plans for content ecosystem to reap benefits through such means as content sharing and social sharing.

6.3 Travel agencies: Service innovation is accelerating, and digital empowerment is taking effect

As more countries have lifted travel restrictions, the entry-exit business of the global travel agency industry is recovering. With the increasing market segmentation and the differentiated demand of tourists, personalized and custom-made travel services will prevail. And service innovation becomes a definite way to develop travel agencies. Digital application also shows a critical path for service innovation. Integrated smart tourism services for tourists have gradually become an important direction for the transformation and upgrading of traditional travel agencies.

6.4 Theme parks: Multiple measures are taken to improve quality, and immersive experience has become popular

While theme parks were recovering globally, the recovery level varied from region and region. North America recovered fastest, followed by the Asia-Pacific region and South America. To achieve cost reduction, efficiency improvement and quality upgrade, theme parks are implementing various measures, including strengthening the role of IP, vigorously developing intelligent operation and raising the price per customer. In 2023, immersive experience will be a new growth point, and will be extended from the exclusive application by the few renowned theme parks and scenic spots to a wider range of applications.



6.5 Museums: With the educational function gradually strengthened, the trend of digitalization is more obvious

In 2022, museums started to play an increasingly more important role in helping people heal from major emergencies, and gradually become an important method to strengthen the social-emotional learning and obtain the happiness. In 2023, the application of digital technology in museums will be more remarkable. The digital technology can not only present a large number of collections in a “vivid” manner, but also make museums “popular” among young people, effectively balancing the relationship between protection and development.

6.6 Tourism & performance: The overall recovery trend is obvious, with science and technology as a driver

Currently, the global tourism performance industry is recovering as a whole, and international exchanges and cooperation are further developed. The development of science and technology boosts the tourism performing arts. Under the impact of the pandemic, tourists prefer to enjoy tourism performance via online platforms, which is more comfortable and safer. Immersive technologies have revolutionized the traditional theater industry, enabling immersive performance to gain great popularity among the audience. In the future, digital technology will further bolster the innovative development of tourism performance.

6.7 Aviation: With the steady growth of industry revenue, efforts are made to reduce cost and innovate business models

In 2022, the global aviation industry increasingly recovered, with its total revenue returning to 93% of the pre-pandemic level in 2019. But the recovery levels are greatly different in regions. The recovery in the Middle East, Africa and Asia Pacific lags far behind that in North America and Europe. In addition to government subsidies, loans and tax breaks, airlines have also actively resorted to cutting costs and innovating business models.

6.8 Cruise: Multi-party cooperation advances recovery, with carbon neutrality and experiential design as highlights

The recovery of the cruise industry features three trends. The first is to accelerate the recovery through multi-party cooperation between operators, industry organizations and major destination ports. The second is to be committed to achieving net carbon neutrality globally by 2050, facilitating the sustainable development through cruise pollution. With Generation Z gradually becoming the main force of cruise consumption, cruise companies will focus on developing experiential content to meet the consumption needs of Generation Z seeking unique and wonderful travel experience.



VII. Tourism Enterprises: Recovery of Capacity and Performance is Ongoing



7.1 Market influence: Affected by the market, the valuation is being repaired

In 2022, as the U.S. dollar entered a rate hike, the Consumer Service Index ushered in a correction period together with the S&P 500 index, falling back to the valuation level at the end of 2018. (3) The valuation of international listed tourism companies is being repaired, but that of domestic listed tourism companies hit a new high after repair.

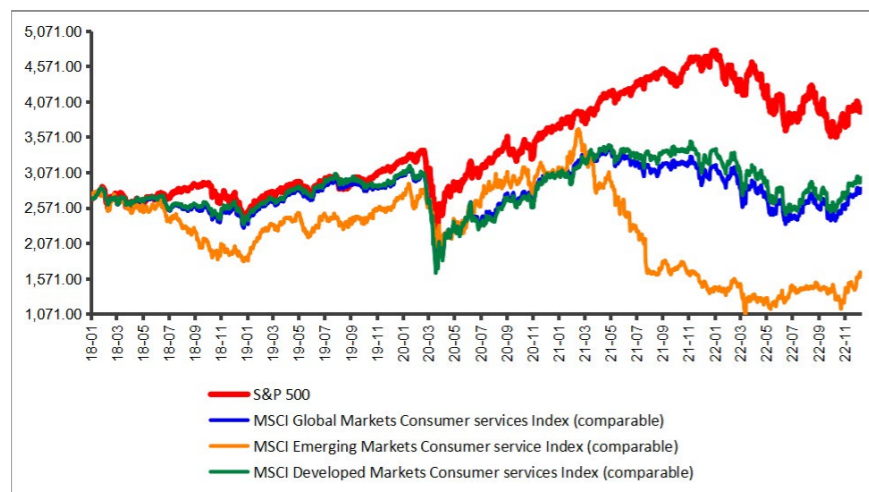


Figure 7.1 Comparison⁵ of Trends between MSCI Consumer Service Index⁵ and S&P 500 Index (2018-2022)

7.2 Operational benefits: The benefits are lower than the pre-pandemic level and become divergent both at home and abroad

Longitudinally, both international and domestic listed tourism companies have failed to recover to their pre-pandemic levels in terms of operation performance. Horizontally, the international and domestic operating benefits have diverged after the pandemic. The international listed tourism companies have showed continuous recovery, while the domestic listed tourism companies have remained weak.

⁵ Compiled by Morgan Stanley Capital International (MSCI), the MSCI index aims to track the performance of related concept stocks. The index involves factors such as company size and industry representation. It is one of the most respected and widely used benchmarks in the financial industry and also a popular reference benchmark for institutional investors. As one of the main reference indexes covering sectors such as tourism, hotel and catering, the Consumer Service Index provides insight into tourism.

⁶ Unless otherwise noted, all data in this section are derived from Wind.

7.3 Risk control: Debt ratio continues to grow, and debt risks need to be resolved urgently

The proportion of the composition of debt capital in the total capital of listed tourism companies is increasing, and the debt risk cannot be ignored. Resolving the soaring debt pressure requires returning to normal operations and maintaining strong recovery. And further impact caused by other risks should be avoided.

7.4 Operating turnover: Capital recovery efficiency differentiates, and asset operation remains to be improved

There was a significant divergence in fund recovery in 2022. The capital recovery of international listed tourism companies improved and almost return to the pre-pandemic level, while that of domestic listed tourism companies further deteriorated. The asset turnover rate of international and domestic listed tourism companies is still significantly lower than the pre-pandemic level, and that of domestic listed tourism companies further deteriorates.

7.5 M&A financing: After the merger and acquisition, start-ups are promising

Over the past few years, tourism companies have been faced with mergers and acquisitions. The hotel industry has long been a popular sector for tourism mergers and acquisitions, and this trend is set to continue in 2022. Merger and listing are becoming a popular choice for the high-quality asset-backed securitization of tourism. Overall, although it is difficult for unlisted companies to raise funds, rounds of financing brings hope to the industry.



**VIII. Future Outlook: Tourism
Recovery Relies on Global
Macroeconomic Trends**



The recovery of global tourism amid uncertainties will have five features. The global economy is in a series of development dilemmas, and the world tourism is recovering with far greater difficulties than during periods of economic stability. Countries and regions will face different levels and types of environmental complexity and show different abilities to handle them, resulting in different tourism development patterns. The focus of the post-COVID-19 tourism recovery will gradually shift from quantity to quality. However, there is still a long way to go. It requires the global industrial cooperation and the further improvement of tourism governance capacity of various countries. In the short term, the three key variables affecting the quality of world tourism recovery are the level of tourism recovery, the level of inflation and the level of labor shortage. In the medium and long term, the further development of the world economy and tourism will depend on the improvement of total factor productivity. Modern technologies should be applied more effectively to increase the penetration rate of the industry. The investment in human capital should be increased to make the industry more attractive to knowledge-oriented talents. And more intelligent and ingenious tourism policies and governance systems should be adopted to reshape the growth model of tourism and improve the total factor productivity. The landscape of world tourism will be reshaped through innovation. Innovation will be the core driver for further developing the global tourism and reshaping the landscape of global tourism. It is a generation of the innovation.

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