

23. Tourism

Tourism has become one of the largest and fastest growing industries, not only in Asia and the Pacific but also in the global economy.

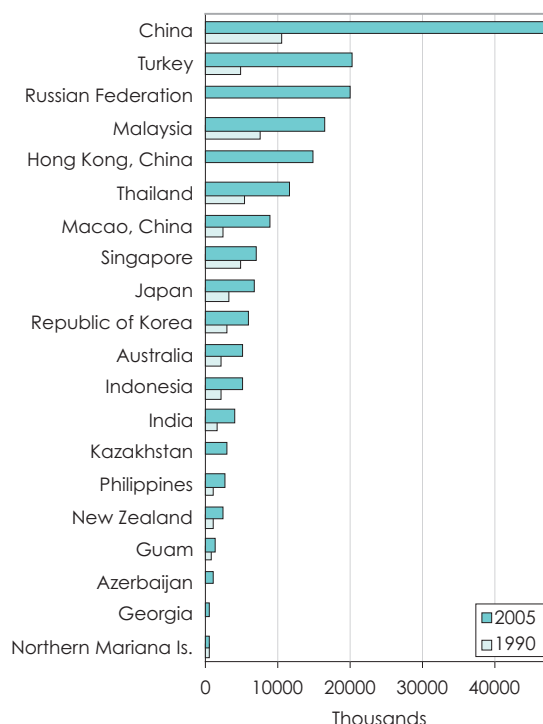
In recent years, the tourism industry has faced terrorism, natural disasters and health scares. Despite these challenges, international tourist arrivals worldwide exceeded 800 million in 2005, a new record and almost twice as many as in 1990. Over the same period, the number of arrivals in Asia and the Pacific doubled, from 85 million to 198 million.

Almost half — 48 per cent — of all tourists globally in 2005 had a European destination. The share of Asia and the Pacific in the global total was 25 per cent in the same year, significantly up from 19 per cent in 1990.

As shown in figure 23.1, China, Turkey, the Russian Federation, Malaysia and Hong Kong, China, received the highest number of international tourists within Asia and the Pacific in 2005. An estimated 47 million international tourists arrived in China in that year, more than twice as many as received by Turkey, the second largest recipient of tourists in the region. At the global level, China is the fourth largest recipient of international tourists after France, Spain and the United States.

Singapore, as well as Hong Kong, China, and Macao, China, attract very high numbers of arrivals, considering their small size.

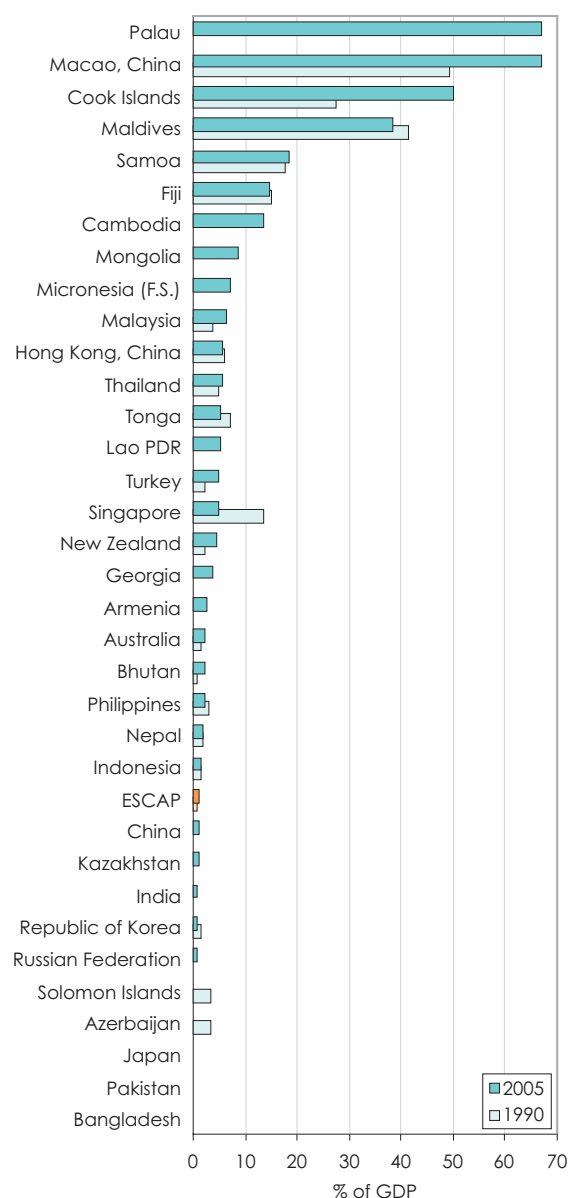
Figure 23.1 International tourist arrivals in Asia and the Pacific, 1990 and 2005



The countries with the highest absolute number of international tourist arrivals have not necessarily had the highest growth rates in the number of arrivals during the last decade, however. Tourist arrivals in Turkey and China, for example, increased annually by 11 and 8 per cent, respectively, between 1995 and 2005, but Armenia and Azerbaijan, both landlocked developing countries, as well as Cambodia and Georgia experienced the highest growth in tourist arrivals — at least 20 per cent annually between 1995 and 2005.

Tourism receipts are important for many economies in Asia and the Pacific. Among the top 10 countries with the highest international tourism receipts as a percentage of GDP, half are small island developing States. In the Cook Islands, for

Figure 23.2 International tourism receipts as a percentage of GDP in Asian and Pacific countries/areas, 1990 and 2005



example, international tourism receipts accounted for half of GDP. In Maldives and Samoa, both least developed countries, tourism receipts amounted to 38.2 and 18.5 per cent of GDP, respectively, in 2005.

Some least developed countries including Cambodia and the Lao People's Democratic Republic have also benefited from spending by international visitors. In 2005, international tourism receipts accounted for 13.6 per cent of GDP in Cambodia and over 5 per cent in the Lao People's Democratic Republic, in contrast to only 1.6 and 2.9 per cent, respectively, in 1995.

The Asian and Pacific region has shown remarkable dynamism in the tourism sector over the last decade, despite having faced several deterrents to tourist arrivals and spending. The SARS epidemic in 2003 impacted North-East and South-East Asia,

where all countries posted a decline in tourist visits. The following year, the Asian tsunami significantly affected tourist destinations in India, Indonesia, Maldives, Sri Lanka and Thailand.

In Thailand, for example, international tourism receipts decreased from over 6 per cent of GDP in 2004 to 5.7 per cent by 2005. In Indonesia and Sri Lanka, the percentage of foreign visitors' expenditure as part of GDP also decreased due to the effects of the tsunami. However, the most affected country was Maldives, where tourism receipts fell from 51 per cent of GDP in 2000 to 38 per cent in 2005.

The tourism sectors in the countries affected by SARS and the tsunami have since recovered from these incidents. Citizens of middle-income countries in Asia and the Pacific are contributing increasingly to tourism in the region.

International tourist arrivals (thousands): The number of inbound non-resident travelers received by any destination in a country. Missing data have been imputed. *Aggregates:* Sum of individual country values. *Source:* World Tourism Organization, Tourism statistics, (online database, accessed in September 2007).

International tourism receipts (% of GDP): The receipts earned by a destination country from inbound tourism resulting from expenditure made by visitors from abroad, on lodging, food and drinks, fuel, transport in the country, entertainment, shopping, etc., expressed as a percentage of

GDP. *Aggregates:* Averages are calculated using GDP in US dollars as weight. *Source:* World Tourism Organization, Tourism statistics, (online database, accessed in September 2007).

Outbound tourism expenditure (% of GDP): The expenditure that the residents of the country spend when abroad. Data are obtained from the balance of payments of the destination countries, expressed as a percentage of GDP. *Aggregates:* Averages are calculated using GDP in US dollars as weight. *Source:* World Tourism Organization, Tourism statistics, (online database, accessed in September 2007).

23.1 Tourism

	International tourist arrivals				International tourism receipt				Outbound tourism expenditure		
	Thousands				% of GDP				% of GDP		
	1990	1995	2000	2005	1990	1995	2000	2005	1990	1995	2003
East and North-East Asia											
China	10 484	20 034	31 229	46 809	0.55	1.15	1.36	1.29	0.12	0.49	0.92
DPR Korea	115				0.20						
Hong Kong, China			8 814	14 773	6.17	5.38	3.50	5.79	10.06		7.23
Macao, China	2 513	4 202	5 197	9 014	49.26	44.67	52.58	66.85	1.30		3.85
Mongolia	147	108	137		0.40	1.71	3.80	8.57	0.08	1.63	8.40
Republic of Korea	2 959	3 753	5 322	6 022	1.35	1.00	1.34	0.72	1.20	1.23	1.36
South-East Asia											
Brunei Darussalam	377	498	984								
Cambodia	17	220	466	1 422		1.60	8.29	13.56	0.12	0.24	0.83
Indonesia	2 178	4 324	5 064	5 002	1.67	2.35	3.01	1.61	0.66	0.98	1.31
Lao PDR	14	60	191	672	0.35	2.87	6.58	5.12	0.12	1.69	
Malaysia	7 446	7 469	10 222	16 431	3.79	4.47	5.55	6.53	3.29	2.60	2.74
Myanmar	21	117	208		0.17	1.95	2.23		0.31	0.23	0.32
Philippines	1 025	1 760	1 992	2 623	2.95	1.53	2.84	2.17	0.25	0.57	1.51
Singapore	4 842	6 422	6 917	7 080	13.38	9.11	5.55	4.92	5.13	5.52	5.92
Thailand	5 299	6 952	9 579	11 567	5.07	4.78	6.10	5.74	1.00	2.54	2.45
Timor-Leste											
Viet Nam	250	1 351	2 140	3 468	1.31						
South and South-West Asia											
Afghanistan											
Bangladesh	115	156	199		0.03	0.06	0.10	0.11	0.25	0.56	0.29
Bhutan	2	5	8		0.72	1.70	2.24	2.27			
India	1 707	2 124	2 649	3 915	0.46	0.70	0.74	0.91	0.12	0.27	0.60
Iran (Islamic Rep. of)	154	489	1 342		0.07	0.06	0.45		0.38	0.22	3.07
Maldives	195	315	467		41.39	52.88	51.42	38.24	6.98	7.77	6.64
Nepal	255	363	464		1.82	4.19	2.96	1.77	1.28	3.22	1.35
Pakistan	424	378	557		0.27	0.14	0.10	0.14	0.77	0.55	0.95
Sri Lanka	298	403	400		1.61	1.69	1.48		0.90	1.39	1.50
Turkey	4 799	7 083	9 586	20 273	2.14	2.93	3.83	5.01	0.35	0.54	0.88
North and Central Asia											
Armenia		12	45	319		0.08	1.99	2.75		0.23	2.39
Azerbaijan		93	681	1 177	3.50	2.27	1.19	0.45		4.74	1.53
Georgia		85	387	548			3.17	3.73			3.26
Kazakhstan			1 471			0.59	1.95	1.20		1.38	2.17
Kyrgyzstan		36	59	315		0.34	1.09			0.47	0.88
Russian Federation				19 940		1.08	1.32	0.72		2.91	2.99
Tajikistan			4								0.13
Turkmenistan		218									
Uzbekistan		92	302				0.20				
Pacific											
American Samoa	26	34	44								
Cook Islands	34	48	73		27.34	30.05	44.56	50.23			
Fiji	279	318	294		15.11	14.62	10.79	14.51	2.39	3.22	2.73
French Polynesia	132	172	252		5.84						
Guam	780	1 362	1 287	1 228							
Kiribati	3	4	5		3.52	4.36	5.89		10.56		
Marshall Islands	5	6	5			2.85	4.05				
Micronesia (F.S.)			21				6.91	7.17			
Nauru											
New Caledonia	87	86	110		3.72	2.98	3.51				
Niue	1	2	2								
Northern Mariana Is.	426	669	517								
Palau	33	53	58				45.21	67.05	2.60		
Papua New Guinea	41	42	58		1.25	0.52	0.54		1.52	1.20	
Samoa	48	68	88		17.85	17.47	17.76	18.48	1.79	1.50	
Solomon Islands	9	12			3.36	4.39	1.18	0.53	5.29	3.56	1.39
Tonga	21	29	35		7.27	6.42	4.72	5.13	0.81		
Tuvalu	1	1	1								
Vanuatu	35	44	58		25.50	18.51	22.90		0.65	2.06	4.34
ESCAP Developed Economies											
Australia	2 215	3 726	4 530	5 020	1.33	2.12	2.32	2.29	1.42	1.19	1.34
Japan	3 236	3 345	4 757	6 728	0.12	0.06	0.07	0.27	0.95	0.70	0.68
New Zealand	976	1 409	1 787	2 365	2.35	3.78	4.30	4.43	2.18	2.10	2.21
ESCAP	85 313	111 530	142 072	198 215	0.83	0.88	1.02	1.31	1.02	0.93	1.20
LLDC	2 344	2 462	3 580	6 735			0.02				
LDC	715	1 365	2 167	3 793	0.58	1.29	1.78	1.88	0.40	0.80	0.48
SIDS	7 019	9 708	10 304	10 790	14.68	9.46	5.79		4.74	5.22	
ASEAN	21 469	29 173	37 763	49 491	4.14	4.04	4.53	3.94	1.50	2.13	2.42
SAARC	2 996	3 744	4 744	6 411	0.46	0.65	0.70	0.79	0.24	0.40	0.66
Central Asia	2 011	2 011	3 167	5 916			1.36				
Low-income	3 247	5 288	7 780	12 376	0.43	0.62	0.70	0.87	0.24	0.38	0.64
Middle-income	55 099	72 402	94 259	132 226	1.67	1.88	2.16	1.92	0.49	1.30	1.50
High-income	26 931	33 789	39 957	53 526	0.66	0.58	0.61	0.98	1.25	0.85	1.11
Africa	18 873	23 592	33 416	44 705	1.45	2.15	2.54		0.87	3.12	
Latin America & Carib.	37 953	47 534	56 268	64 354	1.64	1.48	1.75	1.80	1.20	0.98	1.04
North America	55 007	60 809	71 197	68 286	1.64	1.48	1.75	1.80	0.76	0.70	0.60
Europe	270 657	289 084	358 486	387 575	1.80	2.01	2.36	2.19	1.73	1.99	2.18
Other Asia-Pacific	12 508	17 115	25 865	36 251	1.83	2.29	2.07	2.07	3.22	2.91	
World	439 000	540 000	687 000	806 000					1.22	1.38	1.42