

WORLD
TRAVEL &
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COUNCIL

TRAVEL & TOURISM
CITY TRAVEL & TOURISM IMPACT 2017
ASIA PACIFIC



CITY TRAVEL & TOURISM IMPACT

“As the world rapidly urbanises, so too is there a need to manage that growth with effective planning. A successful city is one where business, infrastructure, resources, and environment meet with quality jobs and effective government support.”

Gloria Guevara Manzo, President & CEO
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THE IMPORTANCE OF CITIES

54.5%
of the global population live in urban areas in 2016, and is predicted to increase to 60% by 2050.

1.8BN
international tourism arrivals per year expected by 2030, with particular growth in cities.

65
global cities analysed in the latest research from the World Travel & Tourism Council.

Cover: Aerial view, Hong Kong

FOREWORD

For over 25 years, the World Travel & Tourism Council (WTTTC) has been quantifying the economic and employment impact of Travel & Tourism at the country and regional level. This data is a key source of information for decision-makers within governments, investment banks, academia, and multilateral organisations across the world and particularly within the 185 countries for which we provide detailed reports. It allows us to state with confidence the fact that Travel & Tourism is one of the largest sectors in the world, supporting more than 10% of global economic activity and 292 million jobs: 1 in 10 jobs worldwide¹.

Now, for the first time, WTTTC has produced research that looks at the economic and employment impact of Travel & Tourism in cities.

Future growth and success for the sector requires recognising and monitoring the trends that will drive future travel habits. According to the UN, the urban population of the world has grown rapidly from 746 million in 1950 to over four billion in 2016 and today, 54.5% of the world's population lives in urban areas. This proportion is expected to increase further to 60% by 2050, with nearly all of the increase concentrated in Asia and Africa. With international tourism arrivals set to rise to 1.8 billion a year by 2030, and billions more domestic travellers expected, the city share of these arrivals shows particular growth. Understanding the rate and concentration of city tourism compared to country tourism growth is an important need for policy makers.

Our research looks at 65 global cities, chosen for being among the top ranked for arrivals, and spending by visitors. Across all cities in our study, even despite being selected as key Travel & Tourism centres, there are enormously differing levels of importance. Travel & Tourism's share of city GDP in Cancún, for example, is as much as 49.1%, whereas in Los Angeles, with its much more diversified economy, the sector represents only 1.2% of its GDP. The difference in the share of employment is also just as marked, ranging from supporting 38.5% of all employment in Cancún to just 0.8% in Osaka. With highest levels of growth concentrated in Asia, this research importantly provides forecasts for how these figures may change over the decade ahead.

As the world rapidly urbanises, there is a need to manage that growth with effective planning. A successful city is one where business, infrastructure, resources, and environment meet with quality jobs and effective government support. Goal 11.4 of the UN Sustainable Development Goals calls out the need for cities to strengthen efforts to protect and safeguard the world's cultural and natural heritage. The role of Travel & Tourism in contributing to this Goal in cities cannot be underestimated, both in creating civic pride and jobs, and, on a pure financial basis, through the export revenue generated by international visitors.

Cities are growing increasingly large and influential and are accounting for a greater proportion of global tourism demand, WTTTC is proud to provide the evidence base to help public and private bodies make the correct decisions for the future growth of a sustainable Travel & Tourism sector.

Gloria Guevara Manzo
President & CEO

¹ WTTTC annual economic impact analysis <https://www.wtttc.org/research/economic-research/economic-impact-analysis/>

Marina Bay, Singapore

SUMMARY ASIA PACIFIC

Study includes: Auckland, Bangkok, Beijing, Chengdu, Chongqing, Delhi, Guangzhou, Ho Chi Minh City, Hong Kong, Jakarta, Kuala Lumpur, Macau, Manila, Mumbai, Osaka, Seoul, Shanghai, Shenzhen, Singapore, Sydney, Tokyo.



CITY TRAVEL & TOURISM IN ASIA PACIFIC

50%

of Travel & Tourism GDP in the region is contributed by China and Japan.

37.7%

of all jobs in the region are contributed by India.

Asia Pacific, representing countries in Northeast Asia, South Asia, Southeast Asia and Oceania, is a powerhouse of Travel & Tourism growth. South Asia, largely driven by India, is expected to be the fastest growing of all world regions over each of the next ten years with Travel & Tourism GDP growth forecast at 6.7% per year.

WTTC's economic data on Travel & Tourism covers over 30 countries in this region. Collectively Travel & Tourism directly contributes \$714 billion to the region's economy, 2.8% of total economy GDP. Over 67 million jobs are directly created by the companies and organisations that drive this contribution. Together with the services that Travel & Tourism businesses use through their supply chains, in total, one in every twelve jobs in Asia Pacific are supported by the sector.

China and Japan clearly dominate. These two countries alone represent over half of the direct GDP impact in the region. In terms of jobs however, India, which represents a significant 10% of GDP for the region, creates 37.7% of all Travel & Tourism employment.

This report looks within the countries at the 21 cities of Auckland, Bangkok, Beijing, Chengdu, Chongqing, Delhi, Guangzhou, Ho Chi Minh City, Kuala Lumpur, Jakarta, Manila, Mumbai, Osaka, Seoul, Shenzhen, Singapore, Sydney and Tokyo. Hong Kong, Macau and Singapore are also reported on within WTTC's annual economic country analysis. Collectively, these 21 cities directly contribute 31% of the region's Travel & Tourism GDP, a proportion forecast to grow to 44% by 2026.

Cities are major destinations within countries²

Our wider study covers 65 urban centres around the world. Many of the cities with the highest contribution of Travel & Tourism to GDP are in the Asia Pacific region, especially the large and fast growing Chinese cities. Rising prosperity across the region is fuelling increased travel demand. Investment in transport and hotel infrastructure, as well as government policies that facilitate the ease of travel across borders have helped to boost Travel & Tourism connectivity across the region.

The size of the Travel & Tourism market and its share of GDP is expanding for these cities. For several of the Chinese cities in this study, however, the share of national Travel & Tourism GDP is forecast to continue to fall as faster growth emerges in other destinations across China.

Most of the Chinese cities in this study are highly reliant on domestic demand, and growth is tied to developments in the Chinese economy. This has been a positive factor over the past decade given the large increases in household wealth and the number of households able to afford travel.

Eight of the cities studied contribute more than 25% of their country's Travel & Tourism GDP: Bangkok, Kuala Lumpur, Jakarta, Auckland, Ho Chi Minh City, Manila, Seoul and Sydney.³

² Travel & Tourism GDP is generated by spending from both international and domestic visitors and has been calculated to be consistent with estimates of the sector impact for countries and with other economic activity. Calculation in this report also allows direct comparison across cities relying on consistent methodology and definitions. Calculations for this report focus on 65 important global city destinations and estimate the GDP and employment directly generated by Travel & Tourism activity. Calculation is fully consistent with the WTTC annual economic impact analysis by country and also relies on inputs from Oxford Economics' Global City Travel (GCT) database.

³ Does not include Hong Kong, Singapore and Macau where city and country are the same

SHANGHAI

Shanghai is the city with the largest Travel & Tourism GDP contribution in the world, at US\$30.2 billion. Strong growth has been fuelled by the Chinese domestic market and infrastructure investments such as the 2010 World Expo. Shanghai accounts for 11% of China's overall Travel & Tourism GDP contribution.

CHINA DOMESTIC MARKET

The strong Chinese domestic market is behind the growth of cities such as Chongqing and Guangzhou which rely on spend from Chinese nationals for 94.5% and 89.1% of their Travel & Tourism GDP respectively.

MACAU

Travel & Tourism activity in Macau is also reliant on China as a source market, but it has enjoyed less dramatic growth over the past decade than many Chinese cities. This is partly related to the large size of the sector and more limited opportunity for growth, including some capacity constraints. But restrictions on expenses and gift-giving in China has also curbed some of the business-related travel to the city.

BANGKOK

Within Asia Pacific, the tenth largest city by market size in this study is Bangkok which generates around half of the direct Travel & Tourism GDP within Thailand. The share of Thailand's Travel & Tourism GDP generated in Bangkok has fallen from over 60% in 2006 to 50% in 2016 as infrastructure developments have allowed more direct travel to other parts of the country from a variety of source markets.

EMPLOYMENT

In terms of employment impacts, some of the largest cities also involve very high numbers of jobs in Travel & Tourism even if these are low relative to total employment. The sector directly generates 960,000 jobs in Beijing, representing 12.0% of all jobs in the city. Together, the two Indian cities of Delhi and Mumbai host over one million jobs in Travel & Tourism, representing 8.3% and 7.3% respectively, of total city employment.



11%

of China's T&T GDP is generated by Shanghai



94.5%

of tourism spend in Chongqing is from domestic travellers



97.3%

Share of revenue from international spending in Macau



49.6%

Bangkok's contribution to Thailand's Travel & Tourism GDP



Shibuya Crossing, Tokyo



Khaosan Road night market, Bangkok

CITIES IN ASIA ARE LEADING TRAVEL & TOURISM GROWTH

The majority of the fastest growing cities in the full global study over the past decade have been in Asia, and particularly in China.

Five of the six fastest growing cities in this study over the past ten years are all Chinese. Chinese domestic growth has been rapid to established and new destinations so these cities took a smaller share of Chinese Travel & Tourism economic activity over this period.

Beijing and Macau are also among the fastest-growing cities (with GDP growth up by more than 10%). This has been driven by very strong demand over this period as large numbers of households move into the middle class and are able to afford travel.

FIGURE 1: TOP ASIA PACIFIC CITY DESTINATIONS, 2016 *

	Tourism Market Size (Tourism GDP, US\$ bn)		Share of City GDP (City tourism GDP % of total city GDP)		Share of Country GDP (City tourism GDP % of country tourism GDP)	
1	Shanghai	30.2	Macau	27.3	Hong Kong	100.0
2	Beijing	28.7	Bangkok	9.8	Singapore	100.0
3	Tokyo	20.2	Beijing	7.5	Macau	100.0
4	Shenzhen	18.8	Ho Chi Minh City	6.8	Bangkok	49.6
5	Bangkok	18.2	Shenzhen	6.7	Kuala Lumpur	41.8
6	Guangzhou	15.3	Shanghai	6.6	Jakarta	40.7
7	Hong Kong	14.6	Kuala Lumpur	6.1	Auckland	40.1
8	Singapore	12.4	Auckland	5.8	Ho Chi Minh City	26.8
9	Macau	12.2	Manila	5.7	Manila	26.7
10	Chongqing	9.5	Guangzhou	5.1	Seoul	26.0
11	Sydney	8.9	Hong Kong	4.6	Sydney	24.1
12	Osaka	7.1	Singapore	4.3	Tokyo	18.3
13	Jakarta	6.9	Chongqing	4.1	Shanghai	11.0
14	Manila	6.7	Delhi	3.6	Beijing	10.4
15	Seoul	6.5	Sydney	3.3	Shenzhen	6.8
16	Kuala Lumpur	5.8	Mumbai	3.2	Osaka	6.4
17	Chengdu	4.8	Jakarta	3.0	Guangzhou	5.5
18	Mumbai	3.9	Chengdu	2.8	Mumbai	5.4
19	Auckland	3.8	Tokyo	2.3	Delhi	4.4
20	Delhi	3.2	Osaka	2.1	Chongqing	3.4
21	Ho Chi Minh City	2.5	Seoul	2.1	Chengdu	1.7

*Source: Tourism Economics

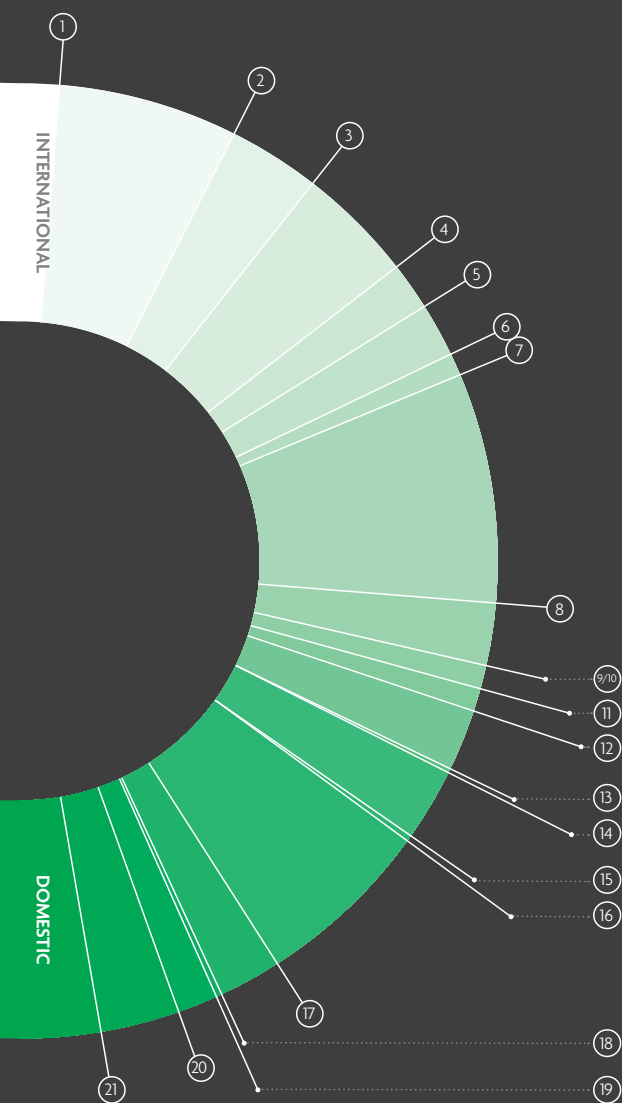
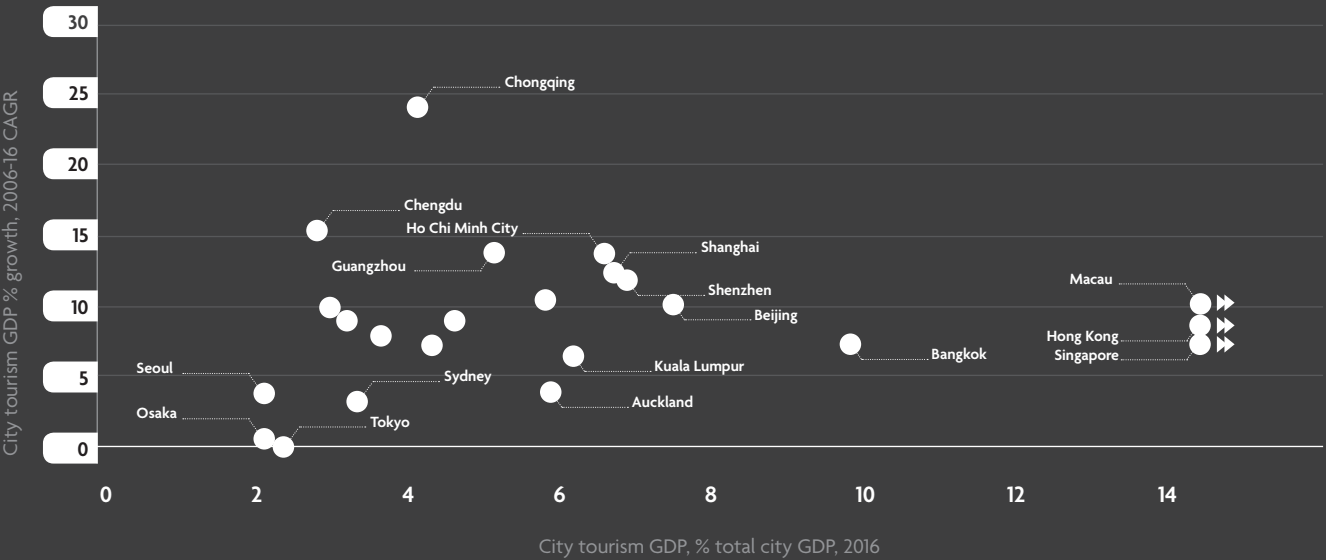


FIGURE 4: Asia Pacific CITIES SUMMARY*

	GDP Contribution (US\$ bn)			Employment Contribution (000s)		
	2006	2016	2026	2006	2016	2026
Auckland	2.5	3.8	6.8	67.9	81.0	94.3
% total	6.3	5.8	5.9	9.9	9.8	10.3
Bangkok	9.1	18.2	40.6	669.9	629.7	895.2
% total	8.8	9.8	13.2	7.1	6.6	9.3
Beijing	10.9	28.7	89.0	1080.0	960.6	1236.0
% total	10.7	7.5	8.6	18.1	12.0	13.0
Chengdu	1.1	4.8	13.9	132.7	115.5	133.8
% total	3.3	12.8	3.1	5.6	4.1	4.5
Chongqing	1.1	9.5	35.1	322.9	740.3	1078.5
% total	2.2	4.1	5.7	4.8	7.9	10.3
Delhi	1.5	3.2	8.9	495.9	460.3	624.1
% total	4.6	3.6	3.7	12.2	8.3	8.3
Guangzhou	4.2	15.3	52.3	218.6	256	375.5
% total	5.5	5.1	6.5	9.1	7.4	9.0
Ho Chi Minh City	0.8	2.5	5.5	276.0	295.4	372.5
% total	6.8	6.8	6.5	8.6	6.7	6.4
Hong Kong	6.3	14.6	33.6	139.7	189.6	277.0
% total	3.3	4.6	6.8	4.1	5.0	7.2
Jakarta	2.8	6.9	18.0	436.1	538.8	701.9
% total	3.0	3.0	3.1	4.4	3.7	3.7
Kuala Lumpur	3.2	5.8	15.3	136.1	186.3	285.9
% total	6.8	6.1	6.9	6.0	5.7	6.9
Macau	4.6	12.2	27.2	71.3	100.4	139.5
% total	31.3	27.3	37.6	26.9	25.8	32.7
Manila	2.5	6.7	18.8	151.9	201.1	256.0
% total	5.8	5.7	5.9	3.9	4.1	4.1
Mumbai	1.6	3.9	9.0	571.5	637.9	712.2
% total	3.1	3.2	3.1	8.5	7.3	7.0
Osaka	6.7	7.1	8.0	74.4	74.3	78.6
% total	2.0	2.1	2.4	0.8	0.8	0.9
Seoul	4.6	6.5	10.9	93.9	126.3	141.9
% total	1.9	2.1	2.2	1.9	2.5	2.8
Shanghai	8.4	30.2	100.4	619.7	752.4	954.5
% total	6.3	6.6	8.1	11.5	10.6	12.1
Shenzen	6.0	18.8	52.2	381.4	409.5	553.0
% total	8.2	6.7	7.2	12.1	8.4	8.7
Singapore	6.1	12.4	24.0	88.8	164.0	181.7
% total	4.1	4.3	4.7	3.7	4.5	4.6
Sydney	6.5	8.9	14.8	122.6	121.4	123.8
% total	3.6	3.3	3.3	5.7	4.8	4.2
Tokyo	20.0	20.2	25.8	208.4	200.6	239.8
% total	2.4	2.3	2.8	1.1	1.0	1.2

FIGURE 3: TOURISM MARKET SIZE & GROWTH*



SHANGHAI

Tourism spend is 86.5% reliant on domestic demand with growth strongly tied to the Chinese economy

Shanghai has grown significantly as a destination for both business and leisure travel. Out of the 65 cities included in this study, it is currently the largest city worldwide in terms of Travel & Tourism spending and GDP, an increase from 6th largest just ten years ago.

Tourism activity over the past ten years has been helped by hosting the 2010 World Expo. The immediate impact of this event was an upward spike in visitors and spending such that the share of GDP generated by Travel & Tourism in that year has not been regained. Hosting

the event also necessitated a large increase in capacity, which has facilitated continued growth in visitors and spending in subsequent years.

Tourism spending in Shanghai is 86.5% reliant on domestic demand and growth prospects remain strongly tied to the outlook for the Chinese economy. An ongoing rise in the numbers of nationals travelling should drive growth while continued expansion in business travel will support tourism in line with economic growth in other sectors in the city.



6.6%

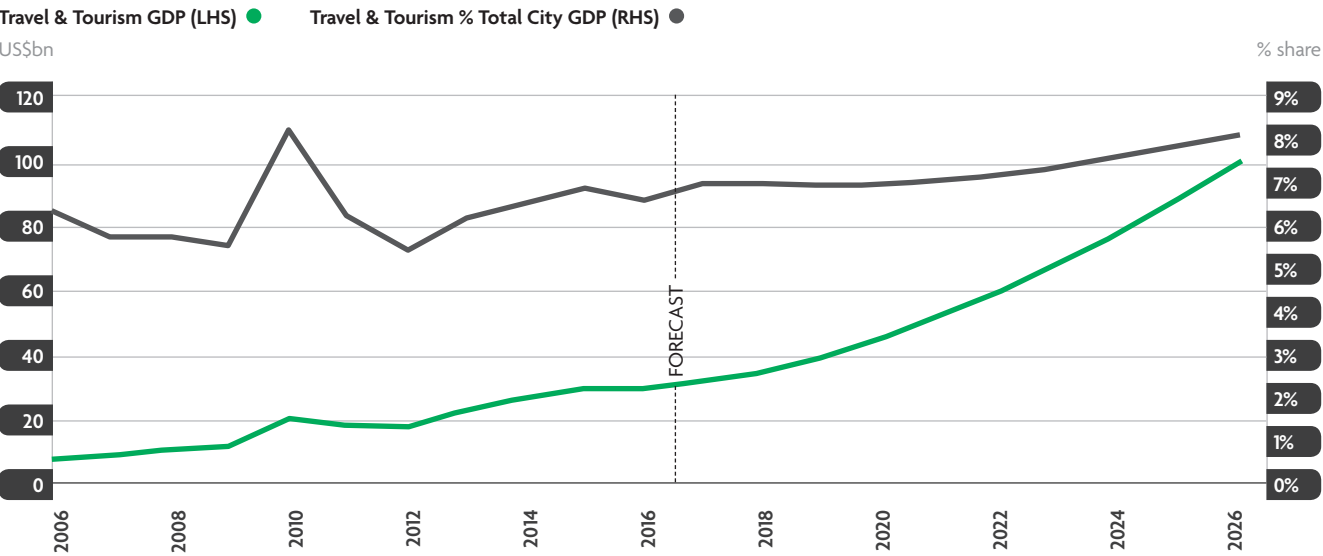
Direct GDP contribution from Travel & Tourism

10.6%

Direct employment contribution from Travel & Tourism

Shanghai Summary					China Summary			
	Average growth				Average growth			
	2016	2026	2006-16	2016-26	2016	2026	2006-16	2016-26
T&T GDP (US\$ bn)	30.2	100.4	13.7%	12.8%	275.23	854.5	16.3%	12.0%
Total GDP (%)	6.6%	8.1%	-	-	2.5%	3.0%	-	-
T&T Employment (000)	752.4	954.5	1.0%	2.4%	23,680.6	27,906.0	0.8%	1.7%
Total employment (%)	10.6%	12.1%	-	-	3.1%	3.5%	-	-

FIGURE 5: SHANGHAI DIRECT TRAVEL & TOURISM GDP, 2006-26*



BEIJING

7.5%

Direct GDP contribution from Travel & Tourism

12%

Direct employment contribution from Travel & Tourism

Like many cities in China, Beijing has seen strong growth in Travel & Tourism spending and GDP to become one of the largest city destinations in the world. However, growth has been slower than for other Chinese destinations in recent years. This is likely related to more limited government-related business travel; staff have been encouraged to make cost savings on trips such as staying in less expensive hotels and avoiding excessive gift-giving.

Beijing's Travel & Tourism sector benefited from hosting the Olympics in 2008. Increased demand during the event allowed large increases in hotel room rates and other prices. Despite an offsetting fall in 2009, additional capacity built in time for the event enabled growth in subsequent years.

The share of city GDP directly generated by Travel & Tourism in Beijing has trended downwards in recent years from almost 10.7% in 2006 to 7.5% in 2016. This is due to the rapid expansion

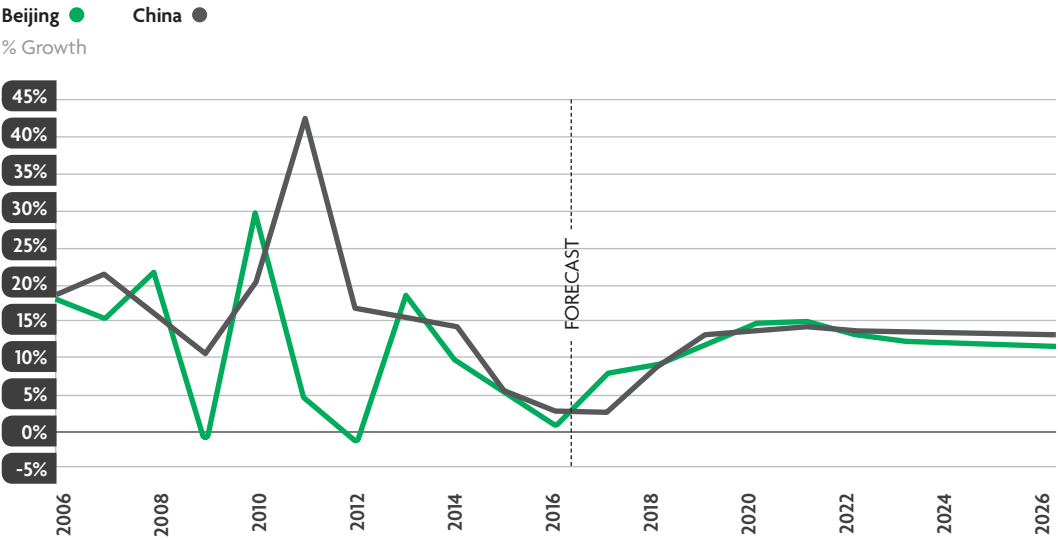


in activity in other sectors coupled with the relatively slower growth in Travel & Tourism. Some improvement in this ratio is expected in coming years as tourism spending recovers. Growth has picked up in 2017 and is expected to outpace wider Chinese demand in the near term.

In terms of employment, 1 in 8 jobs in the city were directly within the Travel & Tourism sector in 2016.

Rapid expansion in other sectors with relatively slow growth in T&T has seen a 3.2% decline in T&T city GDP share

FIGURE 6: BEIJING AND CHINA T&T GDP GROWTH, 2006-26*



Beijing Summary					China Summary			
Average growth					Average growth			
	2016	2026	2006-16	2016-26	2016	2026	2006-16	2016-26
T&T GDP (US\$ bn)	28.7	89.0	10.2%	12.0%	275.23	854.5	16.3%	12.0%
Total GDP (%)	7.5%	8.6%	-	-	2.5%	3.0%	-	-
T&T Employment (000)	960.6	1236.0	-1.2%	2.6%	23,680.6	27,906.0	0.8%	1.7%
Total employment (%)	12.0%	13.0%	-	-	3.1%	3.5%	-	-

TOKYO

Currency depreciation and subsequent affordability gain has seen an increase in international arrivals

Tokyo is one of the world's largest tourism cities by market size, but it has dropped down the rankings of top destinations since 2006. In contrast to the large Chinese cities, Tokyo's Travel & Tourism growth in the past decade has been a mere 0.1%.

Although Tokyo has lagged behind Japan as a whole in terms of the share of GDP generated by Travel & Tourism, the city has experienced faster growth in more recent years.

The affordability gain from the large Yen depreciation has been more clearly felt in Tokyo than the rest of Japan due to a higher reliance on foreign arrivals. Overseas visitors accounted for 31% of Travel & Tourism GDP in Tokyo in 2016, which is a significant increase. The figure was less than 20% for much of past ten years, and as low as 12% in 2011 when some foreign visitors avoided Japan and Tokyo following the Tohoku earthquake and tsunami. For Japan as a whole, just 14% of Travel & Tourism spending and GDP comes from foreign visitors.

China is an important international source market, providing almost a quarter of all foreign visitors. However, Tokyo attracts visitors from a wide range of other Asian markets as well as a large number of US visitors for both business and leisure purposes.

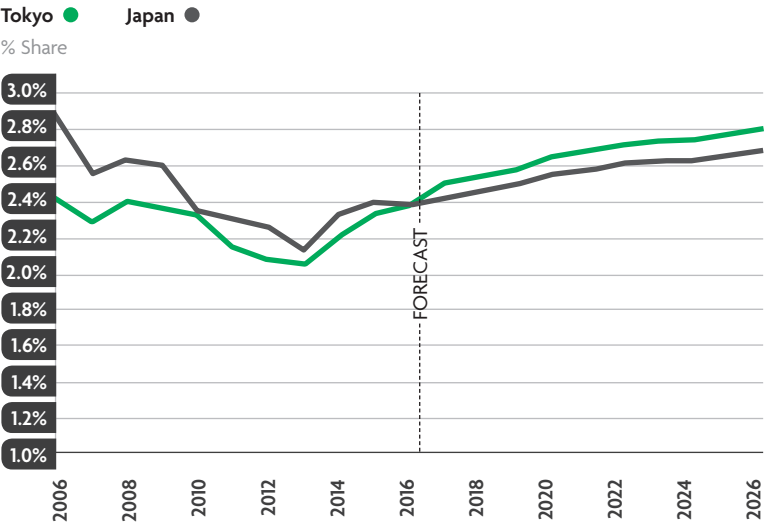


2.3%
Direct GDP contribution from Travel & Tourism

31%
Share of revenue from international spending

- Top source markets:
- China 24%
 - Taiwan 11%
 - USA 10%
 - South Korea 7%

FIGURE 7: TOURISM SHARE OF TOTAL GDP, 2006-26*



	Tokyo Summary				Japan Summary			
	Average growth				Average growth			
	2016	2026	2006-16	2016-26	2016	2026	2006-16	2016-26
T&T GDP (US\$ bn)	20.2	25.8	0.1%	2.5%	110.5	128.6	-1.1%	1.5%
Total GDP (%)	2.3%	2.8%	-	-	2.4%	2.7%	-	-
T&T Employment (000)	200.6	239.8	-0.4%	1.8%	1,124.8	1,211.0	-1.7%	0.7%
Total employment (%)	1.0%	1.2%	-	-	1.7%	1.9	-	-

Hong Kong has benefited from the rise in Chinese travel demand in the past. Initially, Hong Kong benefited more than some mainland destinations as a gateway for travel both into and out of China. Increased direct connectivity to mainland cities has diminished this role and travel to Hong Kong has slowed.

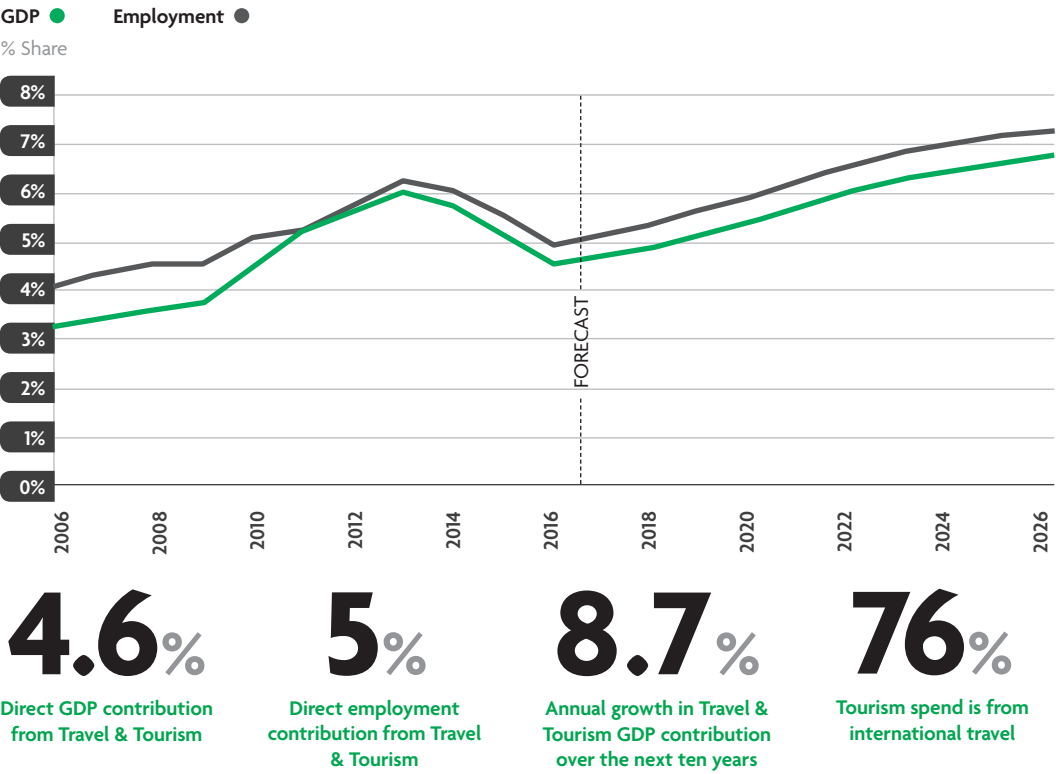
Political protests in recent years have harmed the relationship between Hong Kong and China and have been partly to blame for falls in travel demand. Chinese travel to Hong Kong fell in 2015 and 2016, with a large impact on Travel & Tourism spending and GDP.

Early data for 2017 shows a return to growth in demand from mainland China as relationships are 'normalising'. The contribution of Travel & Tourism to GDP and employment is set to recover and continue to grow over the coming decade. Growth will also be helped by expanding demand from other Asian markets.

Hong Kong is highly reliant on Chinese demand. Nearly 76% of tourism spending was from international visitors, and almost two-thirds of visitors were from mainland China. Hence around half of total travel spending is from mainland China, although the ratio was higher in previous years.

Steady forecast growth over the next ten years following a period of political turbulence in 2015/2016

FIGURE 8: HONG KONG TOURISM SHARE OF ECONOMIC ACTIVITY, 2006-26*



	Hong Kong Summary				China Summary ¹			
	Average growth				Average growth			
	2016	2026	2006-16	2016-26	2016	2026	2006-16	2016-26
T&T GDP (US\$ bn)	14.6	33.6	8.7%	8.7%	275.23	854.5	16.3%	12.0%
Total GDP (%)	4.6%	6.8%	-	-	2.5%	3.0%	-	-
T&T Employment (000)	189.6	277.0	3.1%	3.9%	23,680.6	27,906.0	0.8%	1.7%
Total employment (%)	5.0%	7.2%	-	-	3.1%	3.5%	-	-

¹Hong Kong is not included as part of China according to the definitions used in this research. Tourism contributions for China as a whole are presented as a comparison for the Hong Kong impact.



HONG KONG



BANGKOK

Rapid growth and increased connectivity to other Thai destinations has seen Bangkok's share of T&T fall

9.8%

Direct GDP contribution from Travel & Tourism

85%

Share of revenue from international spending

- Top source markets:
- China 38%
 - Japan 8%
 - USA 4%
 - India 3%

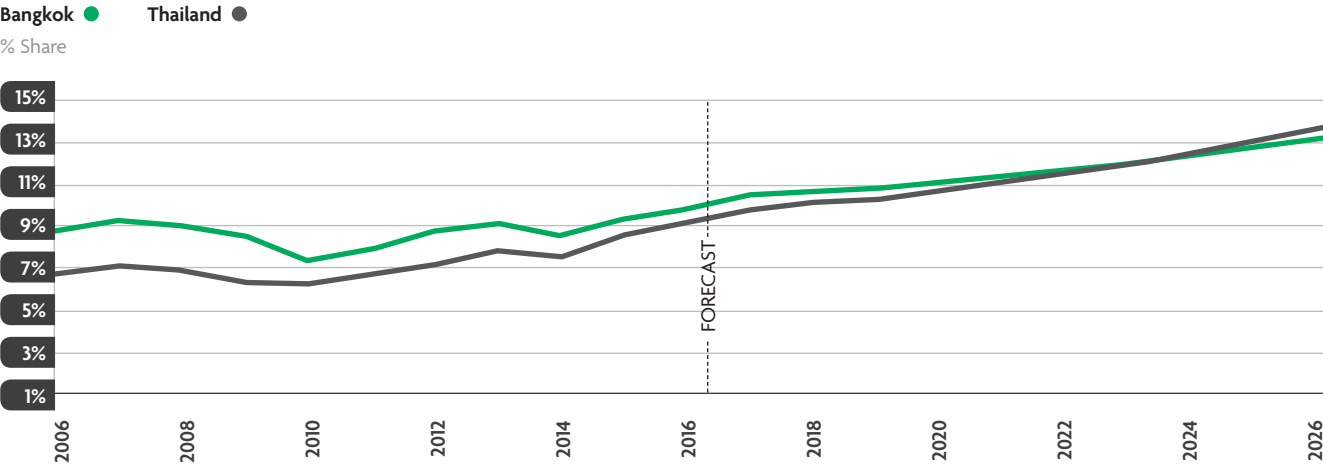
The share of city GDP from Travel & Tourism in Bangkok has increased from 8.8% to 9.8% over the past decade. This share remains higher than the 9.2% contribution for Thailand as a whole in 2016, but the gap has narrowed.

Bangkok's share of Thailand's Travel & Tourism has fallen from 60% in 2006 to 50% in 2016 as other destinations within the country have grown rapidly. For many years, Bangkok was the key gateway for Thailand as the location of the country's main hub airport. Increased connectivity elsewhere in the country more recently has prompted faster growth than in Bangkok. This trend should continue over the next decade and Bangkok's share of Thailand's Travel & Tourism activity will fall further - to an expected 44% in 2026.

Despite the faster growth elsewhere, Travel & Tourism in Bangkok is forecast to continue growing in importance. By 2026, the sector should directly generate 13.2% of city GDP and 9.3% of employment.

An ongoing expansion in international demand, including from some large Asian markets, will aid growth. China accounted for 38% of demand in 2016 (up from less than 10% in 2006), and it has overtaken Japan as the main source market. Travel from India has also started to increase notably and will grow in prominence. By contrast, UK, USA and Germany have become relatively less important as source markets, with only moderate growth.

FIGURE 9: TOURISM SHARE OF TOTAL GDP, 2006-26*



Bangkok Summary					Thailand Summary			
Average growth					Average growth			
	2016	2026	2006-16	2016-26	2016	2026	2006-16	2016-26
T&T GDP (US\$ bn)	18.2	40.6	7.2%	8.4%	36.7	92.6	9.3%	9.7%
Total GDP (%)	9.8%	13.2%	-	-	9.2%	13.6%	-	-
T&T Employment (000)	629.7	895.2	-0.6%	3.6%	2,313.7	3,740.8	1.5%	4.9%
Total employment (%)	6.6%	9.3%	-	-	6.1%	9.7%	-	-



SINGAPORE

4.3%

Direct GDP contribution from Travel & Tourism

68%

Share of revenue from international spending

55%

of T&T spending results from leisure travel

The city state of Singapore has enjoyed a strong increase in Travel & Tourism spending over the past decade. With international arrivals increasing every year, the sector generated US\$12.4 billion in 2016 - more than double the volume in 2006. This trend is set to continue, with revenues predicted to double again to US\$24 billion by 2026.

International visitors contribute 68% of tourism spending in Singapore. Hosting a major airport and a hub for Singapore Airlines, the city is important for intercontinental travel. Many travellers have been encouraged to break their long-haul trip with a stay in Singapore. However, the biggest source markets are from within the Asia Pacific region, most notably from China and neighbouring Indonesia.

Singapore's Travel & Tourism sector relies on both leisure and business travellers, although revenue from leisure travel is slightly greater, accounting for 55% of all spending.



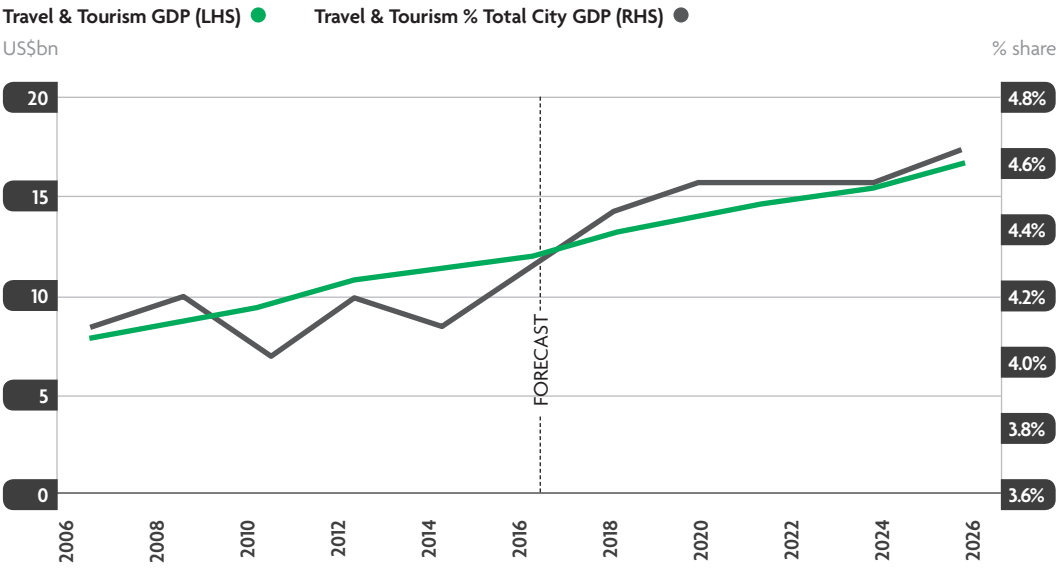
Travel & Tourism in Singapore directly employs 164,000 people - that is nearly twice as many as in 2006 and is more than in sectors such as banking and manufacturing. However, the diverse economy means that the importance of the tourism to overall GDP and employment is 4.5%, and is expected to remain at a similar level over the coming years.

Singapore Summary ¹				
	2016	2026	Average growth	
			2006-16	2016-26
T&T GDP (US\$ bn)	12.4	24.0	7.3%	6.8%
Total GDP (%)	4.3%	4.7%	-	-
T&T Employment (000)	164.0	181.7	6.3%	1.0%
Total employment (%)	4.5%	4.6%	-	-

¹As a city state, there is no comparable country data.

A strong increase in tourism arrivals over the last decade has seen T&T GDP in Singapore double to US\$12.4bn

FIGURE 10: SINGAPORE DIRECT T&T GDP GROWTH, 2006-26*



MACAU

With a heavy reliance on a China as a source market, Macau must diversify its offer for further growth

Chinese demand is crucial for Travel & Tourism in Macau. Together, China and Hong Kong account for around 80% of the spending and Travel & Tourism GDP in Macau.

Chinese travel demand has fallen in recent years, related to the government curbs on excessive expenses and gift-giving in business. A fall in arrivals occurred in 2015, along with a larger drop in average spending which impacted on spending and GDP. The share of GDP directly generated by Travel & Tourism fell from a peak of 38% in 2013 to 27% in 2016. This highlights the risk of a high reliance on one source market.

There have been some more encouraging signs in 2017, with reported growth in both trips and nights spent in Macau. More importantly, there have been some tentative indicators of rising spending. However, average hotel room rates remain low and a rapid rebound in the GDP contribution is unlikely in the near-term.

Some diversification in the tourism offer within Macau is required to allow continued growth. There are reports of investment in new attractions to allow further Travel & Tourism development.



27.3%

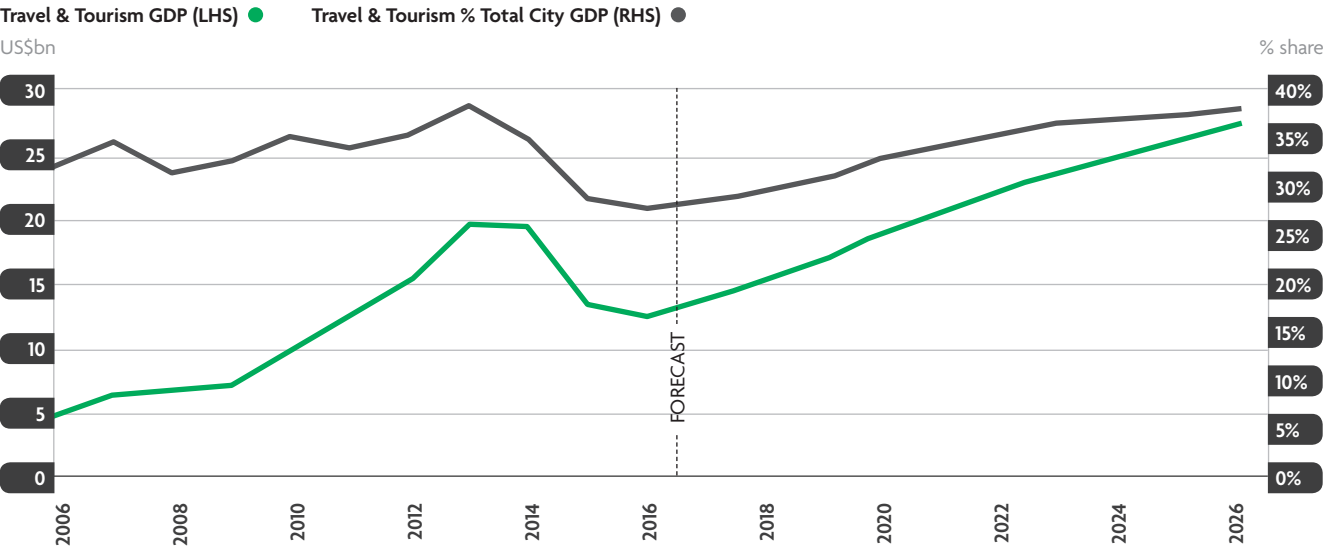
Direct GDP contribution from Travel & Tourism

97.3%

Share of revenue from international spending

- Top source markets:
- China 66%
 - Hong Kong 16%
 - Taiwan 4%
 - South Korea 2%

FIGURE 11: MACAU DIRECT T&T GDP GROWTH, 2006-26*



	Macau Summary				China Summary ¹			
	Average growth				Average growth			
	2016	2026	2006-16	2016-26	2016	2026	2006-16	2016-26
T&T GDP (US\$ bn)	12.2	27.2	10.2%	8.3%	275.23	854.5	16.3%	12.0%
Total GDP (%)	27.3%	37.6%	-	-	2.5%	3.0%	-	-
T&T Employment (000)	100.4	139.5	3.5%	3.3%	23,680.6	27,906.0	0.8%	1.7%
Total employment (%)	25.8%	32.7%	-	-	3.1%	3.5%	-	-

¹Macau is not included as part of China according to the definitions used in this research. Tourism contributions for China as a whole are presented as a comparison for the Macau impact.

The visa facilitation measures put in place by the Indian government over the last few years have benefitted the growth of inbound tourists to the country. In April 2017, not only were visa fees reduced, but e-visa facilities were extended to the nationals of 161 countries for entry through 24 airports and three Indian ports.

The country has ambitious infrastructure plans, both in terms of airport and hotel development and investment in waterways. Delhi, with the largest and busiest international airport in the country hopes to become a hub for domestic and Asian air connectivity. Handling 58 million passengers and over 8 million tonnes of cargo in 2016-17, it has just started a major capacity expansion project

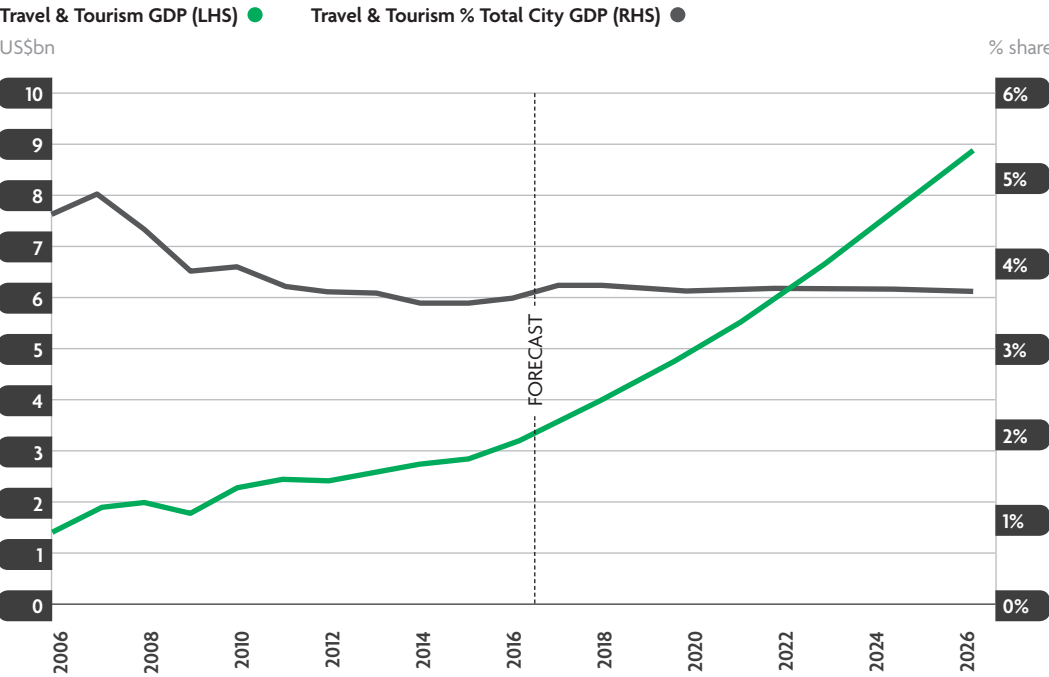
which includes further terminal development and the addition of a 4th runway.

The city generated US\$3.2 billion from Travel & Tourism in 2016, just over one third coming from international visitors. Delhi has much less source market dominance than in other Asian Pacific cities, however, with the largest market, the US, contributing just 11% of inbound traffic.

Travel & Tourism's GDP in the city is set to experience double-digit growth over each of the next ten years (10.8%). Its share of overall city GDP will remain relatively unchanged from the current 3.6% as other industry sectors also gain prominence. The sector's share of Delhi's employment is also set to remain steady at 8.3% over the years to 2026.

Delhi has reaped the reward of intelligent visa facilitation, seeing growth in inbound tourism

FIGURE 12: DELHI DIRECT T&T GDP GROWTH, 2006-26*



	Delhi Summary				India Summary			
	Average growth				Average growth			
	2016	2026	2006-16	2016-26	2016	2026	2006-16	2016-26
T&T GDP (US\$ bn)	3.2	8.9	9.5%	10.8%	71.7	192.6	9.5%	10.4%
Total GDP (%)	3.6%	3.7%	-	-	3.3%	3.4%	-	-
T&T Employment (000)	460.3	624.1	-0.7%	3.1%	25,394.7	31,330.7	0.4%	2.1%
Total employment (%)	8.3%	8.3%	-	-	5.8%	6.1%	-	-

*Source: Tourism Economics



DELHI

3.6%

Direct GDP contribution from Travel & Tourism

35.5%

Share of revenue from international spending

\$3.2bn

T&T city GDP contribution in 2016

*Source: Tourism Economics

City and Metro Definitions

A wide geographic definition of cities has been used in this study to include metros or greater city areas rather than measuring just the urban core. The bulk of the reliable and consistent economic data across cities is available for this broader definition. Hence, to ensure consistent estimates of economic contribution this definition was adopted.

Consistent definitions across cities have been used in all cases to ensure comparability. In the instances where travel data are only reported for a narrow city centre definition or for a wider geographic area, estimates are based on multipliers using all available sector or industry data. City travel data are collated in Oxford Economics’ GCT database using a narrow definition of the city in many cases, consistent with widespread reporting. GCT data used in this study have been adjusted accordingly. Further details are in the methodology appendix.

GVA Methodology

Calculation of economic impact reconciles two methodologies for cities consistent with the country level economic impacts estimated as part of the WTTC annual economic research. Results from the two methodologies are used as cross-checks to refine assumptions and derive a final combined estimate.

Supply-side: Sectoral output by city is the starting point for analysis. Tourism ratios consistent with country level estimates are imposed to understand the proportion of output generated by tourism activity.

As an example, if a city has a high concentration of activity in the hotels and restaurants sector then it is fair to assume that a large proportion of this activity is generated by tourist spending. This city will therefore have a large economic contribution from tourism.

Demand-side: Tourism spend for each city as a destination is calculated first according to GCT definitions of cities which quantifies arrivals, overnights average spending and total tourism revenue. Where necessary, this is grossed-up to the wider metro definition for consistency. A ratio of GVA to Gross Output is then applied, consistent with the WTTC annual economic research and the industrial structure for the country and the city.

Employment Methodology

Tourism employment by city is derived from the Travel & Tourism GVA and labour productivity.

Labour productivity for tourism characteristic sectors is estimated for the cities and the countries. A productivity multiplier is derived for the city relative to the country according to this sectoral detail and is then applied to country labour productivity from WTTC’s annual economic research.

METHODOLOGY



The World Travel & Tourism Council is the global authority on the economic and social contribution of Travel & Tourism.

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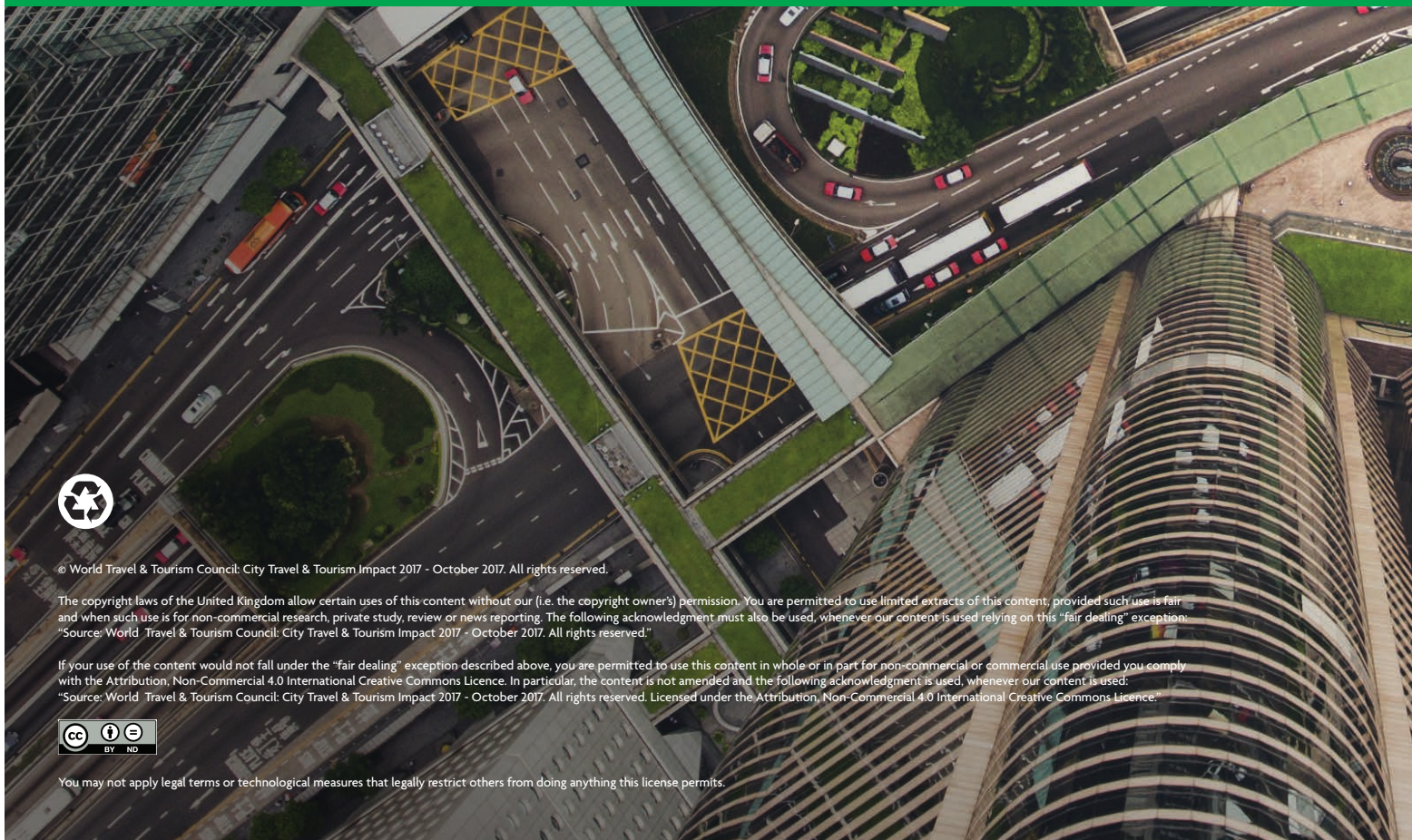
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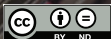
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