



## **Indicator Fact Sheet Signals 2001 – Chapter Tourism**

### **YIR01TO05 Tourism contribution to GDP**

#### **Key messages**

Tourism will be soon the largest service industry in the EU, generating more than 13 % of GDP (direct and indirect), 6 % of employment and 30 % of external trade.

The sector is dominated by small or medium-sized enterprises (SMEs), with more than 99 % of firms employing fewer than 250 people. Tourism directly employs 9 million people and this is expected to grow by 3 million by 2010.

Tourism demand will grow by almost 50 % by 2010 in comparison with 1996 while capital investment in the sector will double to about 13 % of national accounts (EU average).

#### **Results and assessment**

##### The relevance of the indicator for describing developments in the environment

Increasing the tourism share of GDP involves increasing investment in tourism-related infrastructure: buildings, traffic networks and access to transport services, land take and supply services at destinations. Impacts include increased energy consumption and the degradation of local natural resources such as water, soil, landscape and habitat. These pressures, which can exceed the carrying capacity of the area, are often concentrated in environmentally sensitive areas such as lakes, seashores and mountains.

##### Policy relevance and policy references

In 1996, three international organizations - the World Travel & Tourism Council, the World Tourism Organization and the Earth Council - joined together to launch an action plan: "*Agenda 21 for the Travel & Tourism Industry: Towards Environmentally Sustainable Development*", a sectoral sustainable development programme based on the results of the 1992 Earth Summit. The UN Commission for Sustainable Development, at its Seventh Session in 1999, considered tourism as an economic sector, held a multi-stakeholder dialogue on the topic and adopted an international work programme on sustainable tourism development. Implementation of the programme will be reviewed in 2002 as part of the 10-year review of progress achieved since the 1992 United Nations Conference on Environment and Development (UNCED).

The European Commission, recognizing the important role of tourism in the European economy, has been increasingly involved in tourism since the early 1980s. Article 3u in the Amsterdam Treaty included, for the first time, 'measures in the sphere of tourism' in the list of Community activities foreseen in support of the Community's overall objectives. The Treaty gives no particular guidance for a Community tourism policy and there is no specific legal basis for Community measures on tourism. In 1999, while discussing the Commission's communication "Enhancing Tourism's Potential for Employment" the Council of (Internal Market) Ministers recalled the importance of better integration of the needs of the tourism sector into other Community policies and invited the Commission and the Member States to work together on a number of priority issues including promoting environmental protection and sustainable development in tourism. EU Working groups (Member States and European Commission) are addressing these issues and should recommend a set of policies to the Council by mid-2001.

##### Assessment

Europe is, and is expected to remain, the leading destination for international travel



(YIR01TO08).

The direct GDP of the tourism sector is expected to increase to 4.3 % of EU GDP by 2010. The estimated indirect GDP of the sector in 1999 was more than double the direct GDP alone and this ratio is expected to persist. Demand by 2001 is expected to be almost 50 % higher than in 1996 while capital investment in the sector is expected to double to 13.54 % of national accounts (EU average).

There are large regional differences; tourism being the main activity in some places (70 % of GDP in Mallorca, Spain, 40 % in Malta). The total value added derived from visitors in commercial accommodation in the Alpine region is about 24 billions EUR per year. Tourism is seen as a major source of job creation now and in the future.

Tourism-related activities directly employ 9 million people or 6 % of total employment in the EU; this is expected to increase to 9 % by 2010. In terms of job creation, small and medium-sized enterprises (SMEs) play a vital role. European tourism is largely SME-dominated, with more than 99 % of firms employing fewer than 250 people.

The sector is a major consumer of energy: tourist travel by air and road accounts for half of total transport energy use. Travel to and from destinations accounts for 90 % of total tourism energy use and tourism travel by air accounts for 10 % of total consumption of liquid fuel per year. In countries with generally low household energy consumption rates, large tourist establishments represent major exceptions where energy is used in particular for air-conditioning, heating, laundry, etc. Tourist and sport infrastructures, such as ski lifts, may be a significant energy consumer on the local scale. In France for example, 670 millions trips per year on the 4 000 ski lifts consumes between 571 to 734 GWh, which represents one quarter to one third of the annual electricity output of a nuclear power plant.

Growth in the sector is resulting in increasing amounts of investment in infrastructure: buildings, traffic networks and access to transport services, land take and supply services in destinations. This has a direct impact on the environment in terms of resource use (land and water), biodiversity and waste generation. Increased demand in terms of tourism arrivals leads to an increased pressure on accommodation (YIR001TO09). The Mediterranean experiences high intensity of tourism in a narrow coastal strip. Austria and Switzerland have the densest network of tourism transport facilities in the world. The increasing popularity of golf results in significant land take: an average 18-hole golf course covers 48.2 hectares.

**Meta data**

## Technical information

## 1. Data source

GDP: World Travel and Tourism Council, TSA Research Summary and Highlights, European Union, 2000

Storylines Environmental Signals 2001.

Swiss Federal Statistical Office, Swiss Agency for the Environment, Forest and Landscape. *The Environment in Switzerland 1997*. 376 pages.

The European Commission.

<http://europa.eu.int/comm/enterprise/services/tourism/tourismeu.htm>

## 2. Description of data

From 1998, all WTTC economic research has been restructured and restated in line with the proposed international standard. This provides greater insight into the economic make-up of the "Travel & Tourism Industry" and the linkages into the broader "Travel & Tourism Economy".

Travel & Tourism Industry GDP should include the direct value added associated with Travel & Tourism consumption including consumer expenditures (durables, non-durables, and services), Travel & Tourism business sales (private sector and public sector), Travel & Tourism government expenditures (individual) and Travel & Tourism foreign trade (visitor exports).

Travel & Tourism Economy GDP should include the direct and indirect value added associated with Travel & Tourism demand including: Travel & Tourism consumption plus Travel & Tourism capital investment (private sector and public sector), Travel & Tourism government expenditures (collective) and Travel & Tourism foreign trade (non-visitor).

Travel and Tourism Demand includes: Government Expenditures (Collective) by agencies and departments associated with Travel and Tourism, but made on behalf of the community-at-large, such as tourism promotion, aviation administration, security services and sanitation services. Capital Investment by Travel and Tourism providers (the private sector) and governmental agencies (the public sector) to provide facilities, equipment and infrastructure to visitors. Exports (Non-visitors) which include consumer goods and sent abroad for ultimate sale to visitors (such as clothing, electronic or gasoline) or capital goods sent abroad for use by industry service providers (such as aircraft or cruise ships).

Travel and Tourism Consumption includes: consumer expenditure which includes the traditional personal spending by residents on services that are normally associated with Travel and Tourism (lodging, transportation, entertainments, meals, financial services, etc.); as well as goods (durable and non-durable) which are purchased by residents and used for Travel and Tourism activities. Business and Governmental Expenditures for "business travel" which mirror those of personal consumption (transportation, accommodation, meals, entertainment, etc.), but are undertaken in the course of business or governmental work. Government Expenditures (Individual) by agencies and departments such as cultural institutions (art museums) or national parks and customs and immigration on behalf of individual visitors. Visitor Exports are expenditures by international visitors on goods and services in a resident economy.

## 3. Geographical coverage

EU15

## 4. Temporal coverage

1996 – 2010E

## 5. Methodology and frequency of data collection

Data of 1999, 2000, 2001, and 2010 is estimated.



6. Methodology of data manipulation  
Satellites Account

Table1: Travel and Tourism, EU15, US\$ Bn, 1996-2010E

	1996	1997	1998	1999E	2000E	2001E	2010E
Capital Investments	177.34	178.66	187.97	198.85	225.39	253.00	443.10
Travel and Tourism Consumption	974.39	934.39	969.07	978.33	1066.2	1159.73	1843.81
Travel and Tourism Demands	1364.52	1318.12	1368.08	1389.48	1533.99	1686.35	2792.98
Travel and Tourism Industry Aggregates (Direct Impact Only):							
Travel and Tourism Industry							
Employments (000's)	6600.7	6765.3	6905	6995.1	7006.4	7005.1	7689.3
Travel and Tourism Industry GDP (Direct Impact only)	355.33	339.97	352.61	355	386.76	420.59	673.86
Travel and Tourism Economy Aggregates (Direct and Indirect Impact)							
Travel and Tourism Economy							
Employment (000's)	19239.5	19883.2	20239.3	20764.9	20887.4	20972	23589.6
Travel and Tourism Economy GDP (Direct and Indirect impact)	1055.22	1018.26	1053.73	1074.2	1176.13	1284.83	2112.18

Table 2: Travel and Tourism Accounts as % of National Accounts, EU15, 1996-2010E

	1996	1997	1998	1999E	2000E	2001E	2010E
Capital investments	10.61	11.17	10.98	11.67	11.98	12.12	13.31
Travel and Tourism Industry Aggregates (Direct Impact Only)							
Employment	4,35	4,43	4,46	4,46	4,42	4,38	4,55
Gross Domestic Product	4,10	4,16	4,18	4,21	4,16	4,11	4,32
Travel and Tourism Economy Aggregates (Direct and Indirect Impact)							
Employment	12,68	13,02	13,08	13,25	13,18	13,11	13,96
Gross Domestic Product	12,17	12,47	12,50	12,73	12,64	12,57	13,54

Table 3a: Travel and Tourism Economy Aggregates (Direct and Indirect Impact), GDP, US\$ Bn, 1996-2010E EU15 countries

	1996	1997	1998	1999E	2000E	2001E	2010E
Austria	39.54	34.82	35.06	35.87	39.44	43.20	70.21
Belgium	28.63	26.81	27.29	26.30	28.87	31.50	50.47
Denmark	20.67	19,09	19.70	20.69	22.95	25.27	42.34
Finland	15.49	15.40	16,07	16.86	18.88	20.97	36.24
France	181.25	168.29	172.82	170.71	187.95	206.31	331.32
Germany	220.49	195.82	198.12	205.71	228.55	251.52	415.89
Greece	15.92	17.13	19,05	20.80	23.28	25.90	48.06
Ireland	10,81	12,90	13.22	14.39	16.67	19,11	38.23
Italy	159.05	154.19	157.59	162.74	179.54	197.25	332.46
Luxembourg	1,33	1,42	1,40	1,44	1,59	1,75	2,78
Netherlands	44.45	42.87	44.61	46.68	51.56	56.84	93.73
Spain	108.78	103.94	110.95	110.14	121.12	133.51	220.87
Sweden	22.84	21.41	20.86	21.71	23.82	26,08	41.52
United Kingdom	169.39	188.26	199.89	202.03	211.68	223.09	346.47

Table 3b: Travel and Tourism Economy Aggregates (Direct and Indirect Impact), GDP, US\$ Bn, 1996-2010E, EFTA4 Countries

	1.443	1.599	1.804	1.947	2.177	2.432	4.005
Iceland	1.443	1.599	1.804	1.947	2.177	2.432	4.005
Liechtenstein	..	..	..	..	..	..	..
Norway	14.68	14.33	13.72	14.91	17.14	18.96	32.48
Switzerland	49.69	42.62	43.06	43.86	44.93	48.06	77.22