

INTERNATIONAL TOURISM IN THE OECD AREA IN 1989
AND OUTLOOK FOR 1990

- International tourism in the OECD area continued to grow in 1989. Growth rates remained buoyant in most countries. Arrivals at frontiers increased by 4 per cent (up 7 per cent the previous year). Nights spent in the various means of accommodation rose by 5 per cent in 1989 whereas they had remained level in 1988. Income and expenditure in dollars also increased by 6 per cent and 7 per cent respectively to total 145 billion and 162 billion. In real terms income increased by 6 per cent, i.e. slightly less than in 1988 (up 9 per cent) (see attached table).

Tourist flows

- Most countries had a good year in 1989 in terms of arrivals and nights spent in accommodation (overall increases of 4 per cent and 5 per cent respectively). However, while trends by region are satisfactory, they differ considerably depending on destination.

- France, with 43 million tourist arrivals and 385 million nights spent in accommodation in 1989, had the biggest increase in gross terms; this is largely due to the events connected with the Bicentenary of the French Revolution, but also to excellent weather conditions and a major promotion campaign. The United States also had nearly 4 million more tourist arrivals (up 12 per cent). In Ireland (nights in accommodation up by 16 per cent) the promotion efforts made for some years seem to be bearing fruit and the country is also benefiting from increased demand for "green destinations".

- Following a somewhat unexceptional year for the Scandinavian countries (except Finland) in 1988, nights spent in accommodation increased significantly (up 9 per cent in 1989) (the Italian and German markets were the most dynamic ones). The same trend was seen in the Alpine region with 7 per cent more nights spent in accommodation in Austria and Switzerland.

- On the other hand the trend in Southern Europe, a traditional growth area for some years, was depressed in 1989. There were thus fewer visitors to Spain (11 per cent less nights spent in accommodation), Italy (down 7 per cent) and Yugoslavia (down 6 per cent), perhaps explainable by more people going to France and Portugal, but also by growing awareness, particularly in Europe, of problems of environmental quality and of certain shortcomings in regard to infrastructure. Many Germans kept away from Italy and to a lesser extent Spain, which also lost numbers of British and French tourists. Turkey had more moderate growth (up 18 per cent) following some years of very rapid expansion (rates of over 35 per cent since the beginning of the 1980s).

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- In Europe as a whole the moderate growth can be explained by a pendulum effect. On the one hand there was a loss of 34 million nights spent in accommodation (Italy, Spain and Yugoslavia) due largely to the weakness of traditional French and German markets as well as the British market in the case of Spain and the American market for Yugoslavia. On the other hand there was a marked recovery in the Scandinavian countries and the British Isles which may perhaps mark the renewal of Northern Europe as a destination. The emergence of new tourist-generating countries such as Italy, Japan, and to a lesser degree Spain, was confirmed in 1989 for most destinations.

- Australia (down 8 per cent) and Canada (down 2 per cent) had falls explainable by the strength of their currencies in 1989 (decline in competitiveness) but also by a fall in numbers of visitors from the United States in the case of Canada and a return to normal conditions in Australia following the Bicentenary and International Exhibition in 1988.

Income and expenditure

- Growth of income in current dollars continued in 1989 but at a slower pace than in 1988. The United States (up 18 per cent), Germany (up 17 per cent) and France (up 16 per cent) had the biggest increases while Italy and Spain had the biggest volume losses (a fall of \$1 500 million).

- In terms of dollar expenditure, the new generating countries are confirming their economic impact on international tourism with, in order of volume growth, Japan, Italy and Spain.

- In real terms, after allowing for the effects of inflation and fluctuations in exchange rates vis-à-vis the dollar, North America grew more rapidly than the other regions (up 11 per cent), compared to Australasia-Japan (up 2 per cent) and Europe (up 4 per cent).

Conclusions

- Tourism in the OECD area should continue to grow in 1990. A favourable economic situation, development of the so-called emerging markets and the opening up of the countries of Eastern Europe should contribute to growth of the international tourist trade. However, the experience of 1989 gives reason to fear that Mediterranean destinations may again lose visitors in 1990, perhaps to the benefit of destinations in Northern Europe which are responding more closely to environmental concerns, and also to the gain of the countries of Eastern Europe which are seen as extremely interesting destinations in terms of novelty and competitiveness. North American destinations should progress, owing in particular to the vigour of Asiatic and European markets. This should also be the case of the Australasia-Japan area.

- In 1990 the distribution of tourist flows in the OECD area will perhaps be marked by a shift towards the North and the East and the emergence of new receiving countries. However, European integration is likely to continue and increased competition among destinations should lead to more innovation, diversification and quality improvement in the design of tourism products.

(Statistics on paper copy only, available in the Press Division.)