SOME CONSOLIDATION IN INTERNATIONAL TOURISM
IN THE OECD AREA IN 1993

After a revival in international tourism in 1992, there was some consolidation in the industry in 1993, despite difficult economic conditions, as well as declining consumer and business confidence generally.

Estimated growth in international tourism in the OECD area slowed in 1993. Nights in accommodation were up 1% (compared with +4% in 1992), arrivals at frontiers up 2% (+5% in 1992), and receipts in real terms, i.e. adjusted for inflation and dollar rate fluctuations, grew by 3% (+6% in 1992) (1).

Growth in tourism slowed down most in Europe, an OECD region where unemployment remained relatively high and the expected economic recovery was, in general, more sluggish than predicted. Wide exchange rate fluctuations in a number of countries, such as Sweden, Italy, Spain, Finland, Turkey and the United Kingdom, also affected the tourist trade. Even so, all indicators remain positive: nights (+0.4%, against 5% the previous year), arrivals at frontiers (+1%, against 6%), receipts in real terms (+4%, against 5%).

The Mediterranean countries of the OECD area, after a marked upturn in 1992 that was due in part to a return of their long-distance clientele, experienced moderate growth in 1993 (nights up 2%, against 6% the year before). Spain (nights +7%, receipts in real terms +14%) benefited from the steadiness of its main markets, with the exception of the United States (nights down 5%). France and Greece managed positive growth (nights up 2 and 1% respectively) with fewer tourists from Japan, the United States and some other tourist-supplying countries which was offset by an increase in travellers from elsewhere, mostly Europe.

On the other hand, Italy and Portugal recorded a decline for the second year running (nights down 1 and 7% respectively), mainly as a result of the difficult economic situation of their major markets. Turkey also registered a downturn (arrivals down 8%), due in large measure to the fall-off in visitors from Central and Eastern Europe (-29%).
The international tourism performance of the Scandinavian countries, Denmark excepted (nights down 10%, receipts in real terms down 13%), was excellent (nights up 8%). Greater competitiveness, owing partly to the depreciation of two of the currencies concerned and partly to growing demand for nature-oriented products in relatively unspoilt environments, accounted for this result. German and Japanese tourists were mainly responsible for the upswing. Denmark was hard hit by the loss of some of its Scandinavian, Netherlands, Italian and Japanese clientele (nights down 19%, 32%, 21% and 11% respectively).

Nights spent in Germany again decreased (-9%), reflecting the decline of all its main markets, especially Italy (-20%), Spain (-17%), the United States and Canada (-11%). The 9% downturn in nights spent in the Netherlands, and an accompanying 7% drop in receipts in real terms, mostly affected hotels and camping sites. All its major markets were down, including the United Kingdom, France, Italy, Spain, Portugal and Japan (about -20% in nights). In the United Kingdom and Ireland, arrivals were appreciably more numerous (+5%). Business and holiday tourism demand for both countries from continental Europe continued to develop strongly.

In North America, arrivals were up by a modest 2%. A few principal European markets for Canada and the United States grew considerably, but these gains were counterbalanced in Canada’s case by the moderate growth (+1%) of the American market which represents 80% of arrivals, and in the case of the United States by the dip in Japanese (-10%) and Canadian (-6%) visitors. These results could also be explained by the appreciation of the dollar against all other currencies, with the notable exception of the yen, and weak economies in major markets for the United States.

The Pacific area (Australasia-Japan) again posted the most dynamic growth (nights up 7%, arrivals up 6%) vis à vis other main OECD regions. However, this pattern was not uniform throughout the Pacific area. The development of inbound tourism was powered by the strong growth in Australia (nights up by 6%, arrivals by 16% and receipts in real terms by 10%), which benefited fully from the boom in the Asian economies. Among European tourism generators, the German (+21%) and French (+24%) markets expanded remarkably.

Strong growth was also recorded in New Zealand (nights up by 9%, arrivals by 10% and receipts in real terms by 11%). Asian markets were the main generators of this growth (arrivals up 49%), with Germany (+23%) also contributing significantly to overall growth.

The continuing appreciation of the yen had a significant impact on the competitiveness of the Japanese tourism industry and influenced the volume of exports. As a result, tourist arrivals (-8%) and receipts in real terms (-15%) declined perceptibly.

Overall OECD travel receipts and expenditure in dollar terms, $211 billion and $219 billion respectively in 1993, shrank by 2% and 3%. The figures should, however, be interpreted with caution, owing to the depreciation of most Member country currencies against the dollar. Receipts in real terms, a much more significant indicator in times of currency fluctuations, were up by 4% in Europe, by 3% in North America, and by 2% in the Pacific area.
To sum up, the volume of tourism in the OECD countries grew in 1993 at a slower rate than 1992. The benefits of the very pronounced degree of European regional integration of tourist activities were attenuated by the weakness of most European economies which slowed down the intra-regional tourist flows. Consumer choice was further influenced by currency fluctuations, which made certain destinations more competitive.

The year 1994 should see a more pronounced upturn in tourism in OECD countries. The economic recovery, already under way in 1993 in the United States and the United Kingdom, is likely to spread to most of the European countries, and should be sustained by the vigorous growth of certain non-Member countries, including those of Asia. In addition, some special events, such as the Lillehammer Winter Olympics and the Soccer World Cup, may also contribute to stimulate international tourist flows.

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(1) The following 1993 data are Secretariat estimates:

**Arrivals at frontiers:** Australia, Greece, Japan, Spain, United Kingdom and United States;

**Nights in accommodation:** Australia, Belgium, Canada, Greece, Spain and Switzerland;

**Receipts and expenditure:** Australia, Belgium-Luxembourg, Germany, Greece, Japan, Netherlands, New Zealand, Norway, Spain and Switzerland. Please note that data for Ireland are not available.