



WTTC CITIES ECONOMIC IMPACT 2022

City Travel is Back
EXECUTIVE SUMMARY

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DECEMBER 2022

FOREWORD



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The poet Federico Garcia Lorca once wrote that “the two elements the traveller first captures in the big city are extra human architecture and furious rhythm”. Cities have, for millennia, been places where the human spirit is expressed in its fullest. Since the first rose out of the fertile plains of ancient Mesopotamia, human beings have been magnetically drawn to them to live, to work, and to reach their full potential. They are the inspiration for all the great achievements in human history: in philosophy, in science, in mathematics, in culture. Modern life, without them, is unimaginable.

Today, 4.4 billion people - more than half the world’s population - live in cities. They include ancient cities, like Athens and Rome, and vast metropolises, like Lagos and Tokyo. Together, they are responsible for 80% of the world’s GDP. And, in the coming decades, that figure will grow. By 2050, the World Bank estimates nearly 7 out of 10 of us will live in cities. The great innovations of the 21st century will be made in them.

In the course of human history, cities have faced great crises, such as wars, plagues and natural disasters. They have faced few crises of the same scale and impact as the COVID-19 pandemic, which affected all of them, with no exceptions. International travel, which made up a significant proportion of their revenues, collapsed. For the few people who did travel, quiet countryside and uncrowded coasts became destinations of choice.

By 2021, as this report illustrates, shoots of recovery were already visible. With international travel restricted, this was especially true in the cities that serve as big markets for domestic tourism. The United States and China performed particularly strongly here. It was in 2022, however, that cities began their true recovery, as travel restrictions were lifted and demand for international travel returned.

Three years on from the pandemic, that recovery is well underway. Indeed, ten of the 82 cities surveyed in this report are expected to exceed 2019 levels of Travel & Tourism as a contribution to GDP. And in the decade to come, cities will continue to grow. Growth in Travel & Tourism GDP will continue to grow with it. This is particularly the case in Asia-Pacific and in the Middle East, which will witness unprecedented growth.

As tourism recovers, overcrowding in some destinations is a risk. It is, therefore, important for cities to have the right policies in place to address it. Such policies ought to be enacted in advance before the problem comes to fruition.

The pages of the report which follow, capture the extent of cities’ recovery and outline the ways tourism in cities will grow over the next decade. For proof of the millennia-old magnetic pull of the city, readers should look no further than these pages. Our thanks to Visa for sponsoring this important work. I’m excited to be sharing it with you.

Julia Simpson

EXECUTIVE SUMMARY

Direct T&T GDP from Cities (82 cities combined)

2019 (USD)

\$734bn

2022 Forecast

\$582bn

2032 Forecast

\$1.1tn

Direct T&T Jobs from Cities (82 cities combined)

2019 Jobs

18.4mn

2022 Forecast

15.7mn

2032 Forecast

25.2mn

For the world's cities, 2022 was a year of revival. As pandemic restrictions have continued to ease, the recovery of global tourism is now well underway and travellers are flocking to cities to live, work, and discover.

- In 2022, cities with the largest direct Travel & Tourism contribution to GDP are forecast to be **Paris** (\$36bn), **Beijing** (\$33bn), and **Orlando** (\$31bn)
- Ten cities out of the 82 analysed in the report are already projected to exceed 2019 levels of direct Travel & Tourism GDP contribution by 2022. The top performers include **Doha** (+21%) and **Warsaw** (+14%).
- In 2022, direct Travel & Tourism employment is expected to return to 2019 levels in eleven cities including **Rio de Janeiro** (+18%), **Johannesburg** (+13%) and **Chicago** (+13%).
- And in the next decade, global Travel & Tourism will once again become a critical driver of economic growth, with its total contribution to GDP growing faster than other sectors and generating 126 million total net new jobs by 2032 globally.

This growth follows a period of devastating loss.

- 2020 saw sharp falls in both international and domestic travel demand with associated losses in GDP and employment. The economic contribution of the sector globally fell by 50.4% to reach 5.3% of GDP from a pre-pandemic high of 10.3%.
- Before the pandemic, major cities accounted for almost half of all international visits. Travel to major cities fell more sharply than other destinations due to their high reliance on both international and business travel, and the shift in demand to less crowded rural or coastal destinations.



2022 International Visitor Spending (Forecast)

Highest Visitor Spending (International Visitor Spend USD)

1. Dubai	\$29.4bn
2. Doha	\$16.8bn
3. London	\$16.1bn

Most Recovered (Relative to 2019 levels in terms of international visitor spending)

1. Doha	+21%
2. Orlando	+19%
3. Antalya	+15%

Largest T&T Economies

2019

1. Paris	\$38.0bn
2. Beijing	\$34.0bn
3. Shanghai	\$31.5bn

2022 (Forecast)

1. Paris	\$35.7bn
2. Beijing	\$32.6bn
3. Orlando	\$31.1bn

2022 Top Performers (Forecast relative to 2019 level)

GDP (Direct T&T GDP contribution)

1. Doha	+21%
2. Warsaw	+14%
3. Sanya	+10%

Jobs (Direct T&T employment)

1. Rio de Janeiro	+18%
2. Johannesburg	+13%
3. Chicago	+13%

Not all segments of Travel & Tourism are recovering at the same pace. This report details differences across business travel vs leisure, urban areas vs rural, and domestic spending vs international.

- The most recovered cities in 2022 relative to 2019 levels in terms of international visitor spending are expected to be **Doha** (+21%) and **Orlando** (+19%).
- There was a notable recovery in domestic travel in 2021, including some initial recovery for cities with large domestic leisure markets, and notable improvements for US and Chinese cities.
- The risk of a permanent shift towards rural destinations appears to be modest, as many major cities remain iconic destinations that hold the key attractions for visitors.

And above all, this research highlights the critical role of city tourism in driving economic growth.

- Over the coming 10 years, the sector is expected to generate an increased share of economic activity in the 82 major cities quantified in this report, including directly generating up to 8.0% of all jobs in these cities combined – up from 6.6% in 2019, and a low of 5.1% in 2020.
- Between 2022 and 2032, the strongest annual average growth in direct Travel & Tourism GDP is expected to be concentrated in Asia-Pacific with **Hong Kong** (+15%), **Bangkok** (+13.1%) and **Jakarta** (+12.8%) being the top performers. Saudi Arabian cities **Riyadh** and **Jeddah** are also expected to see strong growth.
- Travel & Tourism in the cities will also generate wider benefits throughout the city economy and elsewhere through supply chain effects and as getaways to other destinations within their countries.



For further analysis from our Cities Economic Impact research and to read the full report, visit:

Research.WTTC.org/Cities-Economic-Impact

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