

Executive Summary

Tourism is an important driver of economic growth, globally and locally. The sector directly contributes 4.4% of GDP, 6.9% of employment and 21.5% of service exports in OECD countries, on average, and continued growth provides real prospects for sustainable and inclusive development. However, integrated and forward-looking policies are needed to ensure this growth better delivers benefits for people, places and businesses.

Tourism trends

Following six decades of consistent growth, tourism remains one of the world's most important economic sectors. It is a key part of a growing services economy, generating income and foreign exchange, creating jobs, stimulating regional development, and supporting local communities. Tourism exports are economically significant, and have a larger impact on the domestic economy relative to other export sectors. Every USD 1 of expenditure by international tourists in OECD countries on average generates an estimated 89 cents of domestic value added, compared with 81 cents for overall exports.

Globally, tourism continues to perform ahead of long-term growth forecasts, with a record 1.5 billion international tourist arrivals in 2019. Tourism growth to OECD countries has exceeded the world average since 2014, following a period of strong growth in recent years. OECD countries are among the world's top tourism destinations, and account for more than half of global arrivals (56.9%) and travel receipts (61.1%). In addition to the benefits of international tourism, domestic tourism is the mainstay of this sector in the majority of OECD countries with, on average, residents responsible for 75% of tourism expenditure.

While in the short-term the picture for tourism is mixed, mainly due to an uncertain economic outlook and external shocks such as health scares and extreme weather events, over the long-term tourism is expected to continue to grow.

Top policy priorities

While overall growth trends in this dynamic sector are positive, governments are increasingly developing policies that seek to maximise the economic, environmental and social benefits that tourism can bring, while reducing the pressures that arise when this growth is unplanned and unmanaged. Policy measures to address these concerns have become a priority. For example, efforts have been made to deal effectively with overcrowding at popular destinations, spread the economic and other benefits to areas that attract fewer visitors, develop new products to expand the season, and encourage increased productivity, better resource use, and more stable employment. To ensure these policies are actually having the desired impact, countries are strengthening co-ordination and implementation mechanisms, reforming destination management practices, modernising regulations, adopting digital solutions, strengthening dialogue with civil society and engaging the private sector in policy making.

Governments are currently facing two critical issues in terms of managing the tourism sector: leveraging the benefits of the digital transformation and ensuring that sustainable tourism policies are implemented.

Technology continues to advance at a fast pace and is a game-changer for tourism businesses and policy makers alike. The rapid developments in the sharing economy, mobile payment systems, virtual and augmented reality applications, blockchain technologies and artificial intelligence are likely to influence tourism products, business models, services, and visitor choices. These potentially demand policy reflections, new regulations and intervention to maximise opportunities and protect consumers. Governments have an important role to play in creating the right conditions for all businesses to engage in the digital transformation of tourism.

Governments are actively fostering tourism development that brings clear economic benefits, while also providing a wider set of advantages for places, local communities, businesses, employees, and visitors. Tourism success can no longer simply be measured in terms of arrivals, jobs and income. Ensuring that local communities can more equally benefit from tourism is a prevailing policy trend and progress has been made.

Key policy messages

Championing integrated, forward-looking tourism policies

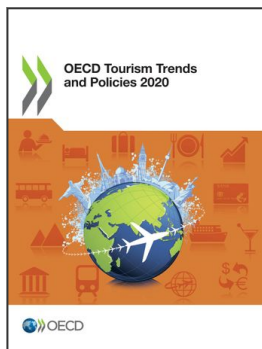
- Develop coherent, forward-looking approaches to the design of tourism policies and programmes, supported by long-term strategies and flexible action plans.
- Strengthen co-ordination mechanisms and delivery structures to ensure that policies agreed at national level are consistently delivered at subnational level, and engage communities and businesses to ensure local destinations can fully share the benefits of a dynamic tourism economy.

Preparing tourism businesses for the digital future

- Actively champion the digital transformation of tourism, by promoting a digital mindset, modernising regulatory frameworks and strengthening capacity of SMEs to participate in digital ecosystems.
- Encourage uptake and investment in new technologies, skills and innovation and support existing tourism SMEs to take advantage of the benefits of the digital transformation, and promote the development of smart tourism destinations.
- Foster digitally-enhanced tourism business models, value chains and ecosystems, through the adoption of data analytics and other enabling technologies, optimisation of business practices, and the expansion of accessible digital infrastructure, tools and solutions.

Rethinking tourism success for sustainable growth

- Place a greater focus on the environmental and socio-cultural pillars of sustainability, to deliver net benefits to local communities, contribute to achieving the SDGs, and combat climate change.
- Ensure that efforts to grow tourism are pursued within the wider context of city, regional, and national economic development strategies, and in close co-operation with industry and civil society.
- Take additional steps to mainstream sustainability in tourism policies and industry practices, to better support the transition to a green, low-emissions and climate-resilient tourism economy.
- Ensure access to comparable and timely data to inform decision-making and better plan for the type and scale of tourism growth appropriate for individual destinations.



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