Tourism Powerhouse, India 2019

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Today's Menu

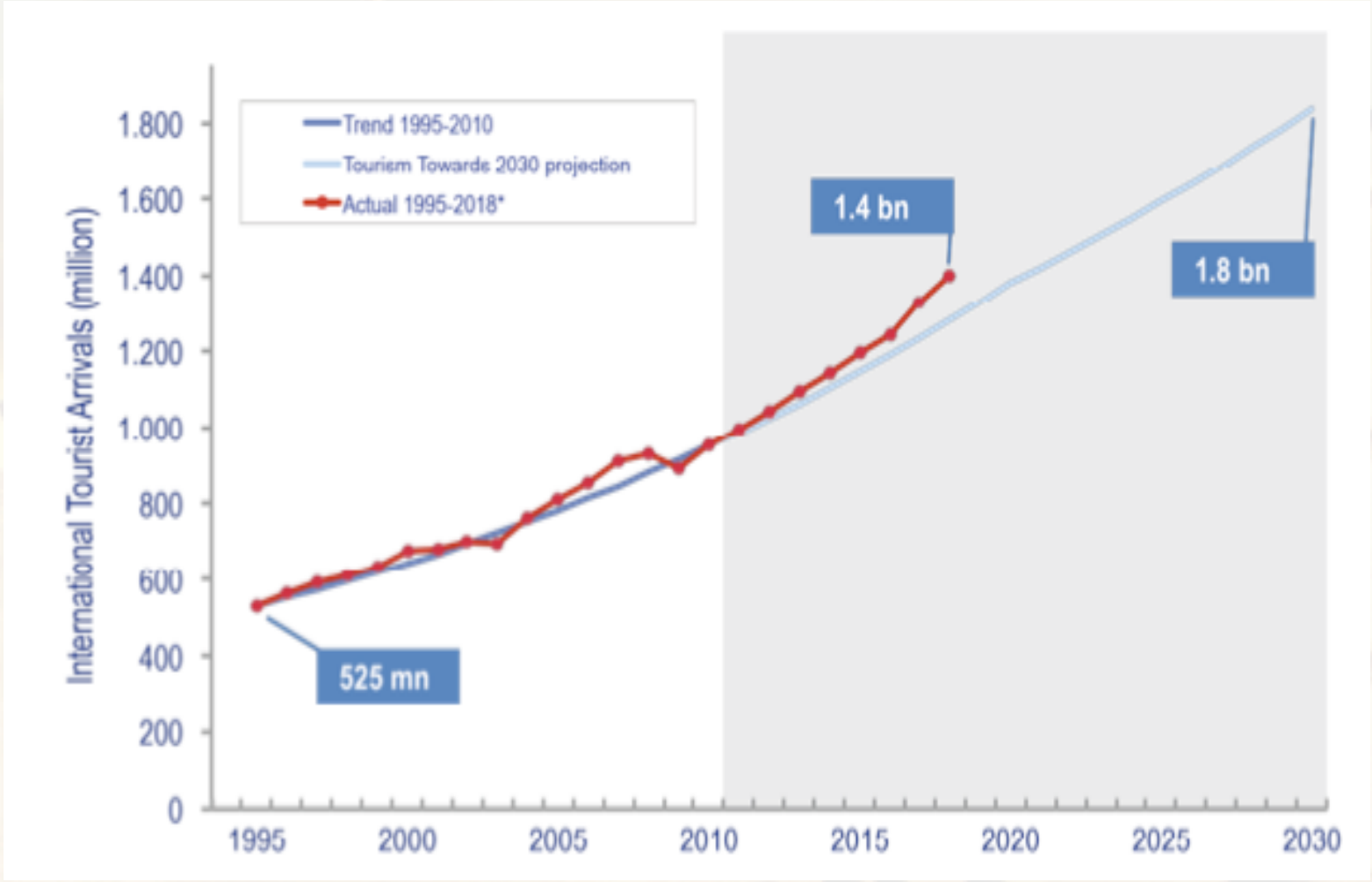
- International inbound tourism
  - *Global: the current ITA picture*
  - *Asia: current & predictions to 2024*
  - *South Asia: current & predictions to 2024*
- India as the powerhouse of South Asia Tourism
  - *Performance year-to-date 2019*
  - *Predictions to 2024*
- Influencing factors
- Summary

Global International Tourism

(ITAs: International Tourist Arrivals)

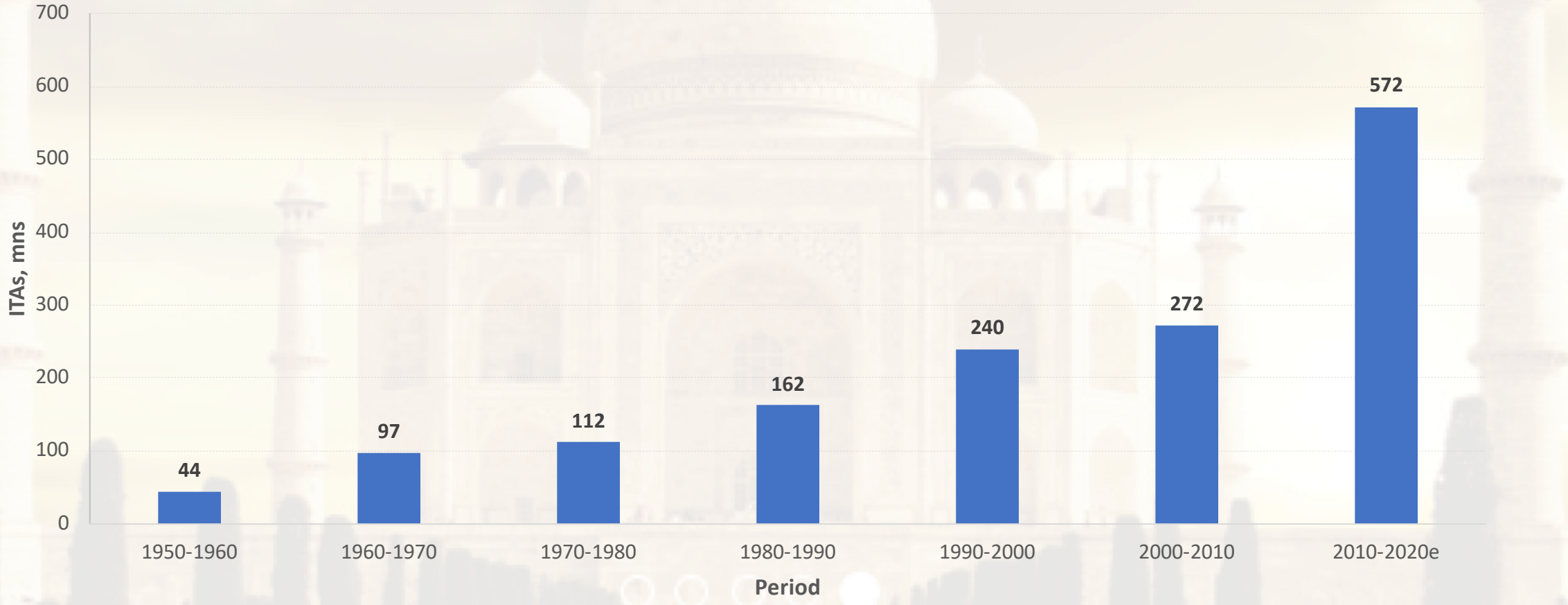
Actual ITAs vs Forecast 2030 – World

UNWTO Presentation: International Tourism Results 2018 & Outlook 2019; January 2019



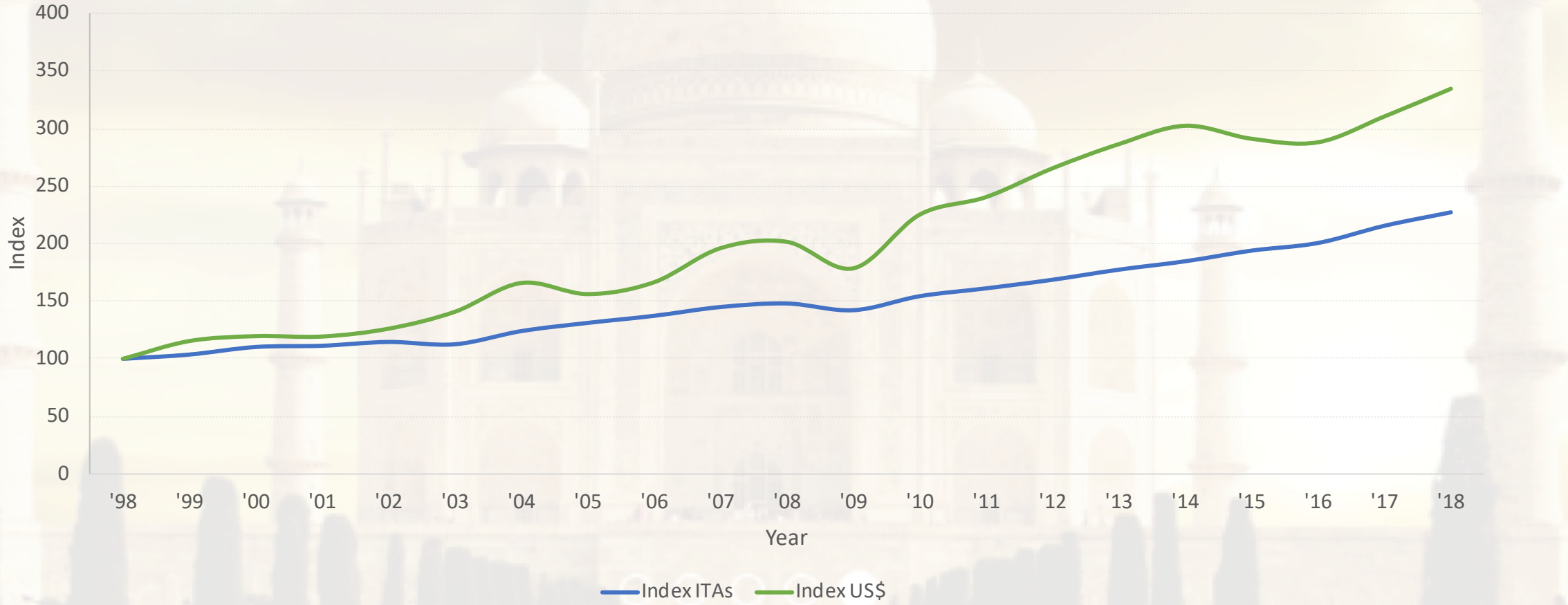
ITAs added by decade, mns

Source: UNWTO; projections for 2019 & 2020 by Author

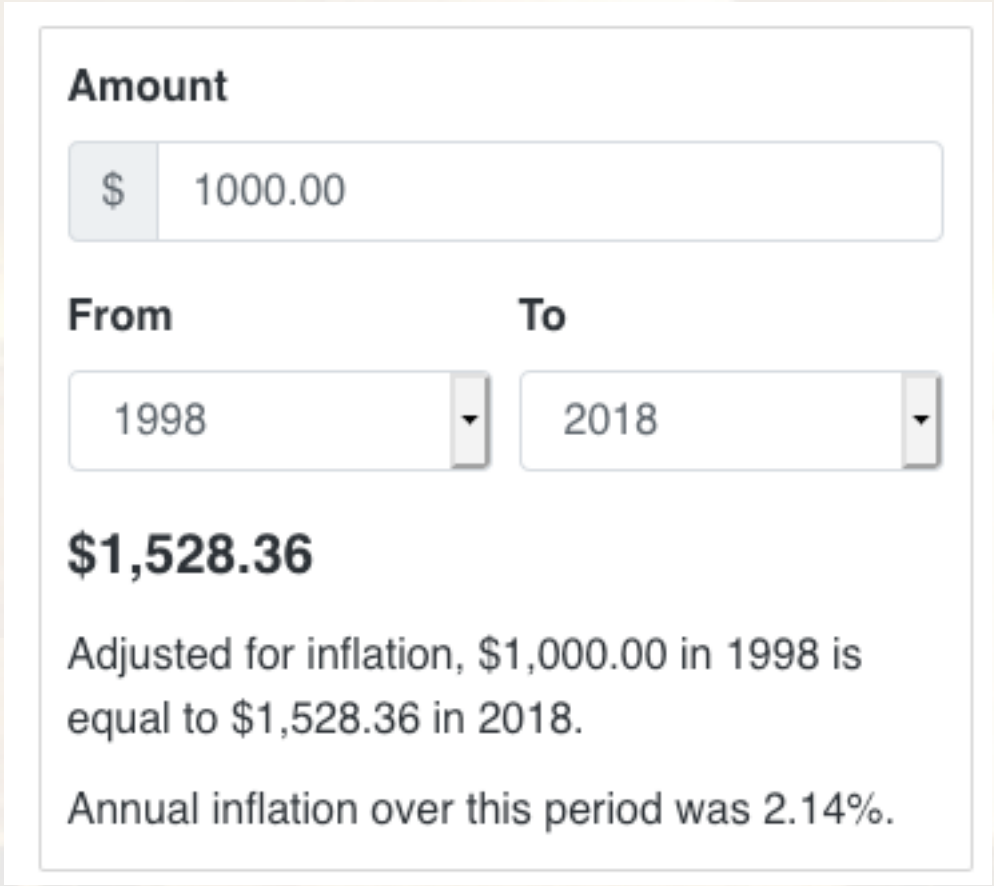


Index of ITAs & Receipts 1998 to 2018

Receipts in US$, year 1998 = 100.0. Source: UNWTO



Source: https://www.dollartimes.com/inflation/



Receipts/ITA inflated to 2018

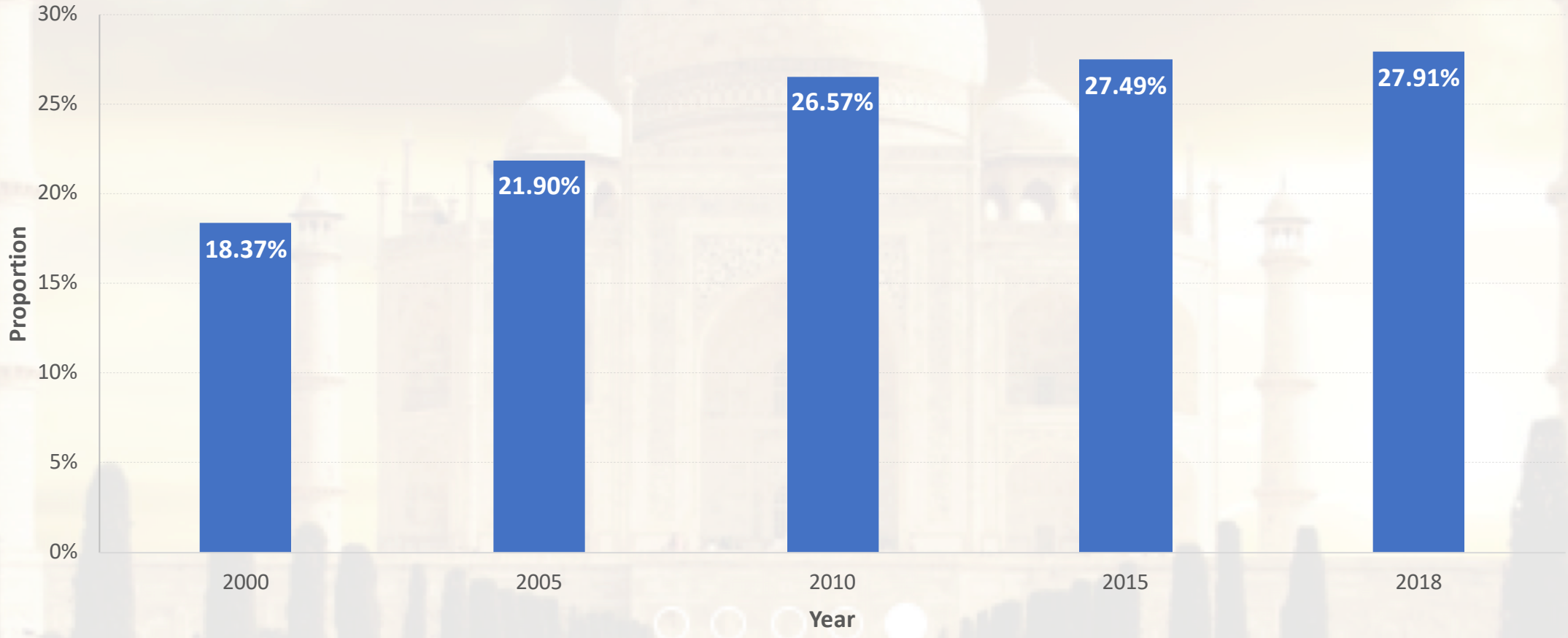
US inflation history

The Performance of Asia

(ITAs: International Tourist Arrivals)

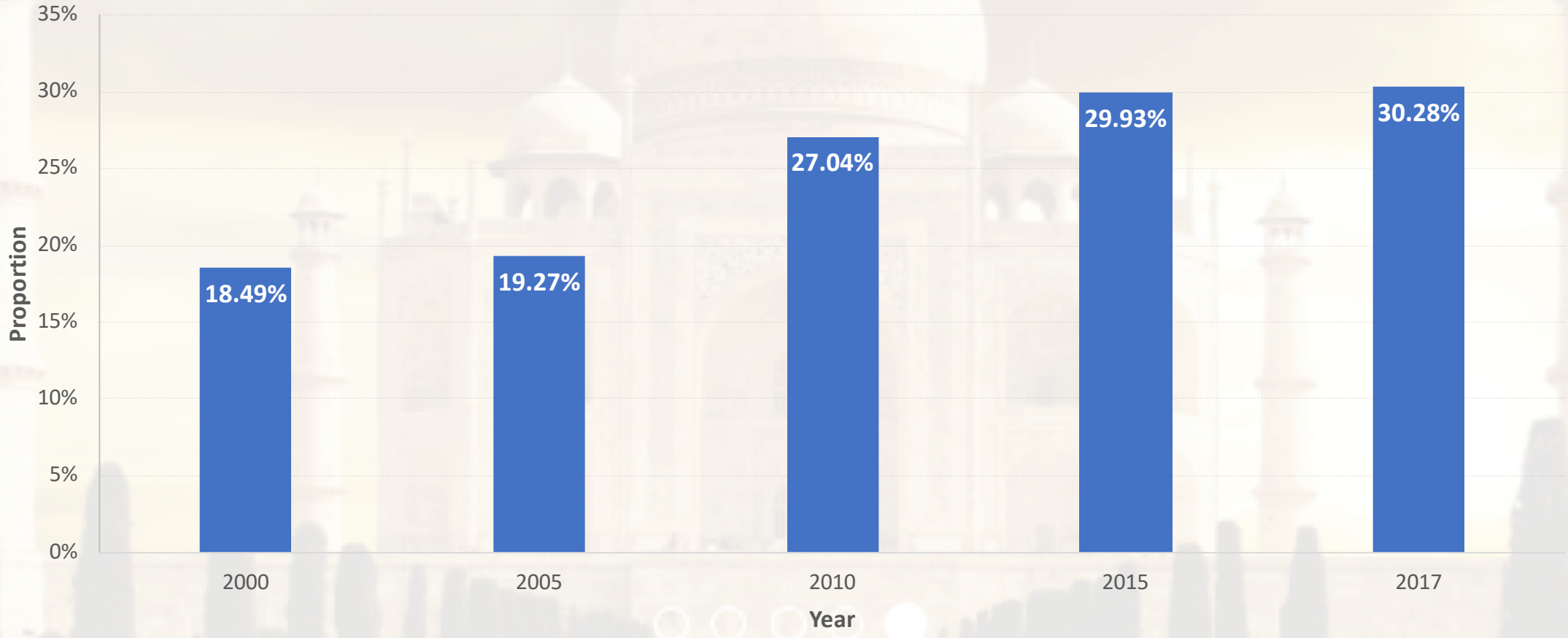
Proportion of Global ITAs into Asia, %

Source: UNWTO



Proportion of Global Receipts (from ITAs) into Asia, %

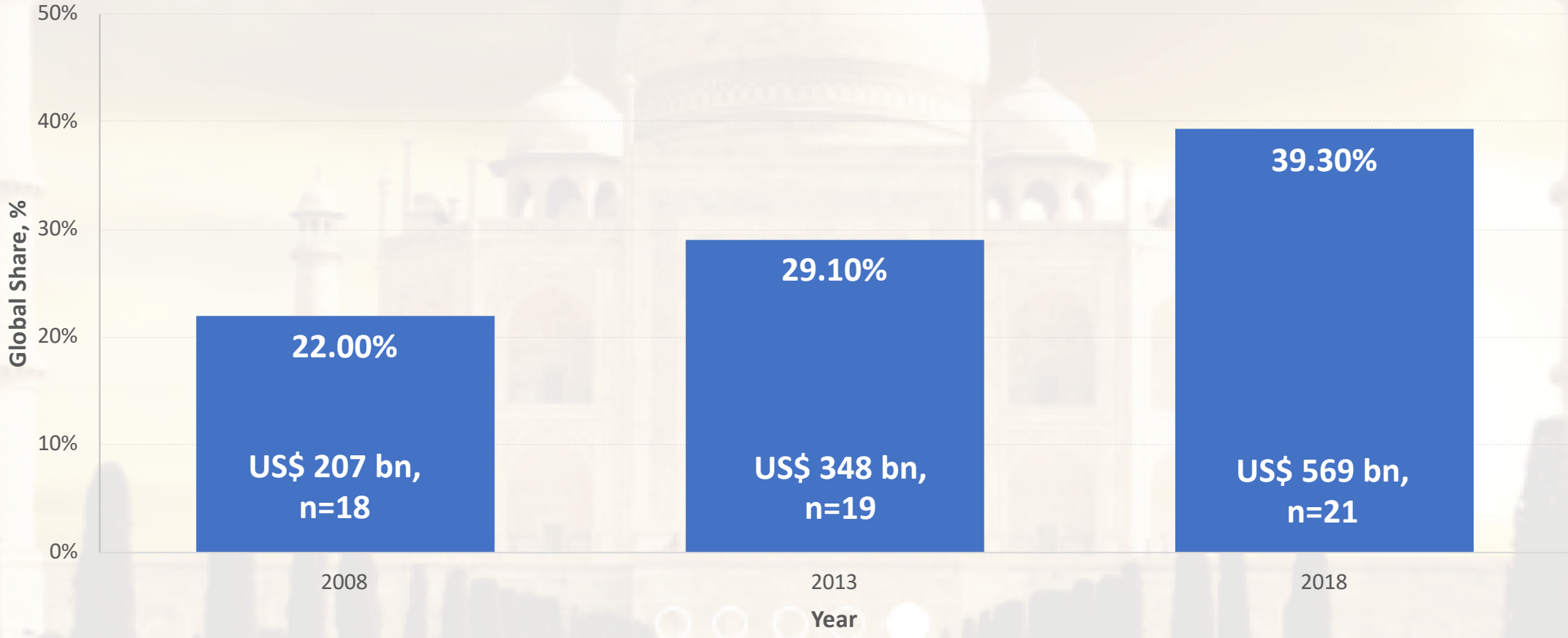
Source: UNWTO



Outbound from Asia is Rising Rapidly

Share of Global Outbound Spend, %

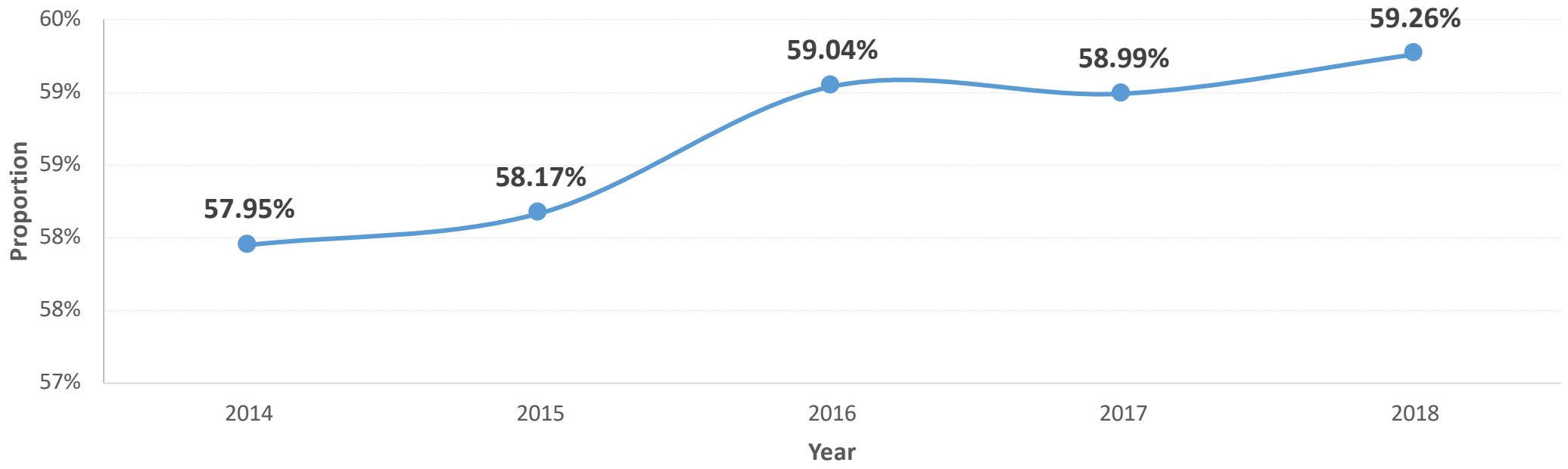
Asia in top 50 by Global Spend, %



Intra-Regional Travel is Strong but Varied (IVAs)

PATA
Pacific Asia Travel Association
ANNUAL
TOURISM
MONITOR 2019
FINAL EDITION

Asia-to-Asia Travel as Proportion of Total IVAs
Source: Relevant NTOs/NSAs, PATA

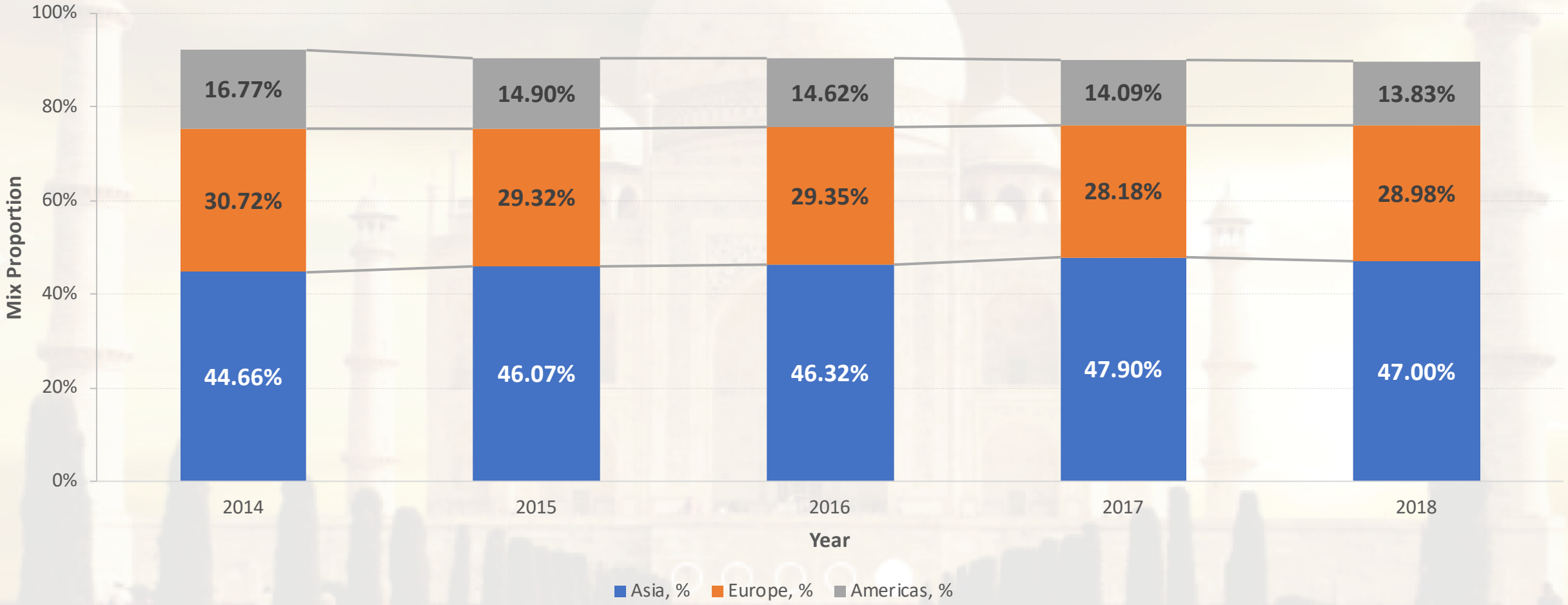


Asia to Asia by Origin/Destination Sub-regions
Source: Relevant NTOs/NSAs, compiled by PATA.

O-Sub-region	D-Sub-region	2014	2015	2016	2017	2018
Northeast Asia	Northeast Asia	83.72	82.07	80.86	79.03	79.23
South Asia	**South Asia**	**19.73**	**20.68**	**22.45**	**24.33**	**25.51**
Southeast Asia	Southeast Asia	73.47	73.23	71.40	70.16	68.10
West Asia	West Asia	72.31	68.48	66.42	72.41	73.82

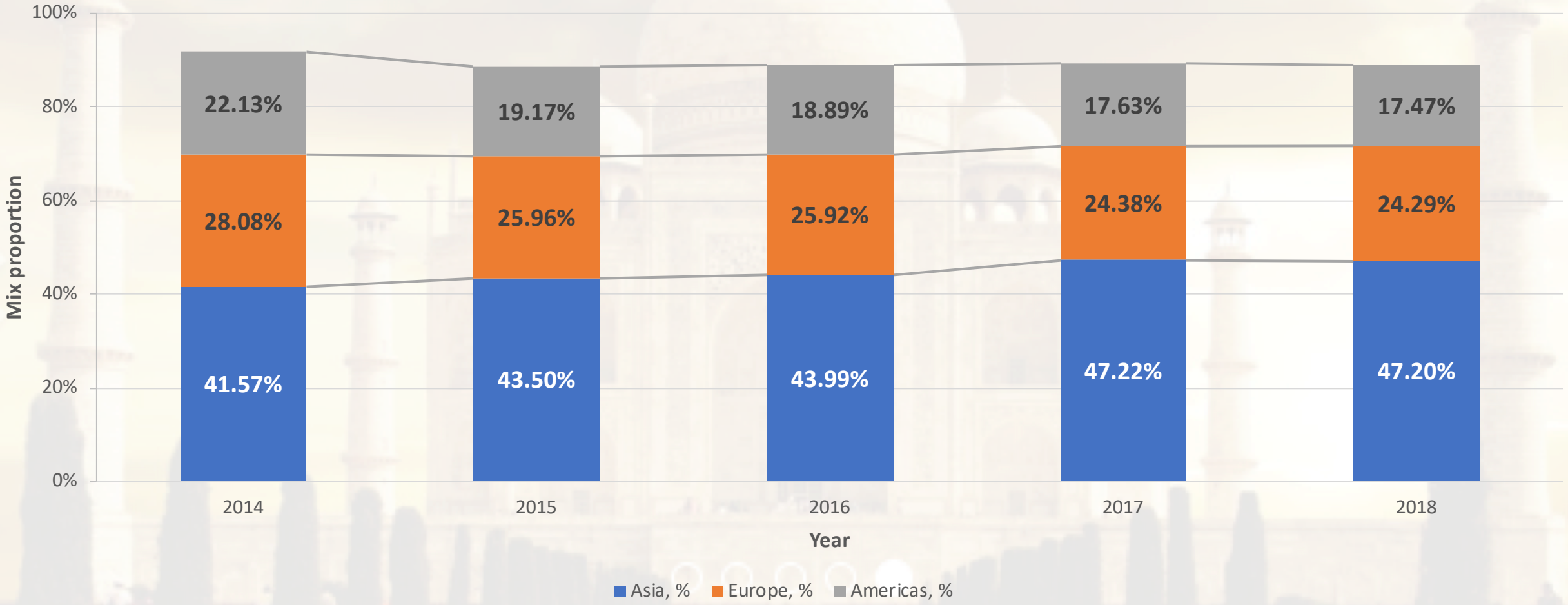
Mix of Origin Regions into South Asia

Source: Relevant NTOs/NSAs, compiled by PATA

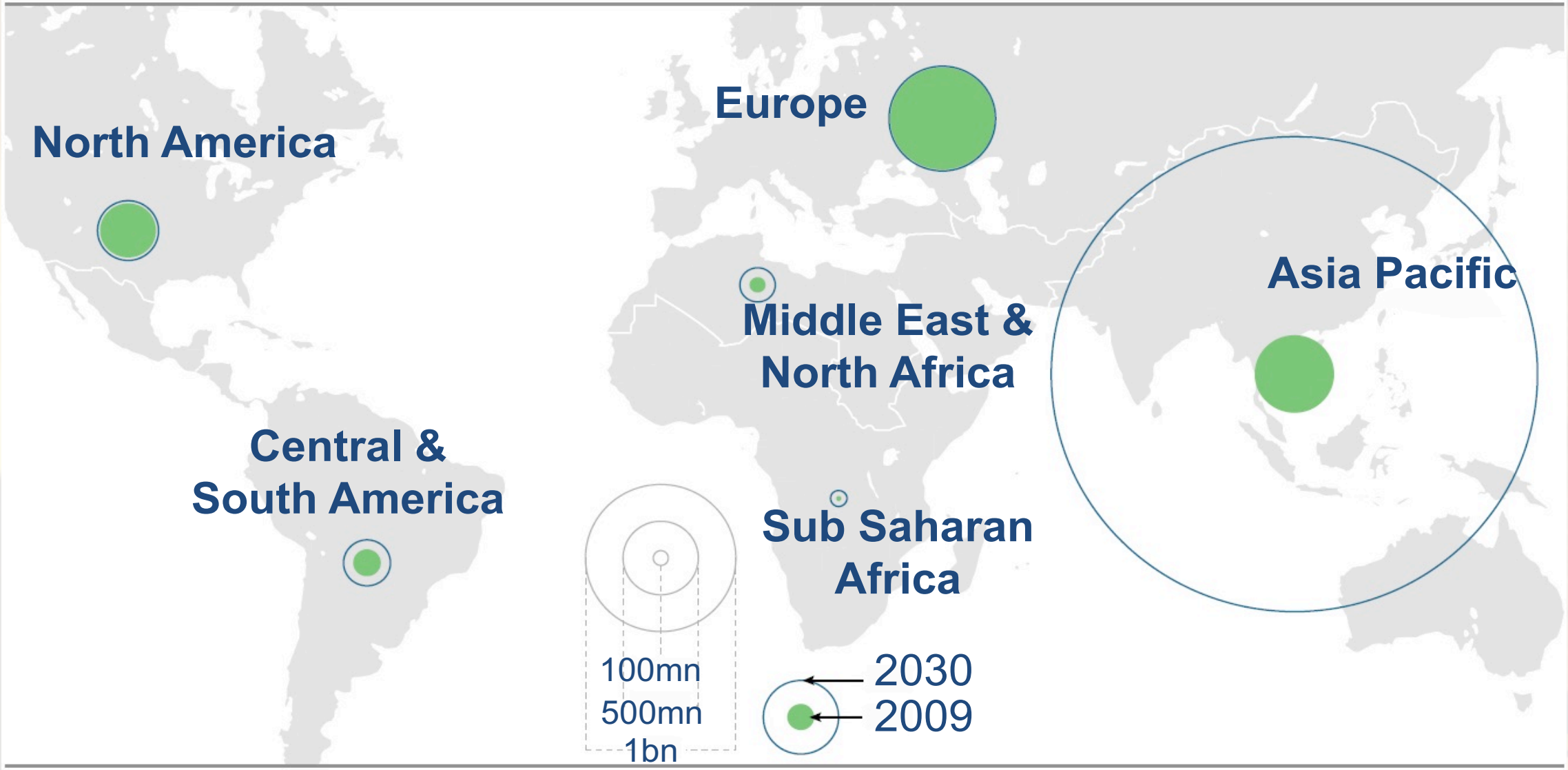


Mix of Origin Regions into India

Source: Relevant NTOs/NSAs, compiled by PATA



Size of the Global Middle Income Class in 2009 And a Prediction for 2030



Middle-Class Projections

Source: WEF, 2013

- Middle Class Population

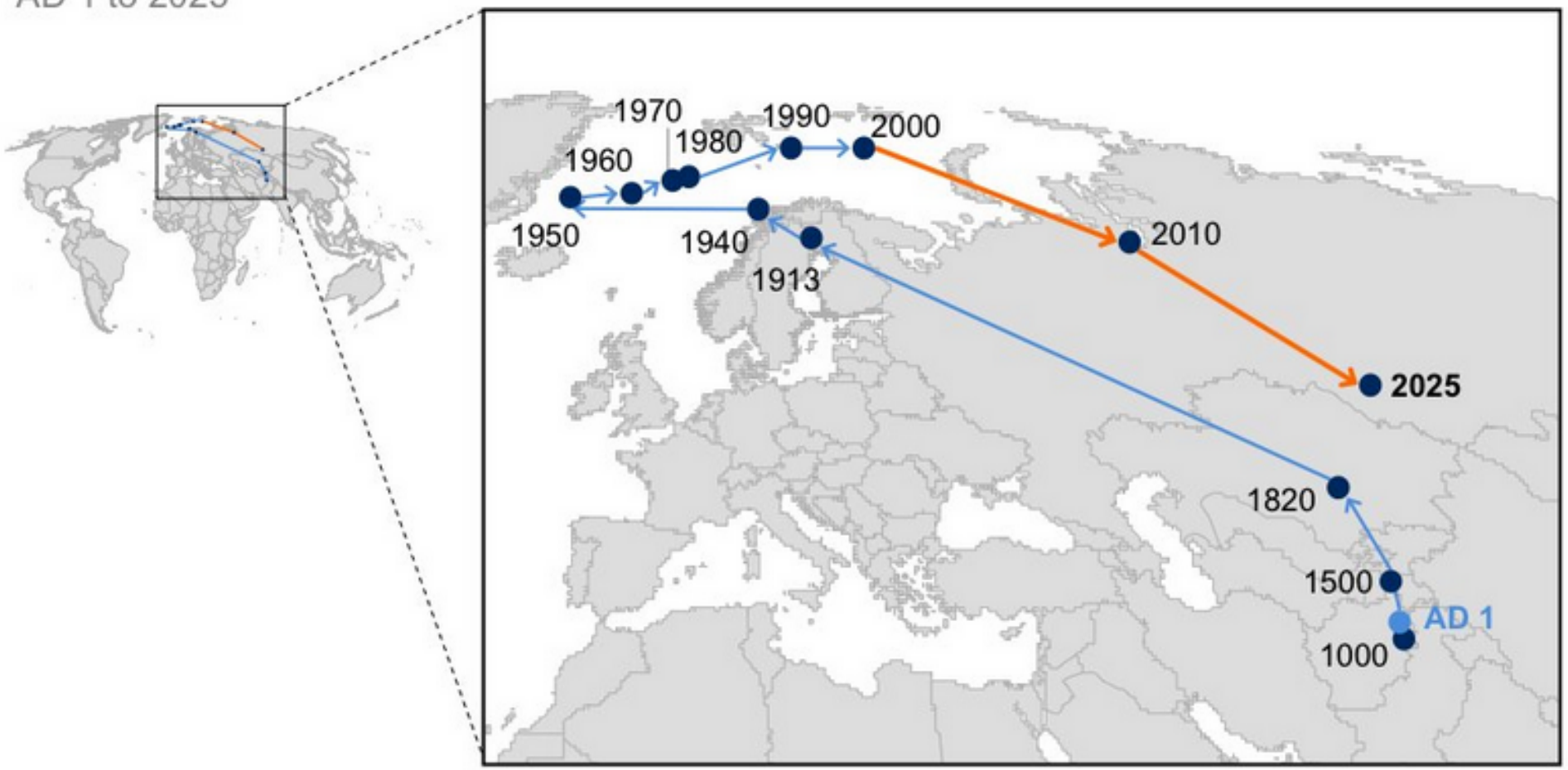
2019	2030	
516 million	3,220 million	*(66% of global middle-class population)*

- Middle Class Spending Power

2019	2030	
US$4.9 trillion	US$32.9 trillion	*(59% of global middle-class spend)*

By far the most rapid shift in the world's economic center of gravity happened in 2000–10, reversing previous decades of development

Evolution of the earth's economic center of gravity
AD 1 to 2025



Source: McKinsey Global Institute & University of Groningen

Outlook for IVAs into Asia Pacific to 2024

Coverage

Americas:	*4 destinations*
Asia:	*22 destinations*
Pacific:	*13 destinations*

PATA
Pacific Asia Travel Association

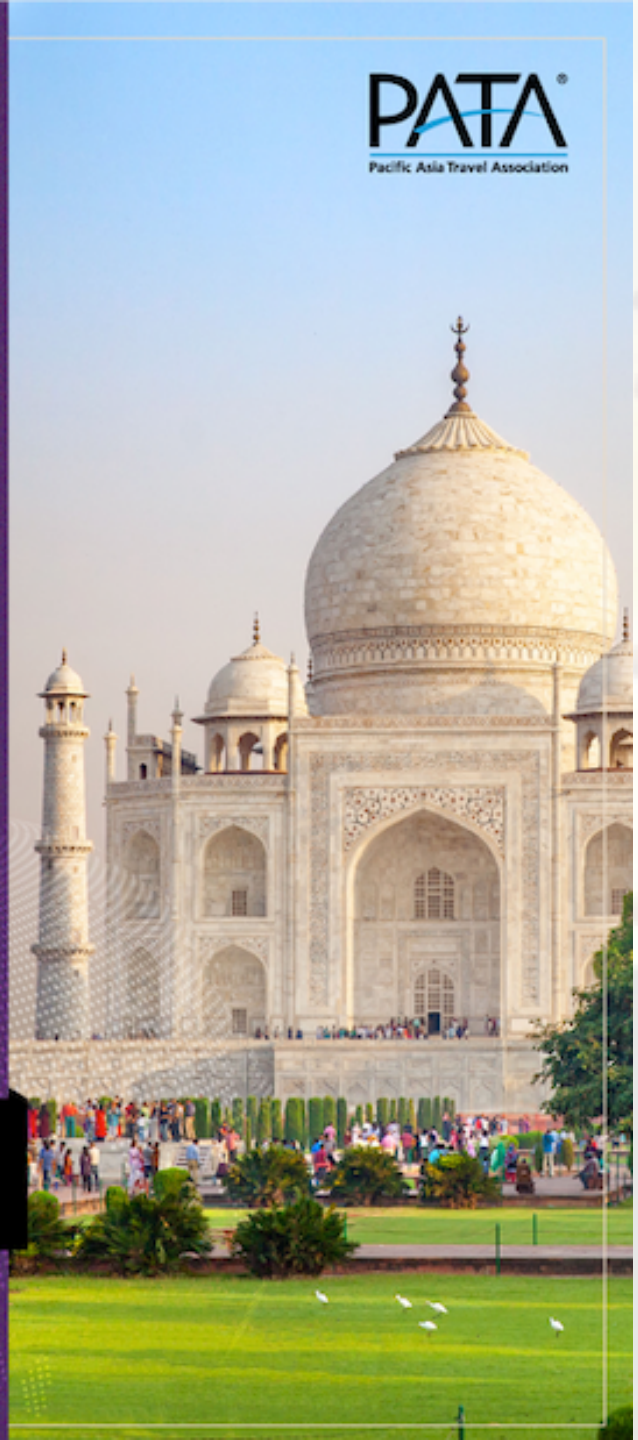
ASIA PACIFIC VISITOR FORECASTS

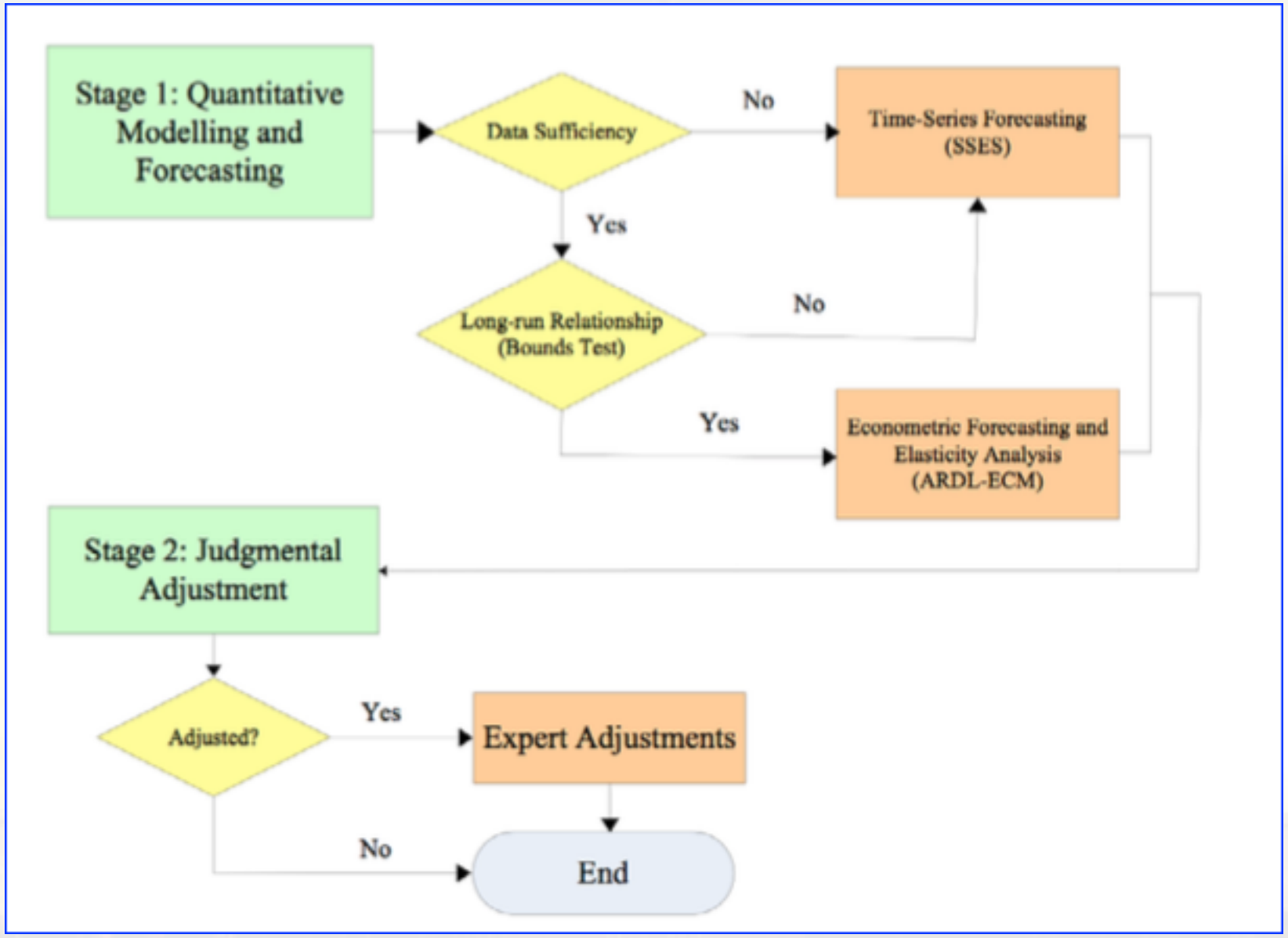
2020-2024

VISA

ASIA PACIFIC DESTINATION FORECASTS 2020-2024

INDIA



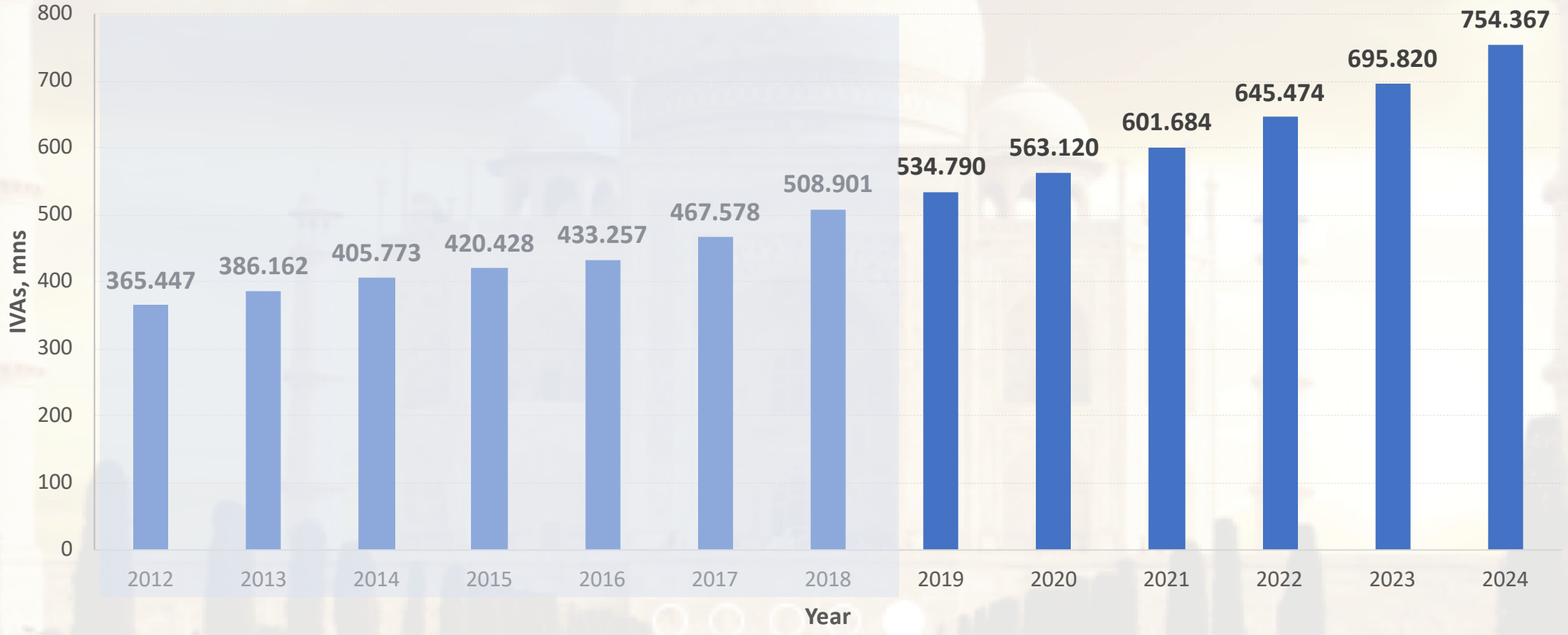

Stage 1: Quantitative Modelling and Forecasting
Data Sufficiency
No
Time-Series Forecasting (SSES)
Yes
Long-run Relationship (Bounds Test)
No
Yes
Econometric Forecasting and Elasticity Analysis (ARDL-ECM)
Stage 2: Judgmental Adjustment
Adjusted?
Yes
Expert Adjustments
No
End

Robust & Reliable. In 2018. . .

Measure	Destinations	Forecast, mns	Actual, mns	Deviation
Asia Pacific	39	671.945	683.422	-1.68%
Asia	22	494.825	508.901	-2.77%
South Asia	7	15.703	15.200	+3.31%

IVAs into Asia, mns

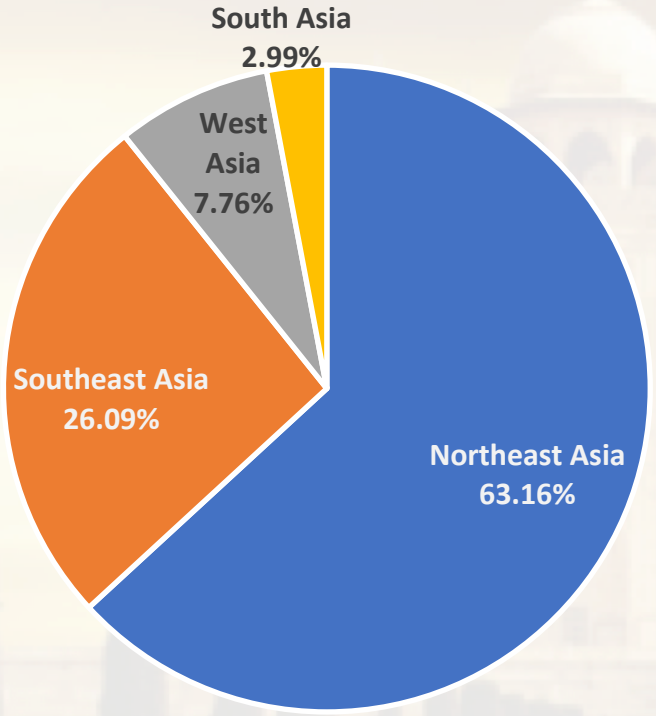
Source: Relevant NTOs/NSAs & PATA



IVAs into Asia by Destination Sub-region

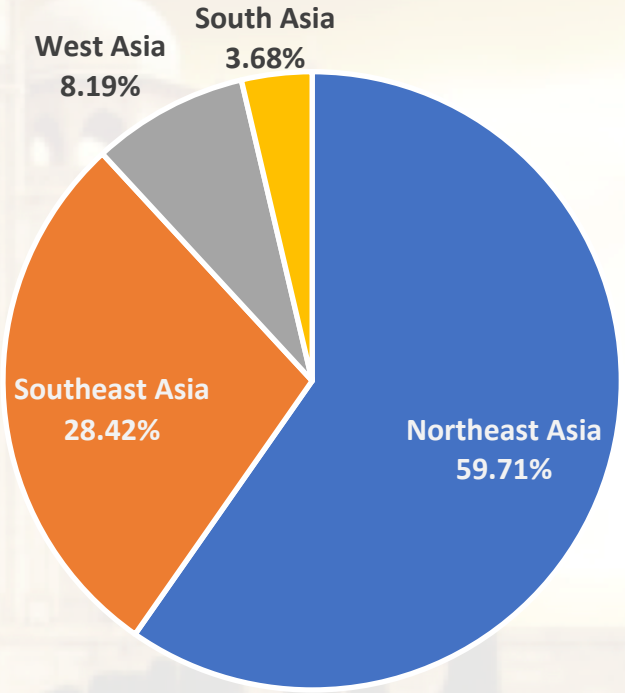
Distribution, 2018

(IVAs = 508.901 mn)



Distribution, 2024

(IVAs = 754.367 mn)

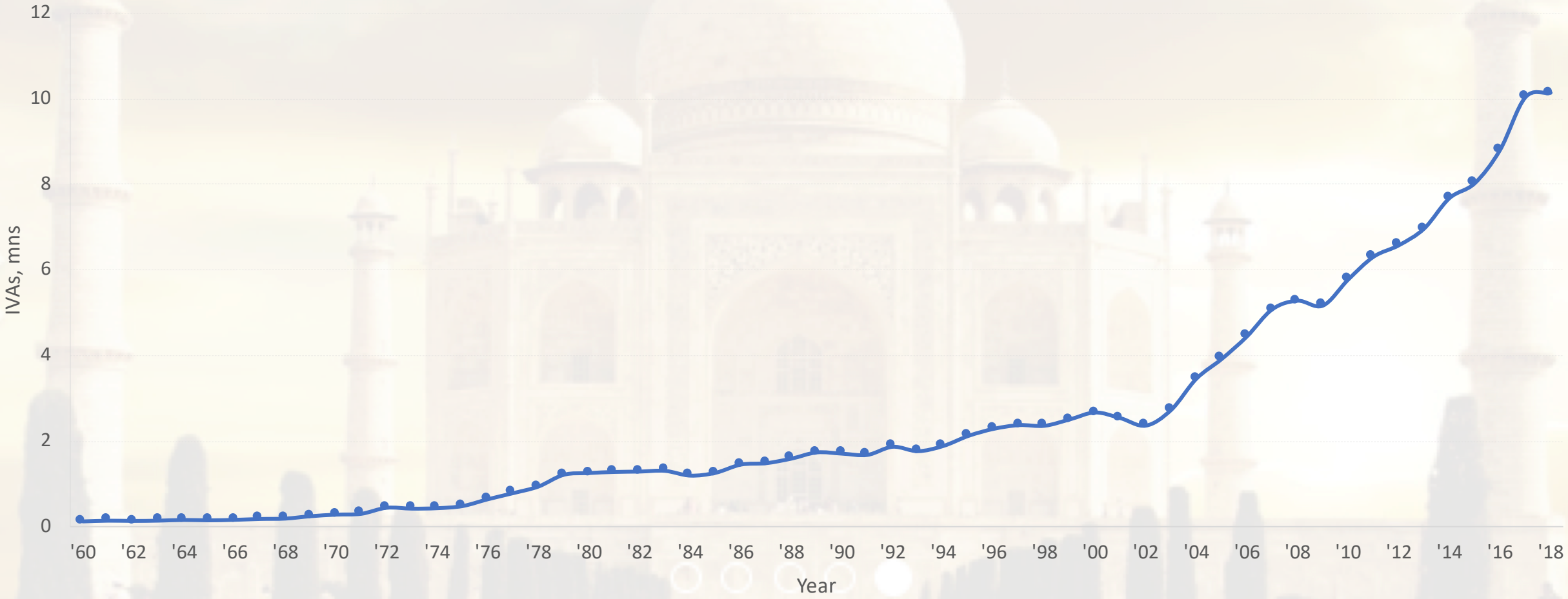


FTAs Into India

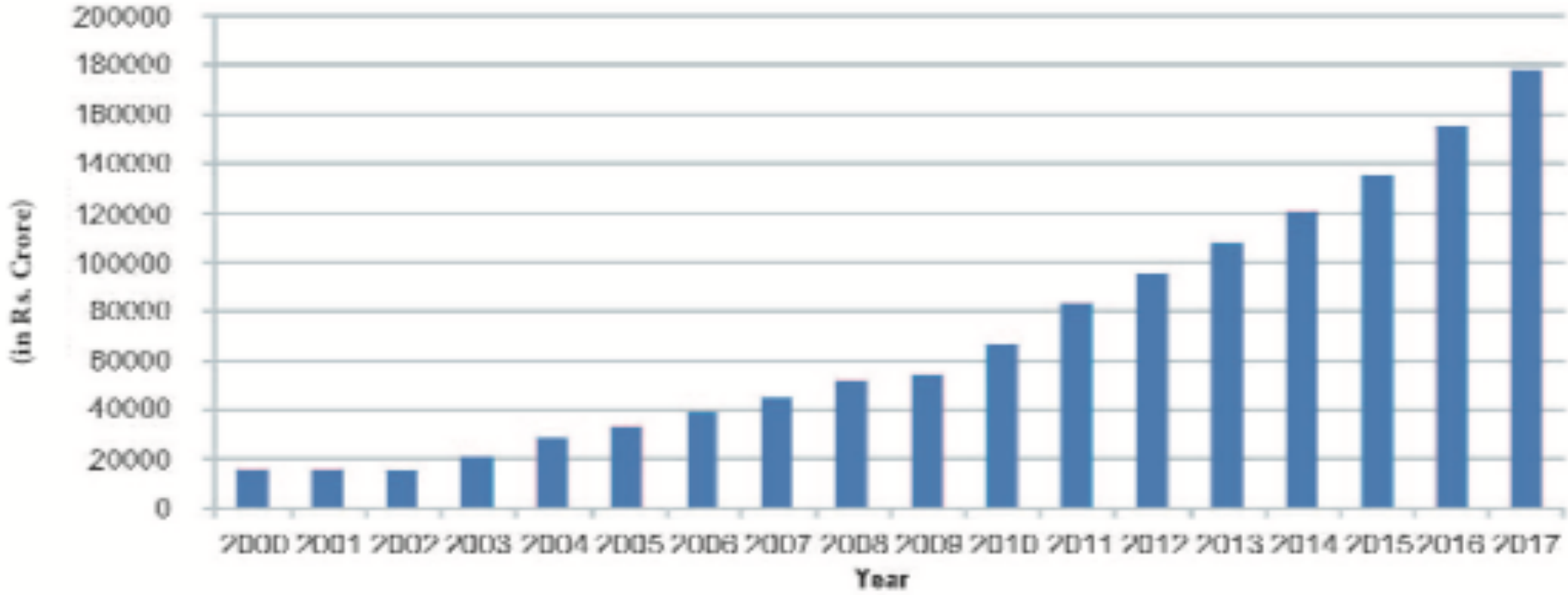
Data Sources: Ministry of Tourism, Government of India; PATA

IVAs into India 1960 to 2018, mns

Note: 100,000 first exceeded in 1959

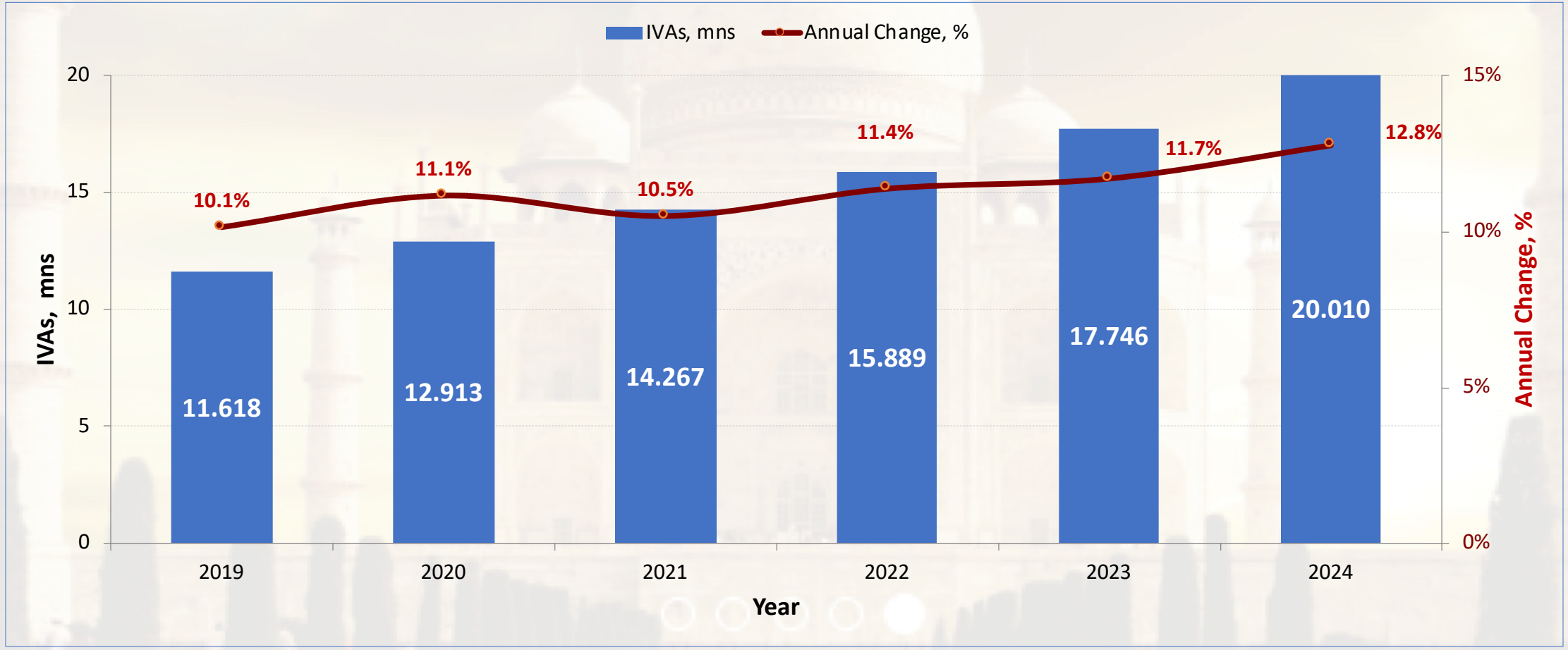


Foreign Exchange Earnings from Tourism in India,2000-2017



Forecast of IVAs into India, 2019 to 2024

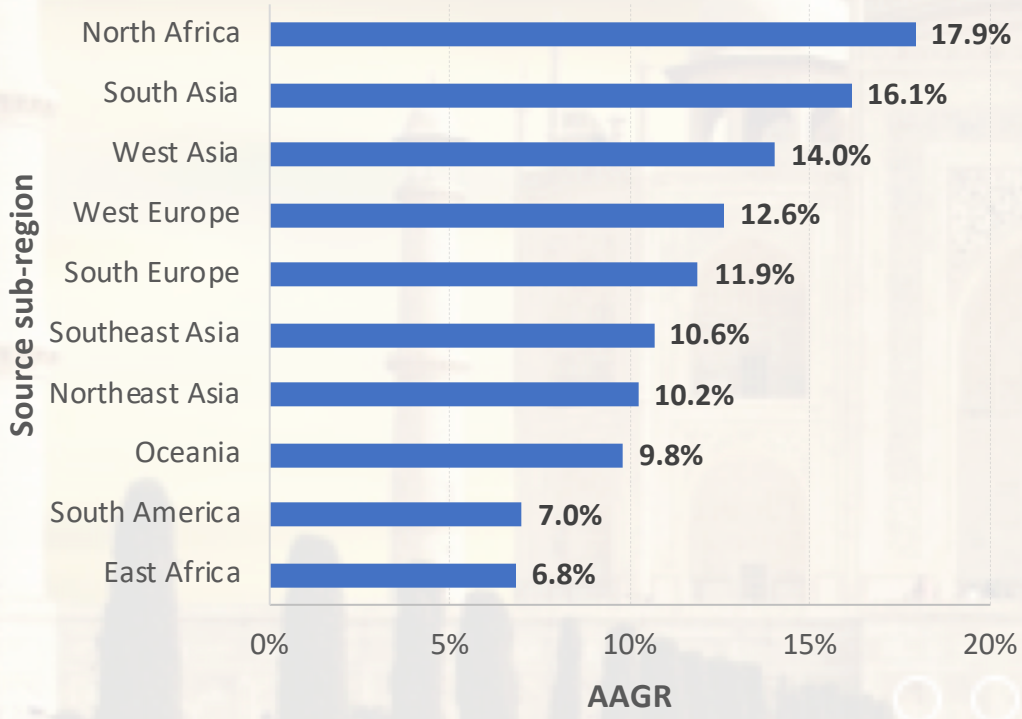
Source: PATA "Asia Pacific Visitor Forecasts 2019 to 2024", (2020)
In millions and annual change, %



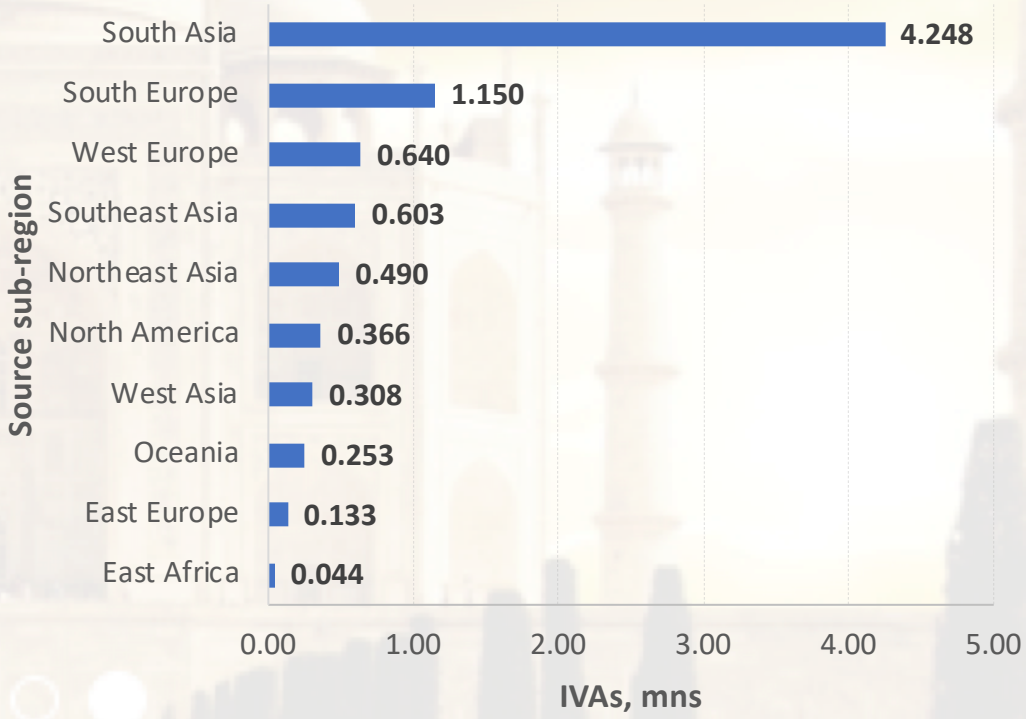
Growth in IVAs into India, 2019 to 2024

By source sub-region; AAGR and IVA growth

AAGR 2019 to 2024, %



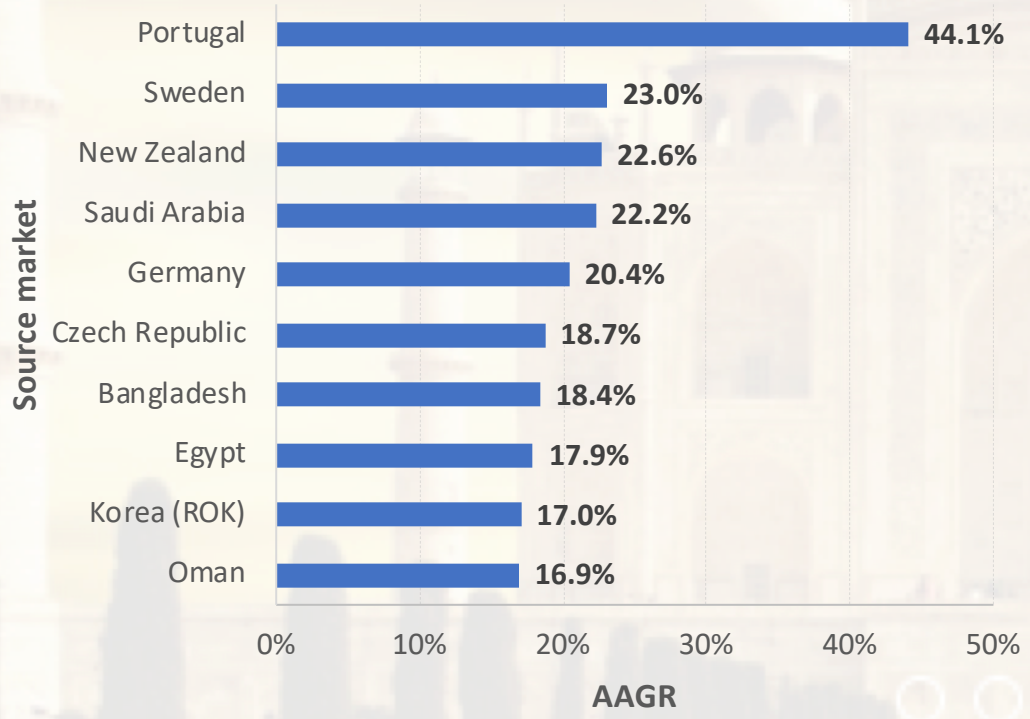
IVA growth 2019 to 2024, mns



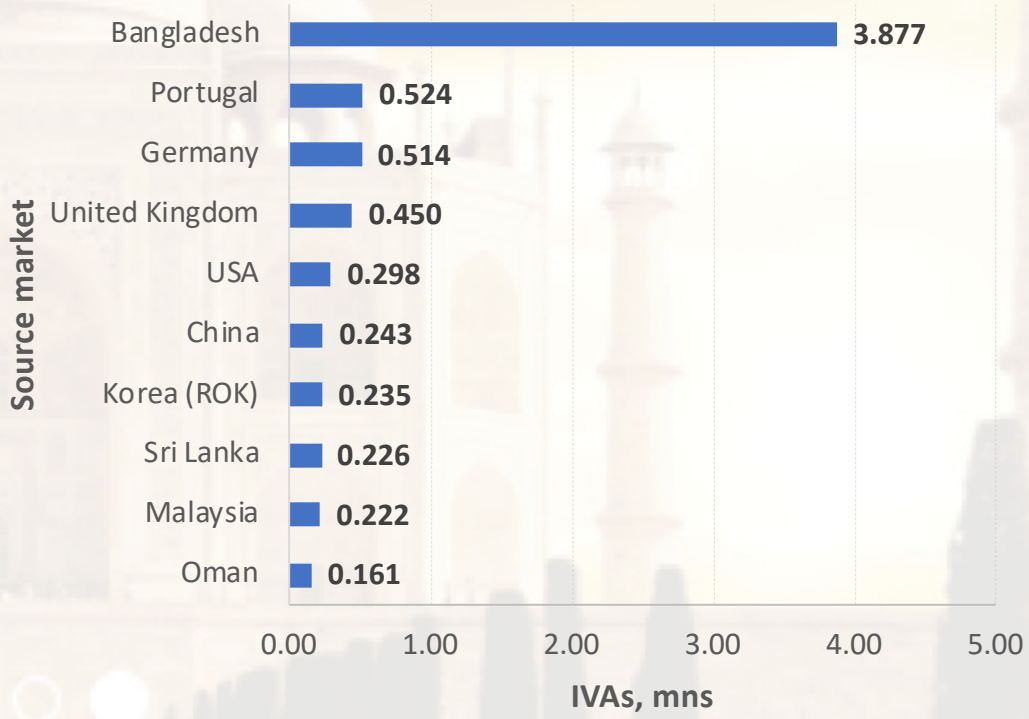
Growth in IVAs into India 2019 to 2024

By source market; AAGR and IVA growth

AAGR 2019 to 2024, %

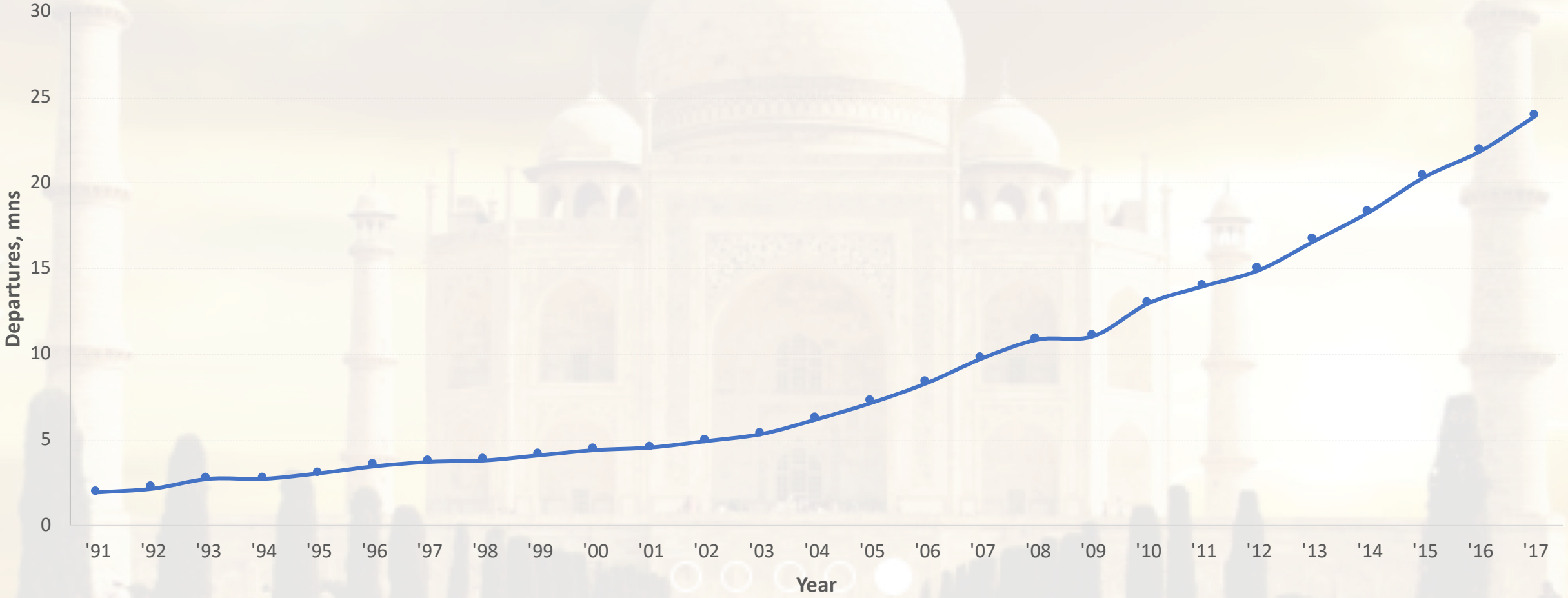


IVA growth 2019 to 2024, mns



India Outbound

India Outbound, mns
1991 to 2017



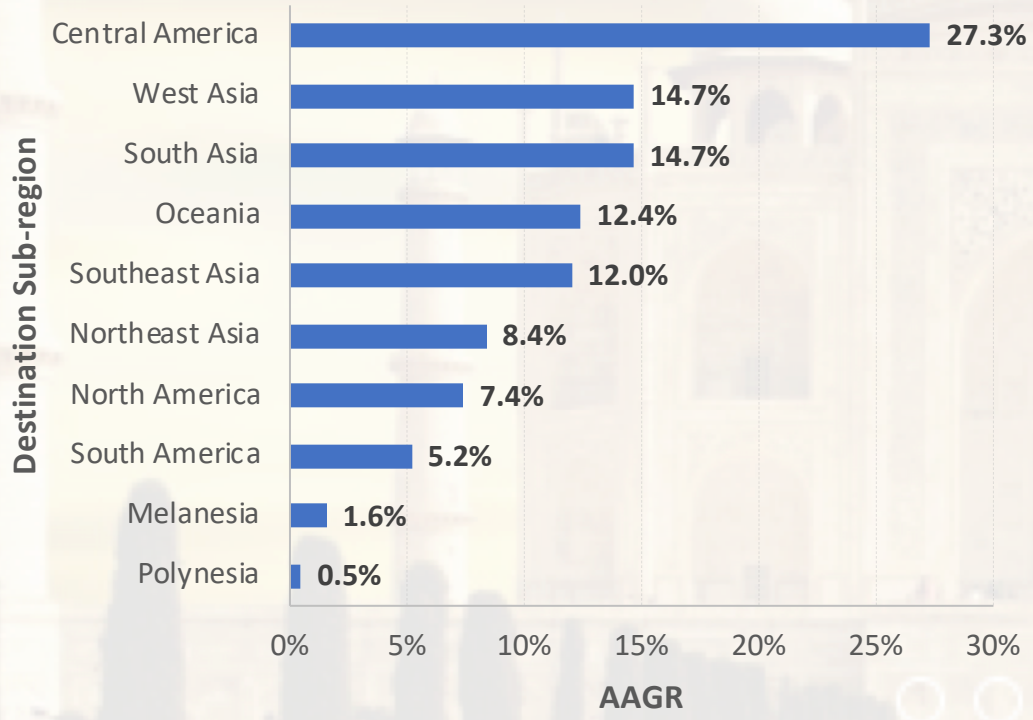
Year-to-date IVAs from India into the top ten Asia Pacific destinations by volume increase between 2018 and 2019, IVAs

Destination	IVAs YTD 2019	Period Change, 2019/2018 YTD Percent, %	Volume, IVAs
Thailand	745,201	16.8	107,166
Malaysia	295,609	15.5	39,707
Maldives	66,265	96.4	32,531
Turkey	86,533	57.6	31,632
Indonesia	269,107	10.1	24,650
USA	406,272	5.3	20,545
China	422,916	2.7	11,139
Canada	70,284	17.6	10,529
Australia	162,600	6.1	9,300
Korea (ROK)	54,417	17.9	8,274
Total Top Ten	**2,579,204**	**12.9**	**295,473**
Total All Destinations	**3,908,455**	**7.5**	**273,664**
Top Ten Share, %	**65.99**		**107.97**

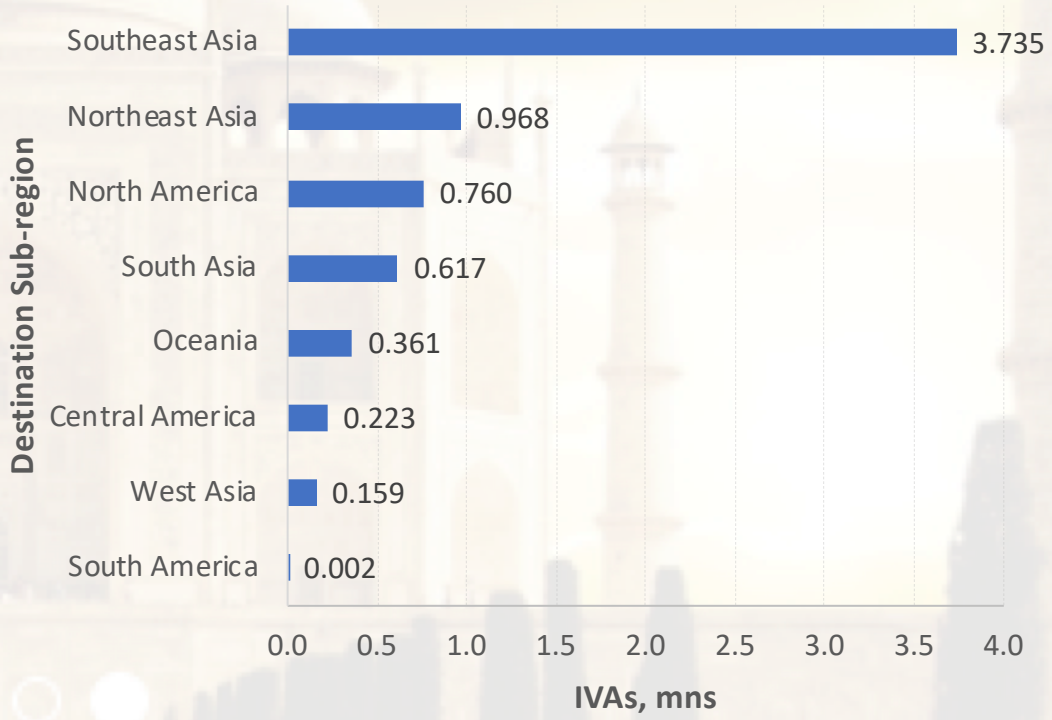
Growth in Arrivals from India into APac-39, 2019 to 2024

By Destination Sub-region; AAGR & IVA growth

AAGR 2019 to 2024, %



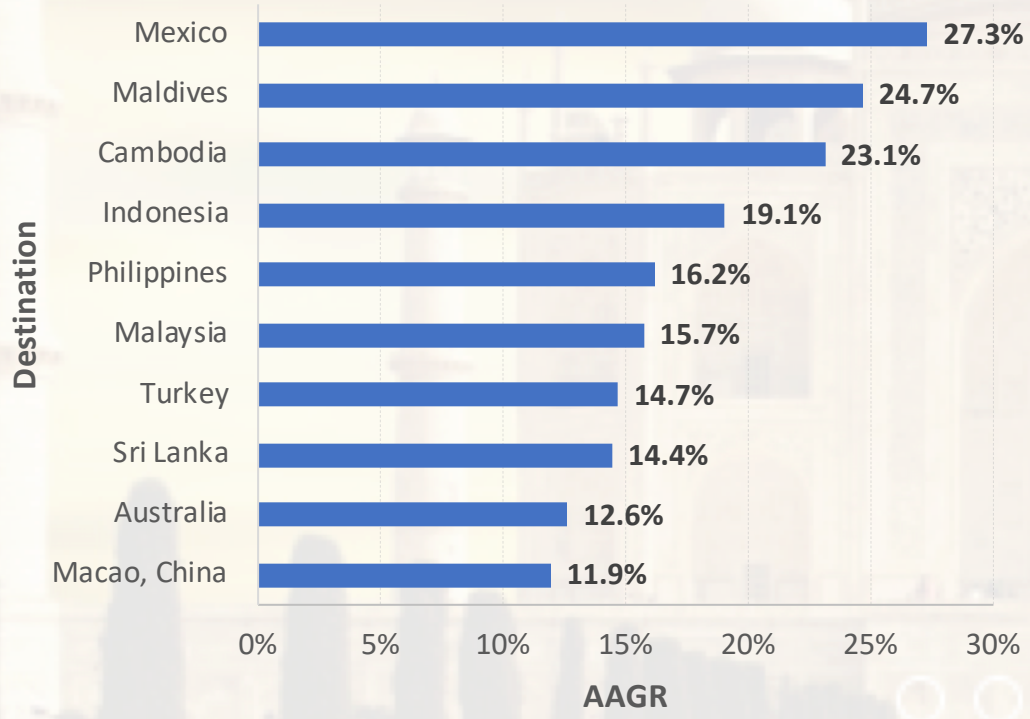
IVA growth 2019 to 2024, mns



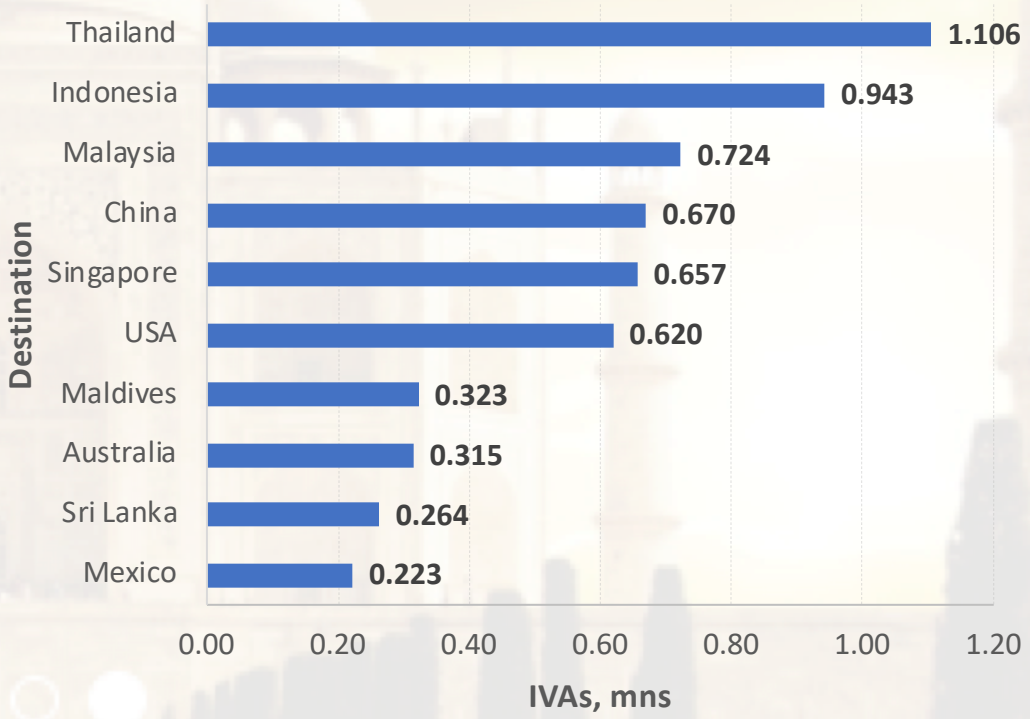
Growth in Arrivals from India into APac-39, 2019 to 2024

By destination; AAGR % IVA growth

AAGR 2019 to 2024, %



IVA growth 2019 to 2024, mns

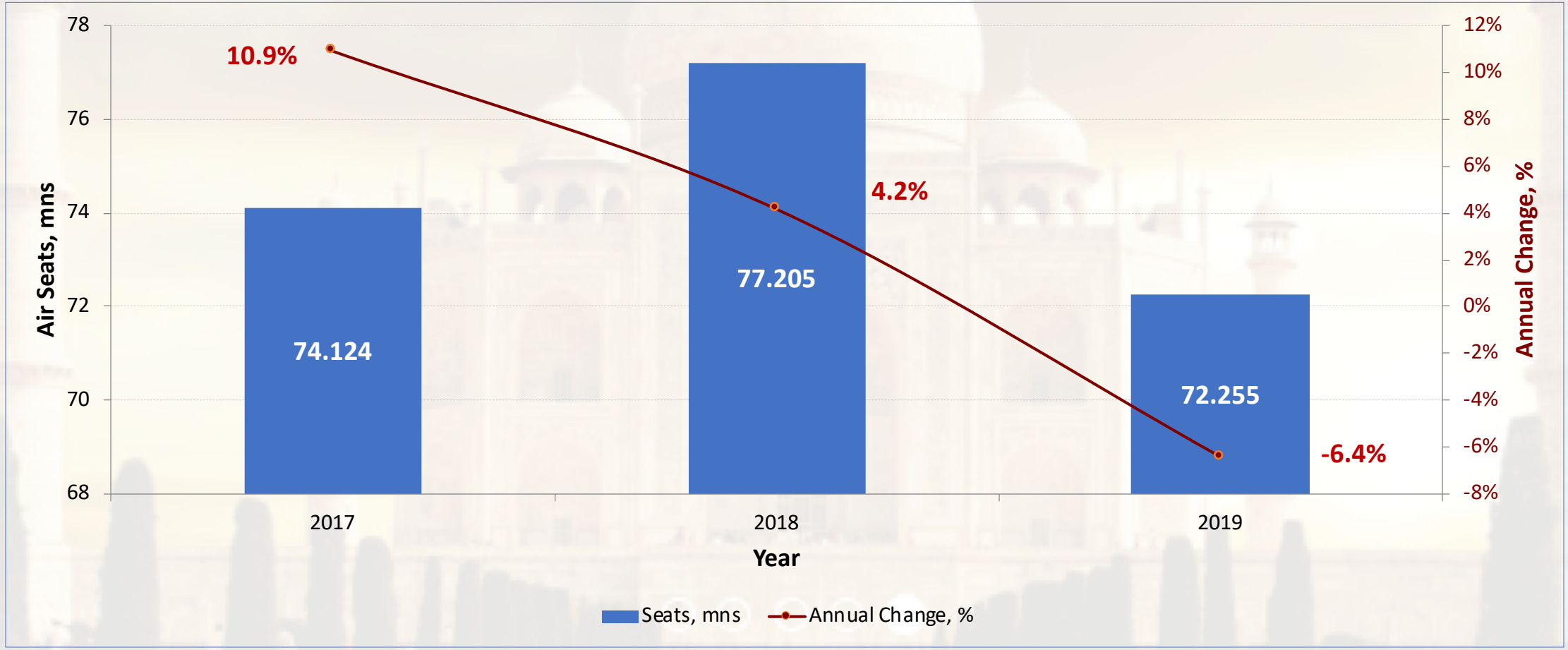


Scheduled International Inbound Air Seat Capacity (SIAS)

Data source: FlightGlobal via PATAmPower

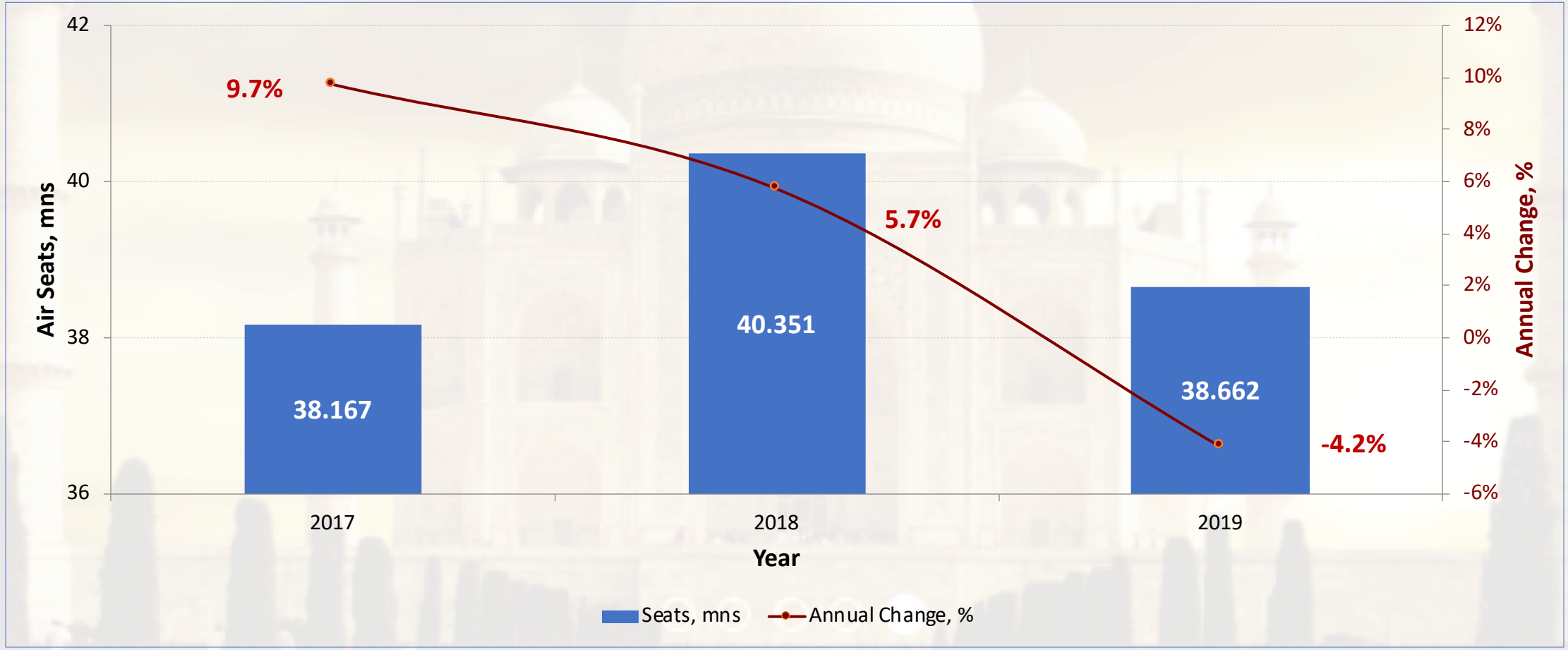
SIAS Total Inbound into South Asia, 2017 to 2019

In millions and Annual Change, %



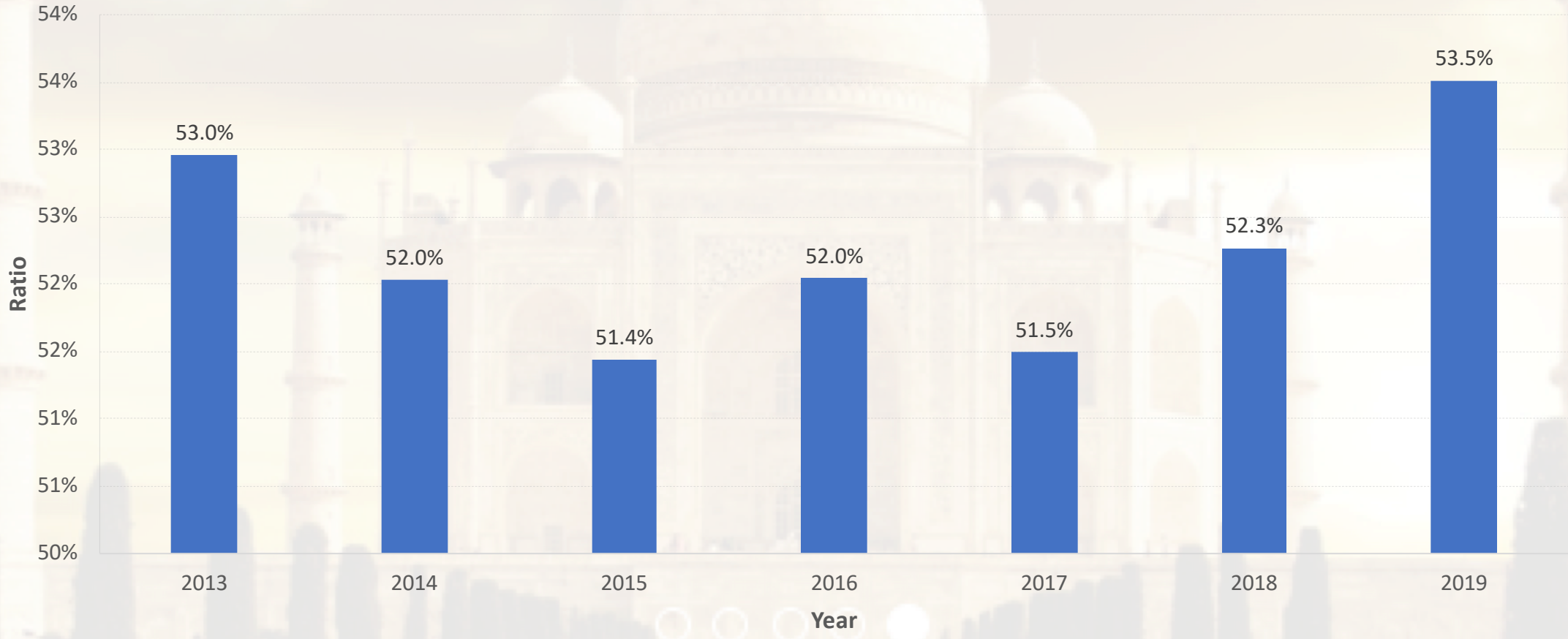
SIAS Total Inbound into India, 2017 to 2019

In millions and Annual Change, %



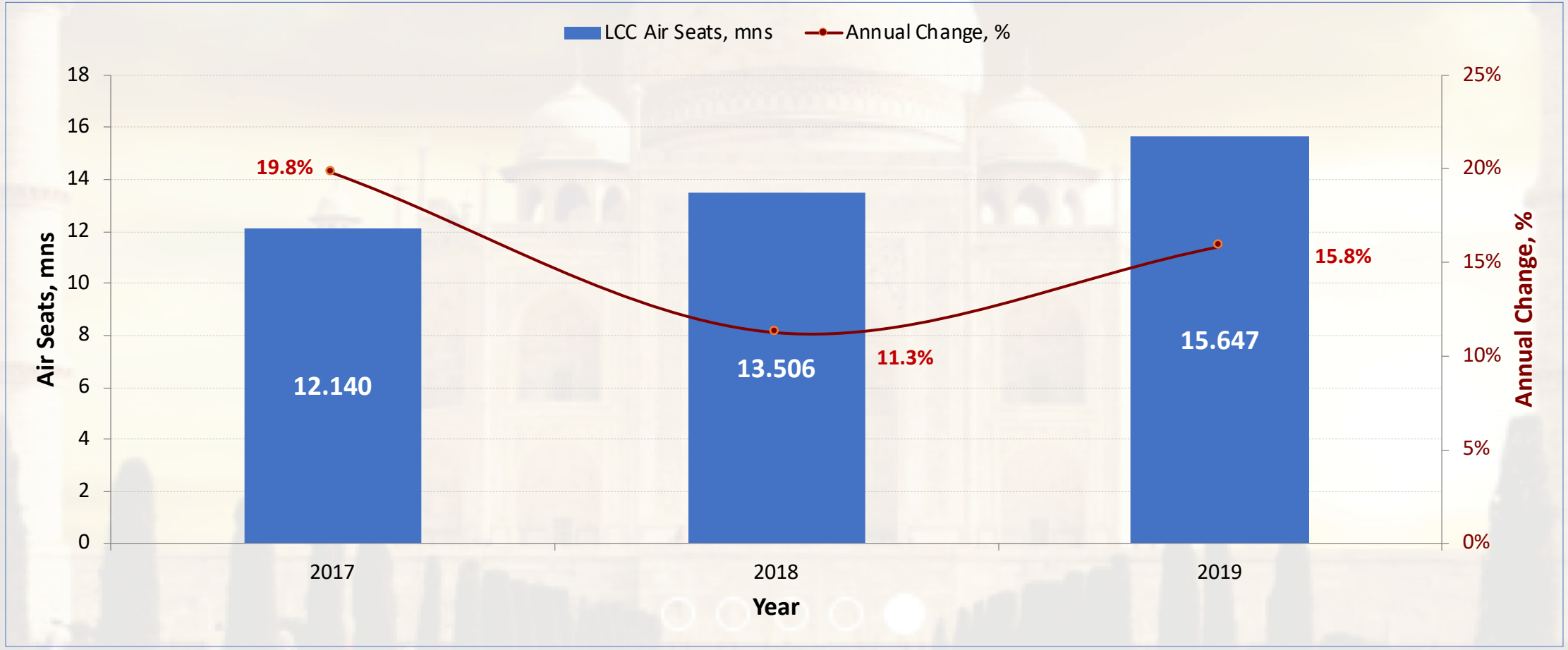
India Inbound SIAS Ratio to South Asia Total Air Seats, %

2013 to 2019



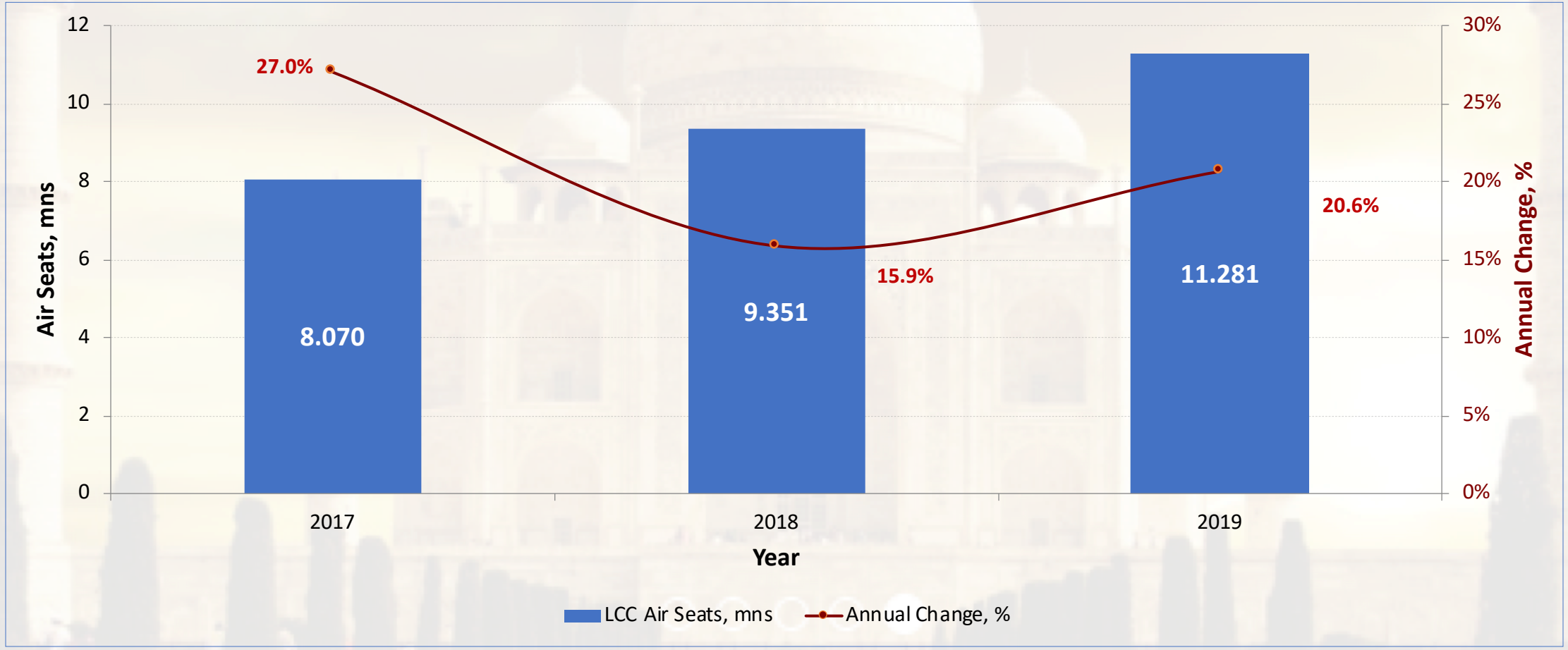
SIAS LCC Inbound into South Asia, 2017 to 2019

In millions and Annual Change, %



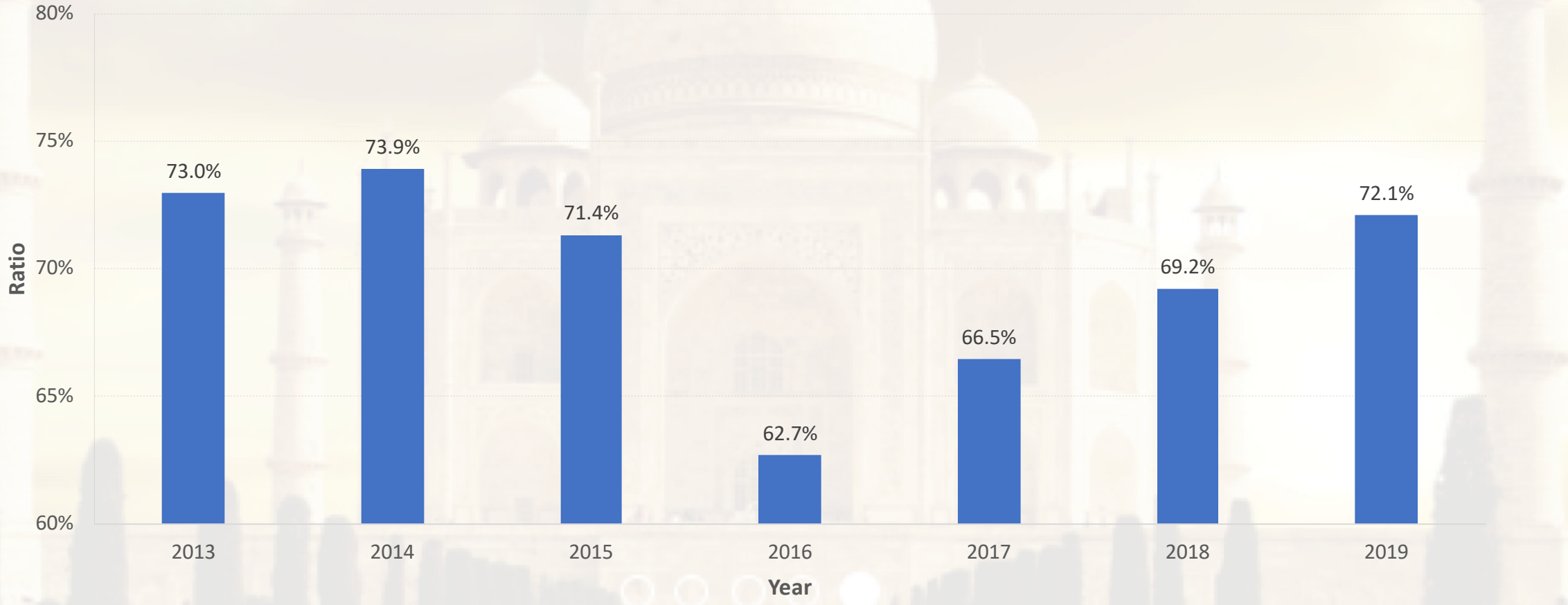
SIAS LCC Inbound into India, 2017 to 2019

In millions and Annual Change, %



India Inbound SIAS Ratio to South Asia LCC Air Seats, %

2013 to 2019



Total Air Seat Capacity into India by Origin Region

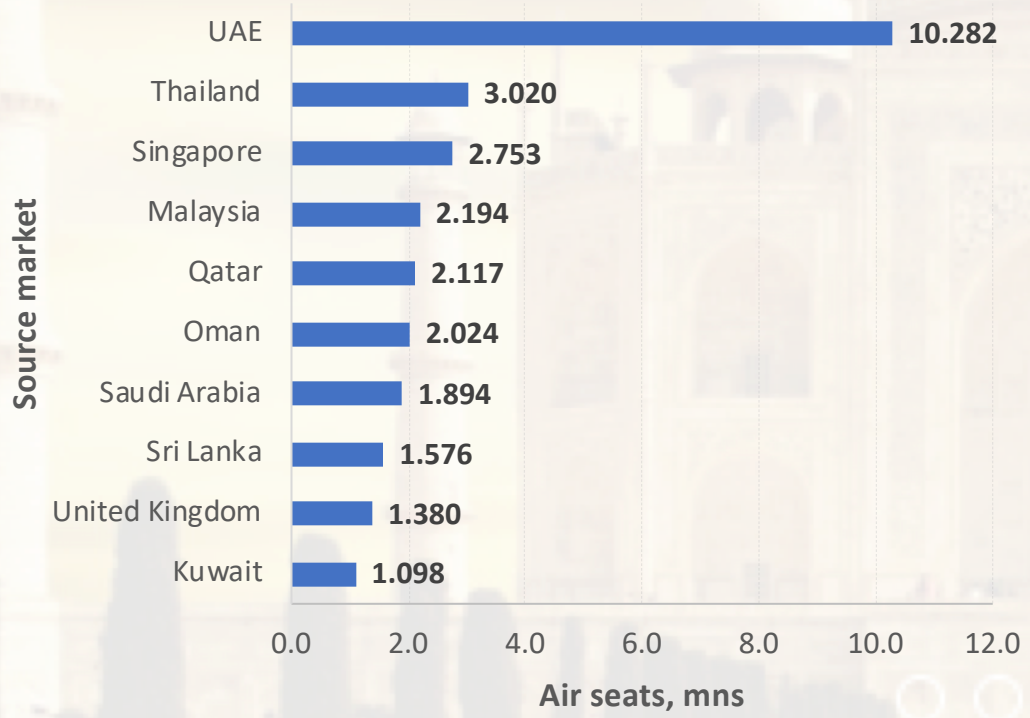
2014 to 2019, %

Origin Region	2016	2017	2018	2019
Africa	1.61	1.66	1.77	1.92
Americas	1.99	2.17	2.38	2.60
Asia	85.31	85.12	83.95	84.26
Europe	10.82	10.80	11.64	10.93
Pacific	0.27	0.25	0.26	0.28
Total, %	**100.0**	**100.0**	**100.0**	**100.0**
Total, mns	**34.781**	**38.167**	**40.351**	**38.662**

Air Seats into India 2019, mns
Total & LCC

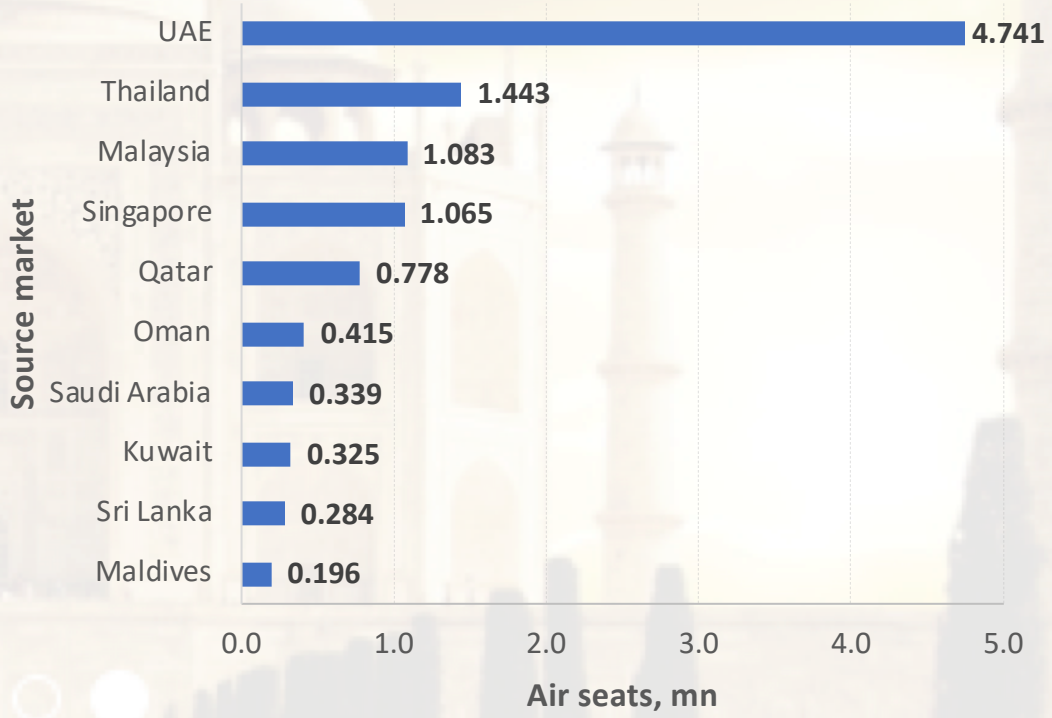
Total Air Seats, mns

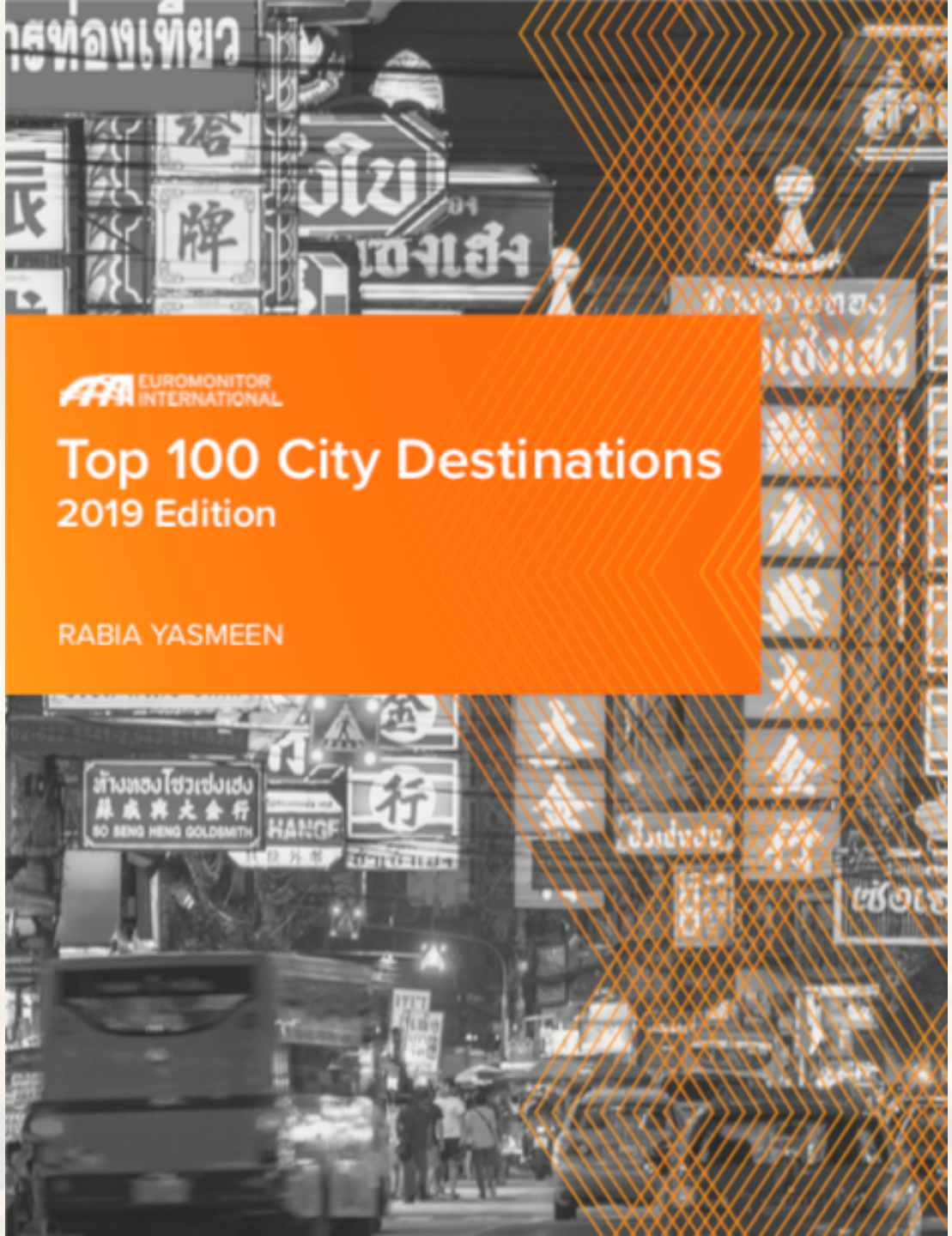
(Top ten = 73% share)



LCC Air Seats, mns

(Top ten = 95% share)





- *Delhi currently ranks 11th and is forecast to increase its ranking up to 8th place in 2019.*
- *Rapid development in its tourism infrastructure, having a world class airport and is focusing on luxury, medical, sports and cultural tourism.*
- *Noteworthy attention for its yoga retreats and Ayurveda practices.*
- *Delhi's connectivity . . . has boosted inbound arrivals to the city.*

Summary

- Fundamentals remain strong.
- Air capacity generally improving, but not equally.
  - *Is it enough?*
- Expectations for 2024:
  - *Inbound 20 million.*
  - *2024: South Asia 39%; North America, 12%; North Europe, 9%.*
  - *Arrivals in Asia Pacific (39), 16 million.*
  - *2024: Southeast Asia, 49%; Northeast Asia, 20%; North America, 18%*
- *M*easuring what – historic or future potential (leap)?

धन्यवाद

dhanyavaad

Thank You

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