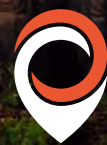


TRAVEL & TOURISM

A FORCE FOR GOOD IN THE WORLD



Uniting**Travel**

TRAVEL & TOURISM A FORCE FOR GOOD IN THE WORLD

April 2018

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FOREWORD

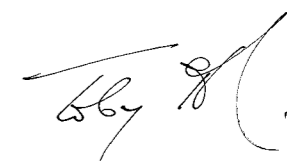
Travel & Tourism is one of the world's great industrial sectors. It drives economic growth, creates jobs, improves social development and promotes peace. Hundreds of millions of people around the world are dependent on the sector for their employment. In some island economies, Travel & Tourism is not just the biggest employer, it is effectively the only employer. Our role in contributing to the creation of sustainable economies and as a transformative force for improving millions of lives was recognised by the United Nations, which designated 2017 as the International Year of Sustainable Tourism for Development. When properly managed, Travel & Tourism is undoubtedly a force for good in the world.

Travel & Tourism is a diverse sector consisting of millions of companies and employers - from the biggest global travel brands to the smallest tour operator or hostel owner. Together we form a formidable force with a voice to be heard at the highest levels of society and government.

Uniting Travel represents the major global Travel & Tourism organisations, and supports the sector in speaking with 'One Voice' on the most important issues. Formed in 2012 as the Global Travel Association Coalition, our role is to align communications, advocacy and action to leverage the power of the sector so that Travel & Tourism is recognised as a driver of sustainable and inclusive economic growth and development. With this in mind, we are proud to present our first publication in a series, **Travel & Tourism - A Force for Good in the World**, which focuses on the sector's global economic impact. An upcoming report to be released in the summer of 2018 will look at Travel & Tourism for a more sustainable world.

We hope that this compilation of research on the benefits of Travel & Tourism is a useful resource for the members of Uniting Travel, their members, and any other parties interested in the powerful and positive impact of the Travel & Tourism sector and its related industries, including aviation, cruise, hotels and resorts, and car rental. **Travel & Tourism - A Force for Good in the World** aims to provide an overview of the benefits that the sector yields, while breaking it down by industry and bringing together the key facts and figures in one document.

We would like to take this opportunity to thank all of our members including, Airports Council International, Cruise Lines International Association, International Air Transport Association, International Civil Aviation Organization, Pacific Asia Travel Association, World Tourism Organization, World Economic Forum and World Travel & Tourism Council, for their engagement and support. We would also like to thank STR Global for the provision of data on the hotels market. In particular, we would like to thank Ms Gloria Guevara, Chair of Uniting Travel, for her invaluable guidance and vision.



Toby Nicol
Executive Director

TRAVEL & TOURISM FACTS & FIGURES

INTERNATIONAL TOURIST ARRIVALS

- In 2017, there were 1.322 billion international tourist arrivals - an increase of 7% compared to the previous year, and the strongest growth rate for seven years.
- France is the most visited country in the world, with an estimated 82.6 million international tourist arrivals in 2016.
- In 2012, for the first time ever, more than 1 billion people crossed international borders in a single year.
- By 2030, UNWTO estimates that there will be 1.8 international tourist arrivals - which means an average of 5 million people crossing international borders every single day.

ECONOMIC GROWTH

- Travel & Tourism GDP growth (4.6%) outpaced that of the global economy (3.0%) for the seventh year in a row. This means Travel & Tourism GDP growth was 50% higher than that of the global economy.
- Travel & Tourism grew faster in 2017 than every other major economic sector, including financial services.
- Travel & Tourism directly contributed \$2.6 trillion - equivalent to the size of the UK economy - to global GDP in 2017, or 3.2% of global GDP.
- In 2017, Travel & Tourism's total (including directly, indirectly and induced impacts) contribution to global GDP was \$8.3 trillion, equivalent to 10.4%.
- The USA received the greatest direct and total contribution to GDP from Travel & Tourism with \$509.4 billion and \$1501.9 billion respectively in 2017. China is forecast to overtake in both categories by 2028.
- In economic terms, South Asia is expected to be the fastest growing region over the next 10 years, with average annual direct Travel & Tourism GDP growth of 6.9% per year to 2028.

EMPLOYMENT

- In 2017, the Travel & Tourism sector directly employed nearly 119 million people, and supported 313 million jobs - this is equivalent to 1 in 10 jobs worldwide.
- Over the past seven years, the Travel & Tourism sector has created 1 in 5 new jobs.
- Looking to the next decade, 100 million new jobs could be created in the Travel & Tourism sector by 2028 - 64.5 million of these will be in the Asia Pacific region, with 35 million in China and 10 million in India.

AVIATION

- According to ICAO, a new record 4.1 billion passengers were carried by the aviation industry on scheduled services in 2017, indicating a 7.1% increase over 2016.
- This figure is expected to almost double by 2036, with 7.8 billion people predicted to be travelling by air each year.
- 55% of international tourists travel to their destination by aircraft.
- In 2014, the aviation industry's total economic impact was \$2.7 trillion including direct, indirect, induced and the catalytic effects of tourism.
- In 2014, the aviation industry supported a total of 62.7 million jobs. This is projected to increase to 99.1 million by 2034.

CRUISE

- In 2017, an estimated 25.8 million passengers cruised, representing 4.5% growth on 2016.
- Cruise travel is on the rise, with 27.2 million passengers expected to set sail in 2018.
- In 2016, cruise tourism's total economic impact to the global economy was measured at \$126 billion, an increase of 7.6% over 2015.
- For the first time, employment in the cruise industry exceeded 1 million people, and generated over \$41 billion in income.
- Overall growth in the cruise industry (64%) has exceeded that of the general global tourism sector (45%) over the past 10 years.

HOTELS & RESORTS

- In 2017, the hotels and resorts industry generated \$878 billion in revenue and employed 4.3 million people.

CAR RENTAL

- In 2017, the top five rental car companies generated roughly \$44.6 billion in revenue and employed more than 177,000 people.

INTRODUCTION

"Growth in the Travel & Tourism sector outpaced that of the global economy, as well as all other major global economic sectors in 2017."

Travel & Tourism is one of the largest and fastest growing sectors in the world, with economic growth in 2017 (4.6%) outpacing that of the global economy (3%) for the seventh year in a row, as well as all other major industrial sectors.¹ In the same year, it employed 313 million people across the world, equivalent to 1 in 10 jobs, and generated 10.4% of global gross domestic product (GDP).²

As powerful as the Travel & Tourism sector is in terms of its reach and economic impact, it is unique in the diversity of its make up. Stakeholders in Travel & Tourism range from global hotel chains, cruise lines and seaports, and airports and airlines turning over billions of dollars every year, to individuals running a bed and breakfast, teaching a cooking class or leading a tour through their local community. Thinking of the industry in such a way allows us to picture not only the vast economic impact that it has at the global level, but also to consider the life-transforming effects it can have on real people in destinations across the world.

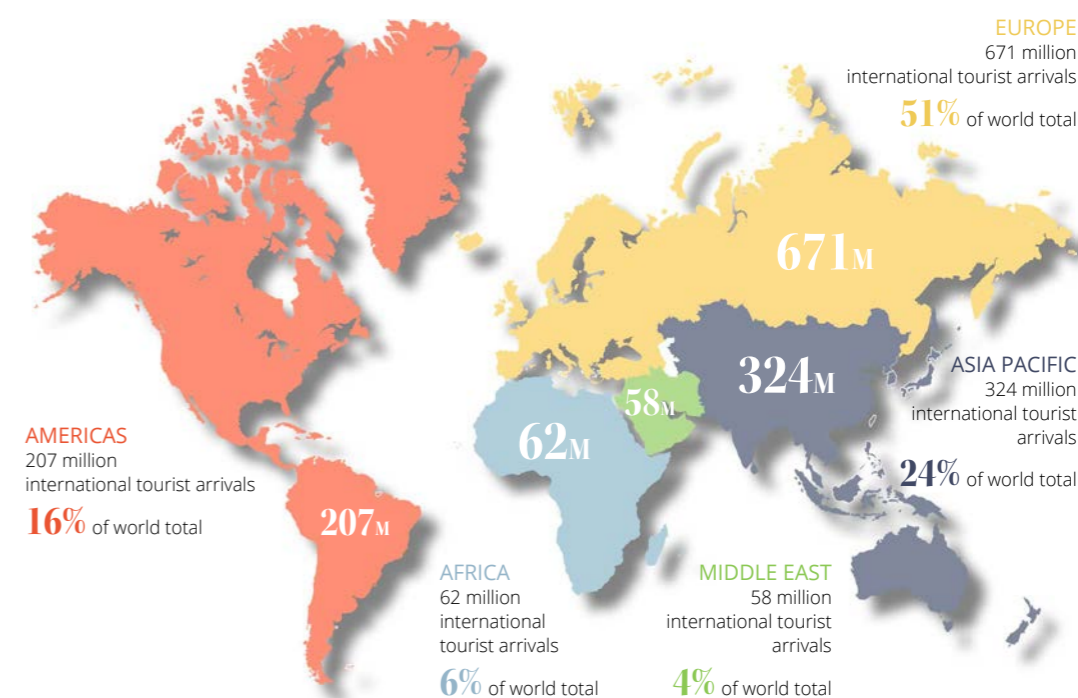
Uniting Travel members unanimously agree that the Travel & Tourism sector and its related industries have enormous potential to act as a force for good in the world, as they are proven to drive economic growth and development, provide jobs, and spread inter-cultural understanding, tolerance and peace. Coupled with the sector's efforts towards environmental sustainability, Travel & Tourism is ideally placed to support the United Nations

2030 Agenda for Sustainable Development, and to contribute to the attainment of the Sustainable Development Goals (SDGs).

According to the World Tourism Organization (UNWTO), there were 23 million international tourist arrivals in 1950.³ In 2017, UNWTO estimated that 1.322 billion people crossed international borders (Figure 1),⁴ representing a nearly sixty-fold increase over seven decades. Given that 72.7% of Travel & Tourism spending occurs domestically (versus 27.3% internationally),⁵ this suggests that the total number of people travelling annually (including within their own countries) would be in the region of 4-5 billion.

FIGURE 1: INTERNATIONAL TOURIST ARRIVALS IN 2017

Source: UNWTO 2018



Annual growth in international tourist arrivals from 2016 to 2017 was the strongest in seven years at 7%, exceeding the consistent trend of 4% since 2010,⁶ thus demonstrating the resilience of a sector that has faced global geopolitical uncertainty, heightened security concerns, greater incidence of natural disasters, and economic volatility in recent years. Healthy growth in international tourist arrivals is predicted to continue into next year, with forecasts pointing to a growth rate of 4-5% for 2018.⁷ Looking further into the future, UNWTO expects 1.8 billion international tourist arrivals by 2030,⁸ equivalent to 5 million people crossing international borders every day.



"Over the next decade, we will see Asia rise as both a destination and as a source market for Travel & Tourism."

GLOBAL BENEFITS

GLOBAL BENEFITS

Travel & Tourism yields significant economic and social benefits around the world, and possesses the power to change people's lives for the better by driving economic growth and development, reducing poverty through the provision of livelihoods, and fostering tolerance and peace through intercultural exchange and understanding. The sector has demonstrated strong and continued growth in the number of people travelling internationally each year, as well as its economic impact over the last six decades. Future predictions suggest that the sector will continue to grow in size and significance, amplifying its opportunity and responsibility to act as a force for good in the world.

According to UNWTO, in 1950, the top 15 destinations welcomed 98% of international tourist arrivals. By 1970 this had dropped to 75% and 57% by 2007,⁹ demonstrating the diversification and geographical dispersal of Travel & Tourism and its associated life-changing benefits. The World Economic Forum's most recent Travel & Tourism Competitiveness Report found that an increasing number of visitors are coming to and from emerging and developing countries,¹⁰ with the top three most improved countries in the 2017 Travel & Tourism Competitiveness Index being Azerbaijan, India and Israel.¹¹ Recent data from the World Travel & Tourism Council (WTTC) found countries like Nicaragua, Georgia and Mongolia topping the league tables in terms of annual growth in Travel & Tourism's total contribution to GDP and employment in 2017.¹² Looking to the next decade, we will see Asia continue to rise as a destination and source market for Travel & Tourism.¹³

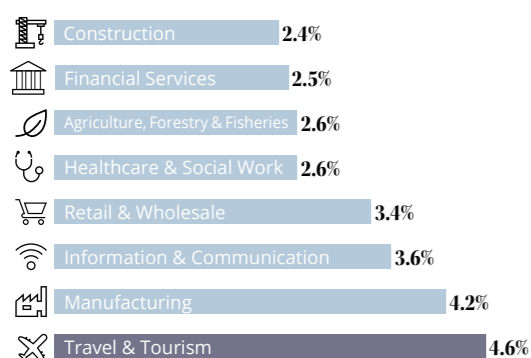
While strong, sustained and diversified growth in Travel & Tourism is positive, high growth rates require all stakeholders at destinations to consider how to grow tourism responsibly and sustainably. As such, Uniting Travel members recommend that destinations think strategically about long-term sustainable management solutions that enable local economies to reap the benefits of Travel & Tourism growth, while protecting the environment and preserving cultural heritage. Successful sustainable tourism strategies should move from promotion to broader destination planning and management, and look to the long-term to ensure quality engagement, preservation of natural and cultural resources, and the spread of tourism benefits to all.

TRAVEL & TOURISM'S ECONOMIC IMPACT

According to WTTC, the Travel & Tourism sector accounted for 10.4% of global GDP and 313 million jobs, or 1 in 10 jobs globally in 2017. With 4.6% GDP growth in 2017 - the highest rate since 2011 - the Travel & Tourism sector outperformed all other major global economic sectors, with manufacturing coming in second place with 4.2%, and financial services lagging behind with 2.5% industry sector growth.¹⁴ (Figure 2) With the right regulatory and policy environment, including support from governments, Travel & Tourism has the potential to create tens of millions of new jobs by 2028.¹⁵ (Figure 3)

FIGURE 2: INDUSTRY SECTOR GDP GROWTH (2017)

Source: WTTC 2018



EMPOWERING PEOPLE

In 2017, Travel & Tourism directly supported more than 118 million jobs or 3.8% of total employment worldwide. Research suggests that for every 30 new tourists to a destination, one new job is created.¹⁶ Direct employment in Travel & Tourism is expected to rise by 2.4% in 2018 and by 2.2% per year to 150 million or 4.2% of total employment by 2028.¹⁷

The Travel & Tourism sector supported 313 million jobs in 2017 when direct, indirect and induced impacts are taken into account, which is just shy of the population of the United States of America, and equivalent to 9.9% of total employment, or 1 in 10 jobs. The sector's contribution to total employment is expected to rise by 3.0% in 2018 to 323 million jobs.¹⁸

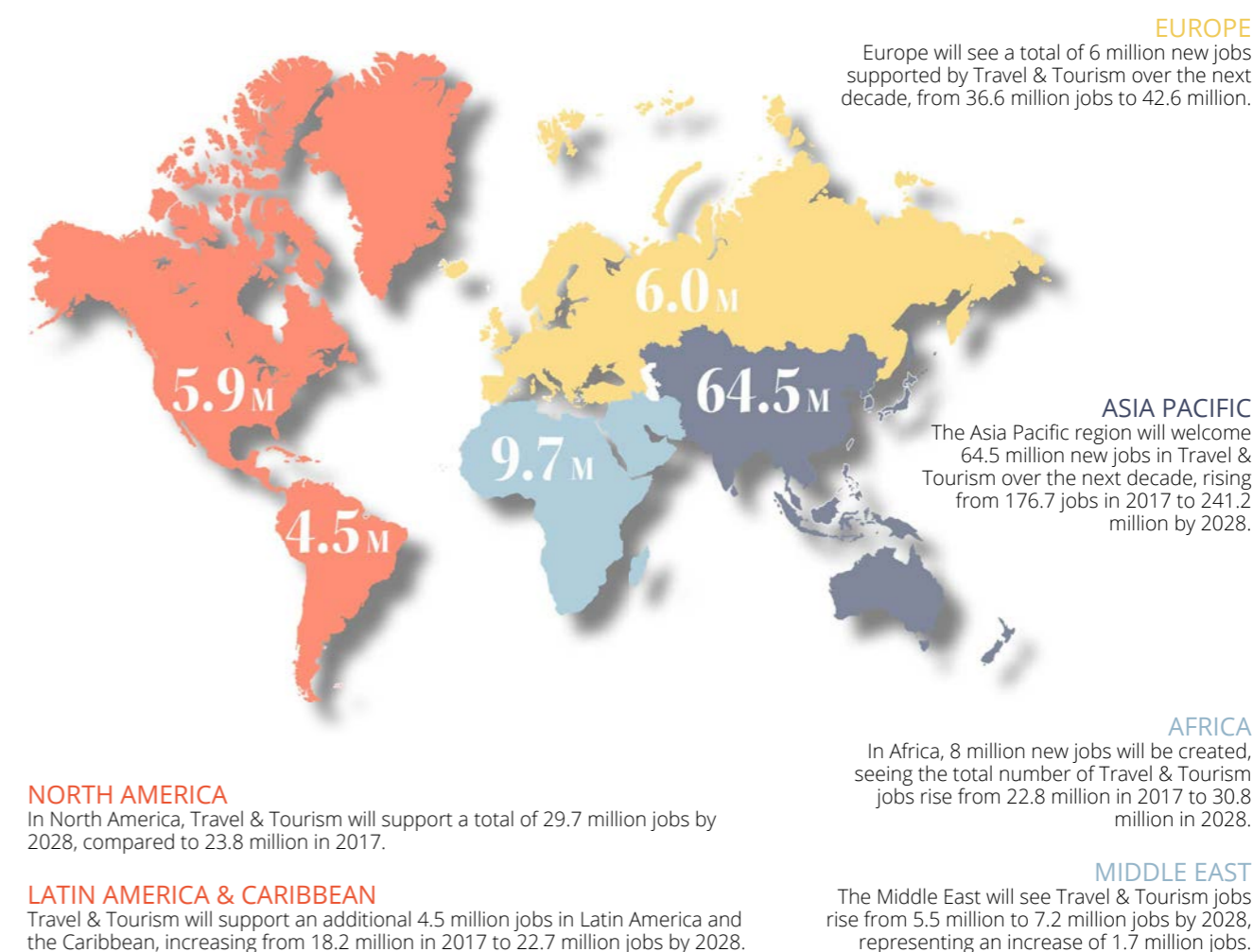
Over the next decade, its share will continue to grow by 2.5% per year to 414 million jobs in 2028 or 11.6% of total employment. To picture the sheer

scale of the sector's contribution to employment, Travel & Tourism currently supports more than the auto manufacturing and chemicals manufacturing industries combined.¹⁹

Over the past seven years, Travel & Tourism has been responsible for the creation of one in five new jobs on the planet, providing skills and professional development to millions of people and driving inclusive growth. With relatively low barriers to provide services or to start a tourism-related business thanks to its reliance on entrepreneurship, the ability to work flexibly and strong growth prospects, groups that are often under-represented in the workforce, like women and young people, have the opportunity to become economically empowered.²⁰

FIGURE 3: REGIONAL BREAKDOWN OF TOTAL JOB CREATION (MILLIONS) FROM 2017 TO 2028

Source: WTTC 2018



DRIVING ECONOMIES

The Travel & Tourism sector's direct contribution to GDP was \$2.6 trillion, roughly the same size as the economy of the United Kingdom, and equivalent to 3.2% of global GDP in 2017. This is forecast to rise by 4.0% in 2018, and by 3.8% per year from 2018 to 2028, reaching \$3.9 trillion or 3.6% of total GDP in 2028.²¹

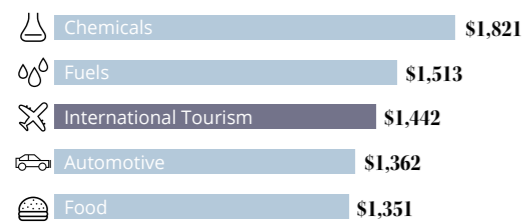
In terms of the sector's total contribution to global GDP (which includes direct, indirect and induced impacts), Travel & Tourism generated \$8.3 trillion in 2017, or 10.4%. This figure is forecast to rise by 4.0% in 2018, and growth rates of 3.8% per year will see the sector's contribution reach \$12.5 trillion, or 11.7% of global GDP by 2028.²²

ENABLING TRADE AND INVESTMENT

Travel & Tourism is a major contributor to international trade in services, with global visitor exports, the amount contributed by visitors to the country they visit, generating a record \$1.5 trillion in 2017. This is equivalent to an average of \$4 billion a day, almost 7% of total exports and 30% of total world services exports. Global visitor exports should grow by 3.9% in 2018, and by 4.1% per year from 2018 to 2028 totalling \$2.3 trillion in 2028, and making up 6.9% of total exports.²³

FIGURE 4: EXPORT EARNINGS BY INDUSTRY IN 2016 (\$BILLION)

Source: UNWTO 2018

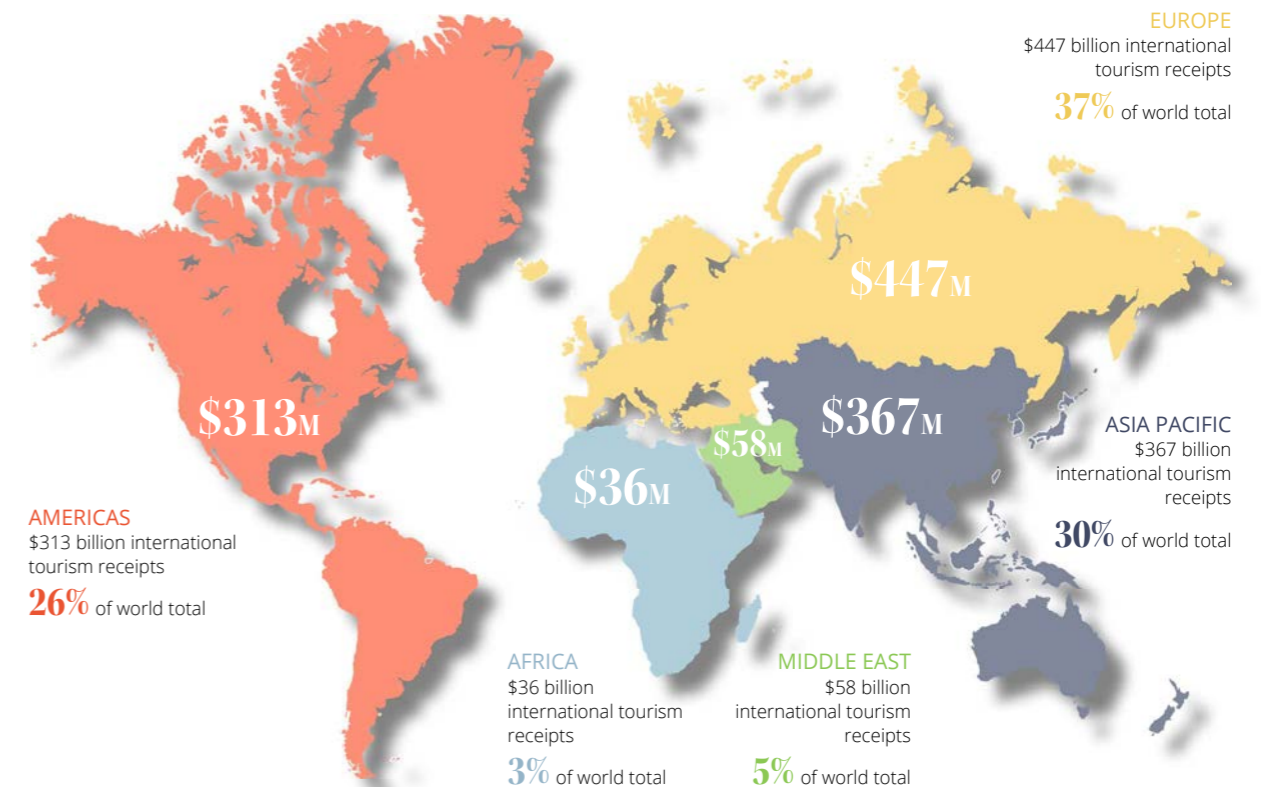


UNWTO estimates that international tourism receipts (Figure 5), calculated as expenditure by international visitors on accommodation, food and drink, entertainment, shopping and other services and goods, amounted to \$1.22 trillion in 2017.²⁴

Investment in Travel & Tourism in 2017 amounted to \$882 billion or 4.5% of total investment worldwide. This figure is forecast to rise by 4.8% in 2018, and by 4.3% per year over the next decade to \$1.4 trillion in 2028, or 5.1% of total investment.²⁵


FIGURE 5: INTERNATIONAL TOURISM RECEIPTS IN 2017

Source: UNWTO 2018



TRAVEL & TOURISM IN NUMBERS

- In 2017, there were **1.322 billion** international tourist arrivals
- By 2030, there will be **1.8 billion** international tourist arrivals
- Travel & Tourism's total economic impact accounted for **10.4%** of global GDP in 2017
- Travel & Tourism's total economic impact supported **1 in 10** jobs worldwide in 2017
- **1 in 5** of all global net jobs created within the last seven years have been within the Travel & Tourism sector



**"The cost of flying has fallen
by 60% since 1970, thanks
to market deregulation,
technological change and
increased competition."**

AVIATION

Photo by Skyler Smith on Unsplash

AVIATION

The global Travel & Tourism sector is driven by air transport to connect people with destinations, friends, family, business colleagues and cultures. With 55% of all overnight visitors travelling to their destination by air in 2016,²⁶ aviation is a truly global industry. Thanks to the ease and speed with which air travel facilitates the crossing of borders, coupled with a trend that has seen flying costs decrease by 60% since 1970,²⁷ air travel has tended to grow at a faster pace than surface transport, increasing its overall share.²⁸ By 2036, air traffic is expected to nearly double to 7.8 billion passengers travelling annually,²⁹ compared to the estimated 4.1 billion passengers that travelled by plane in 2017.³⁰

Naturally, such rapid growth raises concern for the environmental impact of aviation; an issue the industry takes incredibly seriously and invests billions of dollars in research and development every year. Thanks to these efforts, modern aircraft produced today are around 80% more fuel efficient and emit more than 75% less noise than the first jets from the 1960s.³¹ This is also reflected in the success of airports in reducing the carbon and noise footprints from non-aircraft activity.

The industry is also aiming to increase the use of sustainable aviation fuel, which is derived from sustainable oil crops and waste biomass, and has the potential to deliver an 80% reduced carbon footprint.³² The first commercial flight using sustainable fuel took place in 2011, and in February 2018, the International Air Transport Association (IATA) announced that it hopes for 1 billion passengers to fly on sustainable fuel-blended flights by 2025.³³ To meet this ambitious goal, the industry urges governments to incentivise the commercial production of sustainable aviation fuels.³⁴

In 2014, the Airport Carbon Accreditation, a landmark resolution on climate change, led by Airports Council International (ACI), went global when it was extended to North America, Latin America and the Caribbean, joining airports in Europe, Asia Pacific and Africa. The programme assesses and recognises the efforts of participating airports to manage and reduce their carbon emissions.³⁵ ACI also provides the Airport Carbon and Emissions Reporting Tool (ACERT), which is a free reporting tool that individual airport operators can use to calculate their own greenhouse gas emissions inventory, with the aim of setting targets that will mitigate emissions.³⁶

In 2016, the aviation industry unanimously backed the Carbon Offset and Reduction Scheme for International Aviation (CORSIA), a milestone agreement reached at the 39th General Assembly of the International Civil Aviation Organization (ICAO). CORSIA is a market-based measure, through which aircraft operators are required to purchase offsets, or 'emissions units'. Its ultimate goal is to achieve carbon-neutral growth of the aviation industry from 2020. Additionally, the industry has set a goal of cutting net CO₂ emissions to half of 2005 levels by 2050.³⁷

Air transport is also one of the most convenient, efficient and safe means of transporting goods and people around the world. 2017 was the safest year on record for commercial passenger air travel, with no commercial passenger jet fatalities. On average, it has been estimated that there is one fatal accident for every 16 million flights.³⁸ As a result, more than 100,000 flights safely transport over 10 million passengers and \$18 billion worth of goods around the world every day.³⁹ Air transport also plays a unique role in delivering health care to remote communities in a safe and reliable way, as well as humanitarian aid during natural disasters, famine or war.⁴⁰

AVIATION'S ECONOMIC IMPACT

As the only worldwide rapid transportation system, air transport is essential to global business and tourism. By connecting people, countries and cultures, it provides access to global markets and generates trade and tourism, while forging links between developed and developing nations, and supporting the United Nations 2030 Agenda for Sustainable Development. The aviation industry raises income at the national and household levels by providing jobs, reducing poverty and generating revenue through taxes, as well as improving the balance of payments and driving economic growth.

EMPOWERING PEOPLE

As a vital part of the Travel & Tourism sector, aviation plays a pivotal role in creating employment opportunities both directly and indirectly through its linkages to local economic activities. In 2014, aviation provided 62.7 million jobs around the world, equivalent to the population of the UK. Of this nearly 10 million are direct employees, with more than three million working for airlines, air navigation service providers and airports. By 2034, the Air Transport Action Group (ATAG), which includes Uniting Travel members ACI and IATA, predicts that the aviation industry will support a total of 99.1 million jobs; of which 14.9 million will be directly employed.⁴¹

Not only does aviation employ a large number of people, it provides good quality employment opportunities. Reliant on a highly qualified and skilled workforce (direct employees, excluding non-airside activity at airports), ATAG estimates that jobs in aviation are almost four times as productive as employees in the rest of the economy.⁴²

DRIVING ECONOMIES

According to ATAG, aviation contributed a total¹ of \$2.7 trillion to global GDP in 2014, equivalent to 3.5%. If aviation were a country, it would rank 21st in terms of GDP, equivalent to the economies of Sweden or Switzerland, with a direct contribution to global GDP of \$660 billion in 2014.⁴³ By 2034, the industry will generate \$5.9 trillion in GDP - a 122% increase on 2014.⁴⁴

The sustained growth of the aviation sector is reliant on cooperation and partnerships between public and private stakeholders, in particular with respect to infrastructure development and the improvement of connectivity. Strong growth in aviation that is not curtailed by a lack of capacity will also support the future growth of the Travel & Tourism industry.

ENABLING TRADE AND INVESTMENT

The aviation industry invests huge sums of money in infrastructure each year, as well as in research and development which often has knock-on benefits to other sectors. In 2014, the industry invested nearly \$37 billion in airport infrastructure including airport terminals, runways and air traffic control, with most of this (\$13.6 billion) taking place in the Asia Pacific region.⁴⁵

Unlike many other forms of transport, such as rail or road, aviation relies less on government support and subsidies to finance investment in its infrastructure, and is more self-sufficient in this sense. Furthermore, it is estimated that for every \$100 million invested in aerospace, an additional \$70 million is generated in GDP year after year, demonstrating the wider-reaching impacts of investment in aviation.⁴⁶



¹ Including airports, airlines, air traffic management, manufacturers and other suppliers - this is distinct from the overall tourism numbers which do not include manufacturers and suppliers.



CRUISE

"Growth in the cruise industry has outpaced that of the Travel & Tourism sector as a whole by 20 percentage points over the last decade."

CRUISE

Cruise is currently the fastest growing segment of the Travel & Tourism sector.⁴⁷ With 25.8 million passengers setting sail in 2017,⁴⁸ increasing demand from the United States and Chinese markets is fuelling strong growth, and the industry is expanding at a rapid pace, with over 5% growth in 2017. While only 4% of overnight international travellers reached their destination by water in 2016,⁴⁹ passenger demand has risen by 64% from 2006 to 2016, while growth in international tourist arrivals was 44% over the same period.⁵⁰ Travel agents state that their cruise-based sales volume in 2017 increased 73% compared to 2016.⁵¹ When considering that over 35% of cruise ships are deployed to the Caribbean,⁵² this is positive news for a region that suffered the effects of hurricanes in the same year. Additionally, demand is being driven by the emergence of millennials as a powerful consumer group, with this demographic cited by the Cruise Lines International Association (CLIA) as the largest and fastest growing.⁵³

Like the wider Travel & Tourism sector, the cruise industry contributes financially to local and national economies, providing jobs and driving economic development in emerging regions. Its unique bundling of multiple destinations in cruise itineraries can also aid regional integration,⁵⁴ through cross-country engagement and cooperation. Cruising promotes inter-cultural interaction and facilitates understanding between different people and communities. However, exponential growth, coupled with cruise's reliance on and interaction with the environment, including precious biodiversity, raises the significant challenge of sustainable cruise development.

Cruise lines invest millions of dollars every year in research and technology to develop innovative vessels for the future.⁵⁵ Represented by the International Maritime Organization and CLIA, the cruise industry spearheaded the first ever global and legally binding greenhouse gas reduction for an entire international industry sector in 2016 - a commitment to reducing carbon emissions by 30% by 2025 for new ships.⁵⁶ Cruise lines make other efforts to limit their environmental impact, running the majority of vessels at full capacity, with the average cruise passenger recycling 60% more than the average person on land.⁵⁷

The industry has clearly affirmed its commitment to sustainable tourism, and is actively engaging with key stakeholders in destinations that are struggling to cope with recent spikes in their tourism numbers. For instance, cruise lines arriving into Dubrovnik have recently agreed to coordinate schedules so as to alleviate pressure on the city's Old Town over the summer months.⁵⁸

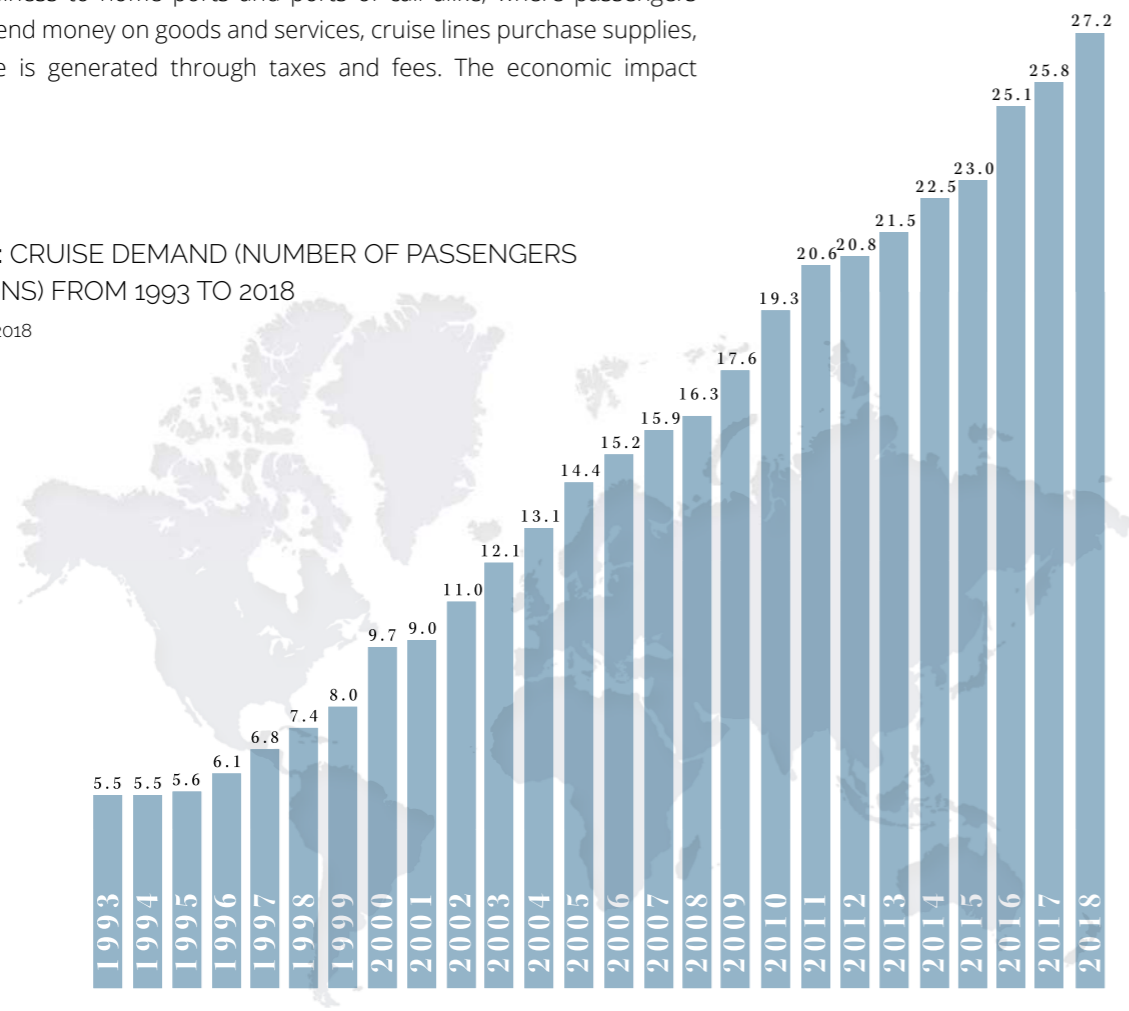
Cruising also offers a unique type of travel experience to travellers in the form of 'destination snacking' whereby visitors are able to sample a number of destinations in one trip, and then return to those that they prefer. CLIA estimates that almost three-quarters of Millennial travellers will return to a destination after visiting it on a cruise.⁵⁹

CRUISE'S ECONOMIC IMPACT

The cruise industry contributes to local and national economies by bringing business to home ports and ports of call alike, where passengers and crew spend money on goods and services, cruise lines purchase supplies, and revenue is generated through taxes and fees. The economic impact

FIGURE 6: CRUISE DEMAND (NUMBER OF PASSENGERS IN MILLIONS) FROM 1993 TO 2018

Source: CLIA 2018



THE CRUISE INDUSTRY IN NUMBERS

- In 2017, **25.8 million** passengers took a cruise
- Cruise travel is on the rise, with **27.2 million** passengers predicted to set sail in 2018, an increase of **5.2%**
- The cruise industry contributed **\$126 billion** in total to the global economy in 2016
- For the first time, cruise direct employment exceeded **1 million**
- Growth in the cruise sector **64%** has exceeded that of the Travel & Tourism sector as a whole by **45%** over the past decade

in home ports tends to be greater, as this is the most likely destination in which travellers will extend their stay. CLIA estimates that over 57% of all passengers (and 68% of millennials) will book additional nights in a port city so as to experience a new destination and its culture,⁶⁰ which extends knock-on economic benefits to the tourism, hospitality and accommodation industries. Cruise lines themselves also generate revenue for support services including travel agent commissions, advertising and promotion, and other professional and business services.

DRIVING ECONOMIES

According to CLIA, the cruise industry contributed \$126 billion (direct, indirect and induced impacts) to the global economy in 2016. Supported by 129.4 million offshore visits in 2016, passengers and crew generated \$57.9 billion in direct expenditures at destinations and source markets.⁶¹

EMPOWERING PEOPLE

In 2016, the total number of people employed by the cruise industry surpassed 1 million. These employees took home a combined income of \$41.1 billion.⁶² The cruise industry also prides itself on providing professional development, training and certification for travel agents and other industry professionals.



HOTELS & RESORTS

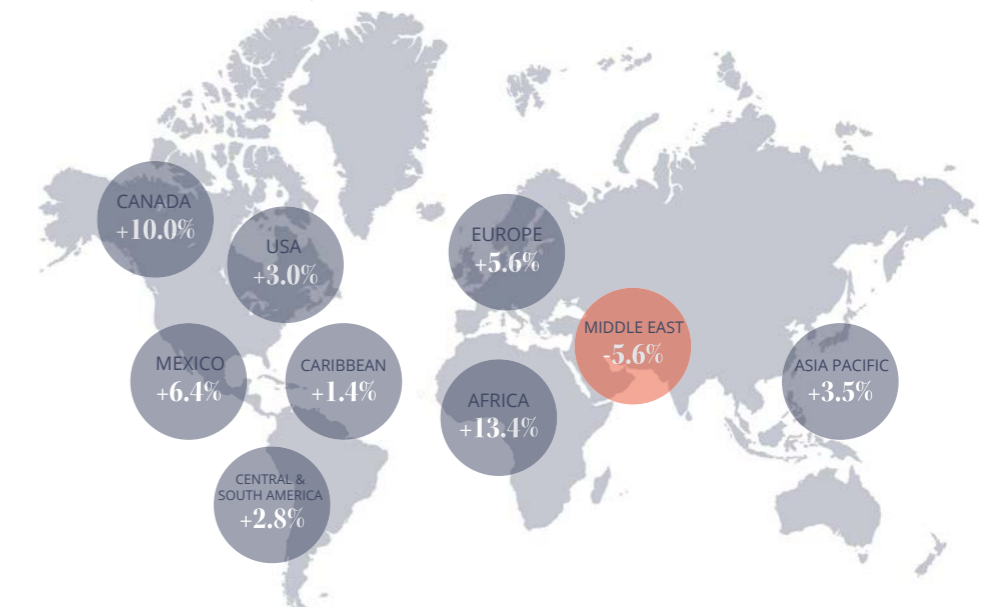
Travel & Tourism relies on the hotels and resorts industry to provide accommodation for people visiting new destinations, and the revenue this generates contributes to the sector as a whole. Market research conducted by Ibis World suggests that, in 2017, the industry generated \$878 billion globally in revenue, and employed 4.3 million people across 739,000 businesses. Over the past five years (to 2017), they estimate that the industry has grown at 3.2% per year,⁶³ thanks to improved global economic conditions and the resulting boost to consumer confidence and increased travel.

IHG estimates that the hotel industry comprises of 17.2 million rooms, and that branded hotels have 53% of the market. The leading branded hotel companies, including IHG, Marriott, Hilton, Wyndham and AccorHotels account for nearly one quarter of total open branded rooms and nearly 60% of the overall development pipeline.⁶⁴

In line with the Travel & Tourism sector as a whole, the hotels and resorts industry expects growth in the future thanks to improving global economic conditions resulting in higher GDP and more disposable income, as well as demographic shifts such as the growth of the middle class and an ageing population that has the desire and means to travel.⁶⁵

FIGURE 7: GLOBAL PERFORMANCE OVERVIEW 2017 (REVPAR¹ % CHANGE)

Source: STR Global 2018 | Global Hotel Study 2017



¹ RevPAR, or revenue per available room, is a performance metric in the hotel industry that is calculated by dividing a hotel's total guest room revenue by the room count and the number of days in the period being measured.



CAR RENTAL

CAR RENTAL

Car rental is an important segment of the Travel & Tourism sector, as it is often vital in facilitating travel across shorter distances within and between destinations. The ability to rent a car is particularly useful in destinations where tourists want to travel long distances, or where public transport is underdeveloped, poorly connected or over-priced. Popular tourist destinations that have high levels of rental car uptake include Brazil, Australia and India⁶⁶ for these reasons. Overall, the option to rent a car is a popular choice as it can save both time and money, and can be more convenient and economical than relying on taxis.

The car rental industry is supported by the growth of both inbound international as well as domestic tourist flows, and market research suggests strong growth for the global car rental market over the next few years.

Similarly to the hotel industry, car rental is not represented by a single industry body, and overall industry data is not widely available, so we have aimed to provide an overview of the economic impact of the top five global car rental companies. Overall, the top companies generated roughly \$44.6 billion in revenue and employed more than 177,000 people in 2017.¹

| CAR COMPANY | COUNTRIES | EMPLOYEES | REVENUE (2017) |
|---|-----------|-----------|------------------------------|
| ENTERPRISE HOLDINGS (ALAMO, ENTERPRISE, NATIONAL) | 90+ | 100,000 | \$20.9 BILLION |
| THE HERTZ CORPORATION (HERTZ, DOLLAR & THRIFTY) | 150 | 37,000 | \$8.8 BILLION |
| AVIS BUDGET GROUP (AVIS, BUDGET, ZIPCAR) | 180 | ~30,000 | \$8.8 BILLION |
| SIXT | 105 | ~4,300 | \$3.2 BILLION (€2.6 BILLION) |
| EUROPCAR | 130+ | 6,500 | \$2.9 BILLION (€2.4 BILLION) |

¹ These figures have been aggregated by combining information on annual revenue and employee headcount by reviewing individual country websites and annual reports.

**"The United Nations designated
2017 as the International Year
of Sustainable Tourism for
Development."**

TRAVEL & TOURISM

A FORCE FOR GOOD IN THE WORLD

Travel & Tourism and its related industries clearly contribute to the economic and social development of a nation, by driving economic growth, creating jobs and wealth, fostering trade and encouraging investment. The emergence of a tourism sector within a country offers the opportunity to acquire business or language skills thanks to newly realised entrepreneurial and other professional opportunities, resulting in human capital development, and upward social mobility.

At the macro level, the Travel & Tourism sector is built on a foundation of international engagement and cooperation, that fosters diplomatic relations, and can contribute to a more tolerant political climate and regional integration. For an individual, the act of travelling to a new, exotic destination exposes people to cultures, customs and experiences that increase tolerance and understanding by expanding their horizons.



Travel & Tourism contributes positively to global peace and security. In an empirical study undertaken by WTTC in 2016, the link between open and sustainable tourism and peace was investigated. It found that countries with a more open and sustainable Travel & Tourism sector enjoyed greater peace and lower levels of conflict and violence thanks to the sector's positive impact on attitudes and institutions. It also highlighted the sector's resilience in the face of short-term violence, with no correlation between temporary deteriorations to peacefulness and a reduction in tourism competitiveness. Tourism sustainability was also found to be resilient to deteriorations in terrorism, even when tourists are targeted.⁶⁷

SUSTAINABLE DEVELOPMENT

In 2015, national governments adopted the 2030 Agenda for Sustainable Development accompanied by 17 Sustainable Development Goals (SDGs). The bold agenda sets out a global framework to end extreme poverty, fight inequality and justice and fix climate change. As a driver of economic growth, an engine for quality employment, and a vehicle that promotes international cooperation, understanding and peace, the Travel & Tourism sector directly contributes to the United Nations 2030 Agenda for Sustainable Development and the attainment of the SDGs. For this reason, the United Nations recognised 2017 as the International Year of Sustainable Tourism for Development (IY2017), which presented a chance to raise awareness of the contribution of Travel & Tourism to economic and human development amongst public and private sector decision-makers and the general public, and to position the sector as a driver of sustainable and inclusive growth.

Moving forward, and building on the momentum of the IY2017, public and private stakeholders within the sector need to align policies, business practices and investments with the SDGs⁶⁸ so as to maximise our contribution to their attainment. The power of the sector, thanks in part to its economic significance, as well as its unique contribution to enhanced social conditions, should be leveraged to ensure that Travel & Tourism does indeed act as a force for good in the world.

Tourism is explicitly mentioned in three of the 17 SDGs with respect to employment (SDG 8), responsible consumption and production (SDG 12), and life below water (SDG 14). Aviation plays a pivotal role in supporting SDG 9 which addresses industry, innovation and infrastructure, with ICAO designated as the custodial agency in charge of Target 9.1.⁶⁹ However, Travel & Tourism can arguably play a role in directly contributing to or supporting all 17 SDGs.



SDG 1: NO POVERTY

Travel & Tourism accounts for 10% of global GDP, generates economic growth and employs 1 in 10 people, lifting millions out of poverty.

SDG 2: ZERO HUNGER

Travel & Tourism integrates the production, use and sale of local goods, and agro-tourism can improve the resilience of local agriculture.

SDG 3: GOOD HEALTH & WELL-BEING

Travel & Tourism's economic benefits have knock-on effects on health and well-being, i.e. foreign investment into local health services.

Aviation saves lives by transporting vital medicines and humanitarian relief to populations in need.

SDG 4: QUALITY EDUCATION

Travel & Tourism's reliance on a well-trained and skilled workforce ensures it invests in educational and vocational training, often targeting marginalised groups, including young people and women.

The aviation and cruise industries champion quality education for their employees, working hard to promote education in science, technology, engineering and mathematics.

SDG 5: GENDER EQUALITY

Travel & Tourism empowers women and girls through the provision of jobs, education and training, boosting their engagement with society.

SDG 6: CLEAN WATER & SANITATION

Travel & Tourism recognises the importance of clean water access, hygiene and sanitation, and commits to safeguarding this for the future.

SDG 7: AFFORDABLE & CLEAN ENERGY

Travel & Tourism is committed to renewable and sustainable energy.

The cruise industry employs numerous energy efficiency innovations, i.e. LED lighting that lasts 25 times longer and uses 80% less energy, and itinerary optimisation to reduce fuel use.

The aviation industry is developing sustainable aviation fuels, which are up to 80% less carbon-intensive, as well as deploying renewable energy at airports.

SDG 8: DECENT WORK & ECONOMIC GROWTH

Travel & Tourism drives human capital development through entrepreneurial and language skill provision. It employs 1 in 10 people globally.

SDG 9: INDUSTRY, INNOVATION & INFRASTRUCTURE

Travel & Tourism encourages public-private partnerships and investment in infrastructure that is resource-efficient and sustainable.



SDG 10: REDUCED INEQUALITIES

Travel & Tourism is a viable path to development for rural and low-income countries and regions, encouraging engagement of local communities and addressing regional imbalances.

SDG 11: SUSTAINABLE CITIES & COMMUNITIES

Travel & Tourism advances urban infrastructure development and universal accessibility, while preserving natural and cultural heritage.

SDG 12: RESPONSIBLE CONSUMPTION & PRODUCTION

Travel & Tourism employs tools and initiatives to ensure resource efficiency. PATA launched its BUFFET campaign to raise awareness of food waste in hospitality, with lessons applicable to other industries.

SDG 13: CLIMATE ACTION

Travel & Tourism recognises climate change as one of our greatest challenges, and is committed to a low carbon world.

Despite growth in passenger numbers at an average of 5% p.a., the aviation industry has managed to decouple its emissions growth to c.3% through massive investment in new technology and coordinated action.

SDG 14: LIFE BELOW WATER

Travel & Tourism relies on coastal and marine environments, with Small Island Developing States, in particular, dependent on healthy marine ecosystems.

The cruise industry invests millions annually in research and development for the next generation's innovative vessels to protect life below water.

SDG 15: LIFE ON LAND

Travel & Tourism protects and conserves the natural environments upon which the sector is reliant.

ACI, CLIA & IATA have signed the United for Wildlife Buckingham Palace Declaration aimed at reducing the illegal trade of wildlife.

SDG 16: PEACE, JUSTICE & STRONG INSTITUTIONS

Travel & Tourism fosters peace through exposure to other cultures and values. It can put pressure on governments to establish harmonious relationships between citizens.

SDG 17: PARTNERSHIPS FOR THE GOALS

Travel & Tourism fosters engagement at international, national, regional and local levels, and creates public-private partnerships.

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UnitingTravel

ABOUT

Uniting Travel is a strategic action group that facilitates cooperation between the leading global government and industry organisations in the Travel & Tourism sector through coordinated communications, advocacy and action.

VISION

A world in which Travel & Tourism is able to grow sustainably while being viewed as an effective driver of inclusive economic growth and sustainable development.

FIND OUT MORE

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