

# Top 100 City Destinations Ranking

## WTM London 2017 Edition

BY EUROMONITOR INTERNATIONAL

INCORPORATING GLOBAL TRAVEL TRENDS



# EUROMONITOR INTERNATIONAL'S TOP 100 CITY DESTINATIONS RANKING



Euromonitor International's Top 100 City Destination Ranking is now in its 10th year, and it seems a fitting time to merge our cities and travel trends research. Cities are not only a major catalyst for economic and tourism growth, but are also hotbeds of innovation, new business models and start-ups. We have therefore decided to combine our cities research with travel trends to provide the most forward-looking perspective on the future growth in the travel industry.

In the Top 100 City Destination Ranking, you will see which cities lead the world and their respective regions, listed in order of importance. The ranking is based on Euromonitor International's research in 100 countries and is based on the number of international

arrivals that spend 24 hours or more in a city. Data is based on part year data for 2017 projected to the year end, and we are also delighted to include forecasts for 2025 for the first time.

We hope you enjoy the new look and feel of the report, with cities leading the global travel industry from the front.

To the best of our knowledge, the information contained herein is accurate and reliable as of the date of 1st September 2017.

# MESSAGE FROM EUROMONITOR INTERNATIONAL



The current travel industry continues to thrive, despite a great number of obstacles. Travel bans, terrorist attacks, closing borders and mass flooding have all affected destinations, but people continue to travel. This report touches on a wide variety of travel trends, from fast-paced innovations set to disrupt the travel industry, to the slow progress of opening borders and improving connectivity.

You will notice that this year's report is different from the 11 that have come before. In an effort to provide more context around the Global Travel Trends that have been so popular over the years, Euromonitor International's Top 100 City Destinations Ranking has been integrated into this report to provide a

more holistic view of the travel industry today and tomorrow. City destinations are at the forefront of tourism growth and innovation, but also deal with major challenges around overcrowding and mobility. Many of the travel trends discussed in this report are borne out of the opportunities and challenges that cities face.

*Wouter Geerts*

Wouter Geerts  
Senior Travel Analyst  
Euromonitor International

*Caroline J. Bremner*

Caroline Bremner  
Head of Travel  
Euromonitor International

*Nadejda Popova*

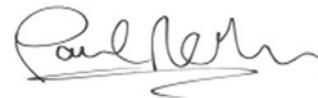
Nadejda Popova  
Travel Project Manager  
Euromonitor International

# MESSAGE FROM WTM LONDON



The Top 100 City Destination Ranking wTM London 2017 Edition is an exciting new report for this year's event. For 11 Years, wTM London and Euromonitor International have been at the forefront of predicting trends in the global travel industry through the wTM Global Trends Report. This year, we will focus on city tourism and look at trends amongst the top 100 cities in the world. However, this new-look report will be no different to the previous incarnation in that it will continue to forecast trends that will come true in the coming years. The report includes trends for each of the geographical regions on the exhibition floor, so there will be a trend of interest for all participants in wTM London.

I would like to thank Euromonitor International for compiling the Top 100 City Destination Ranking wTM London 2017 Edition. I hope you find the report useful and interesting and wish you a thought-provoking and productive wTM London 2017.



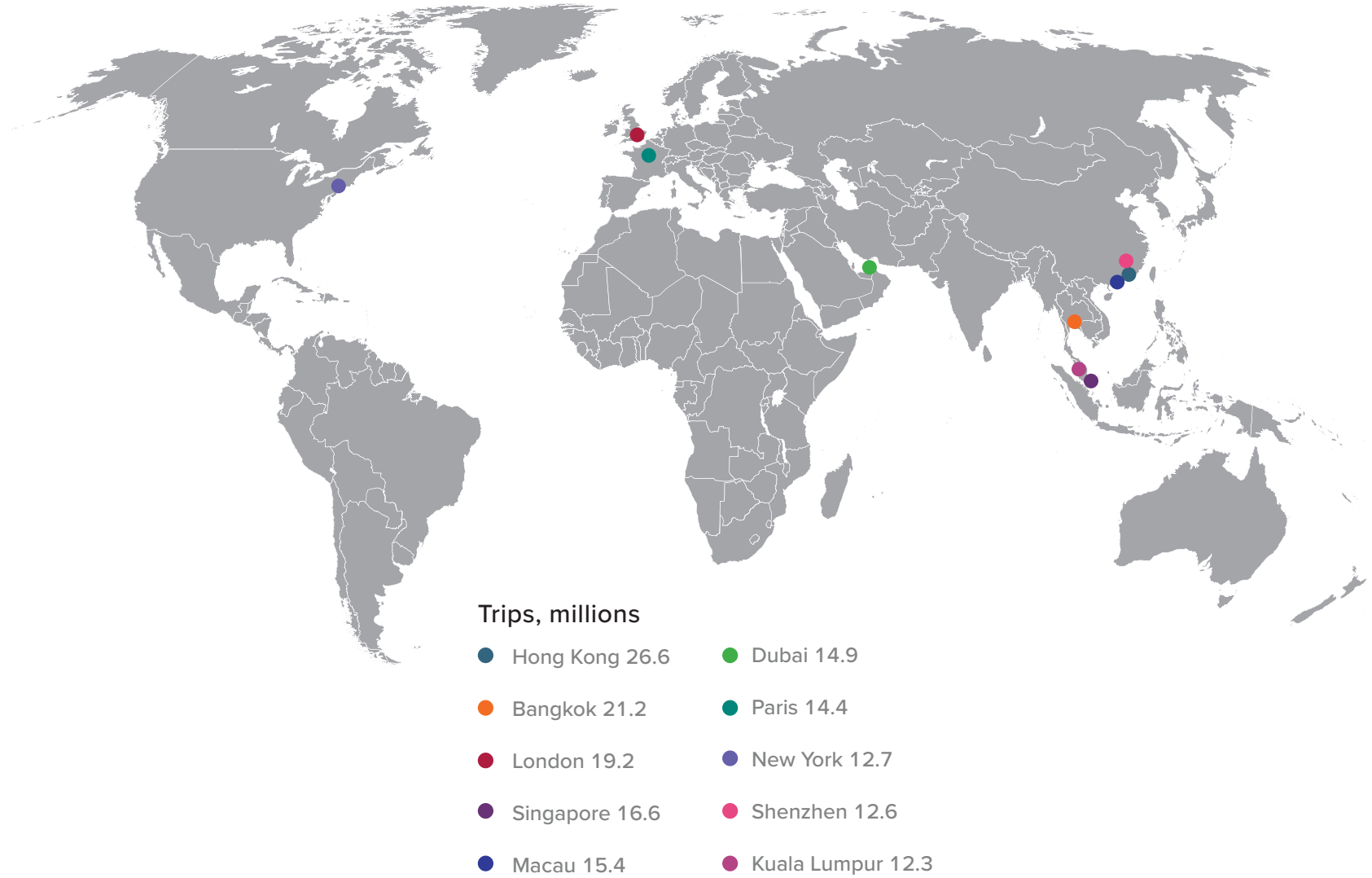
Paul Nelson  
Portfolio Press and PR Manager  
wTM





# Cities as Global Drivers

## Top 10 Cities in the World



Source: Euromonitor International

## Cities outperform global travel industry

In 2016, the top 100 cities accounted for 558 million international arrivals. With 1.2 billion trips taken worldwide, visits to the top 100 cities accounted for almost half at 46%.

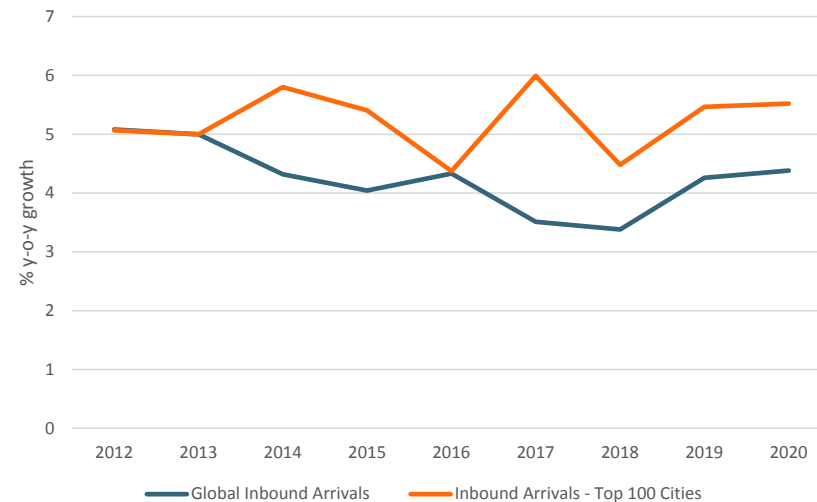
The importance of cities for tourism has been growing steadily over the years, with top 100 city arrivals outperforming global arrivals almost every year, and this trend is expected to continue.

With urbanisation continuing at a fast pace, cities are becoming larger pull factors, with more people visiting cities for business purposes and to visit friends and families.

The dispersal of travellers will become an increasingly important focus for cities, as

limited square footage is occupied by increasing numbers of residents and tourists. Rather than cities competing with surrounding areas for travellers, it is expected that a more joined-up approach to marketing destinations will become the norm.

### Global Arrivals vs. Top 100 City Arrivals 2012–2020



Source: Euromonitor International

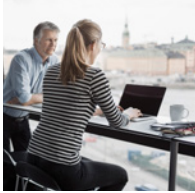




## ASIA Cashless Asia

### Cities as Digital Instigators

**Hong Kong** and Bangkok take the top two spots of the Top 100. The 2010 ranking had 34 Asian cities, and this is expected to be as many as 47 by 2025.



## EUROPE Angels and EU-nicorns

### Cities as a Start-up

The performance of European and UK cities is heavily affected by terrorism, particularly affecting cities in France and Turkey.



## UK Rail Revolution

### Cities as Connectors

Brexit and the fall in pound sterling has created a UK inbound tourism boom.



## AMERICAS Recognise that Face?

### Cities as Hubs of Innovation

The US dominates the Top 100 ranking among cities in the Americas; however, with Donald Trump in the White House, future performance is uncertain.



## MEA Looking beyond Borders

### Cities as Entry Points

The Middle East and North Africa have a near-monopoly on MEA city arrivals in the ranking. Johannesburg is the only Sub-Saharan Africa city in the Top 100.

A close-up photograph of a person's hand holding a silver credit card, positioned near a payment terminal. The background is blurred, showing what appears to be a retail or service environment. An orange semi-transparent banner is overlaid across the middle of the image, containing text.

**ASIA**

# Cashless Asia

Cities as Digital Instigators

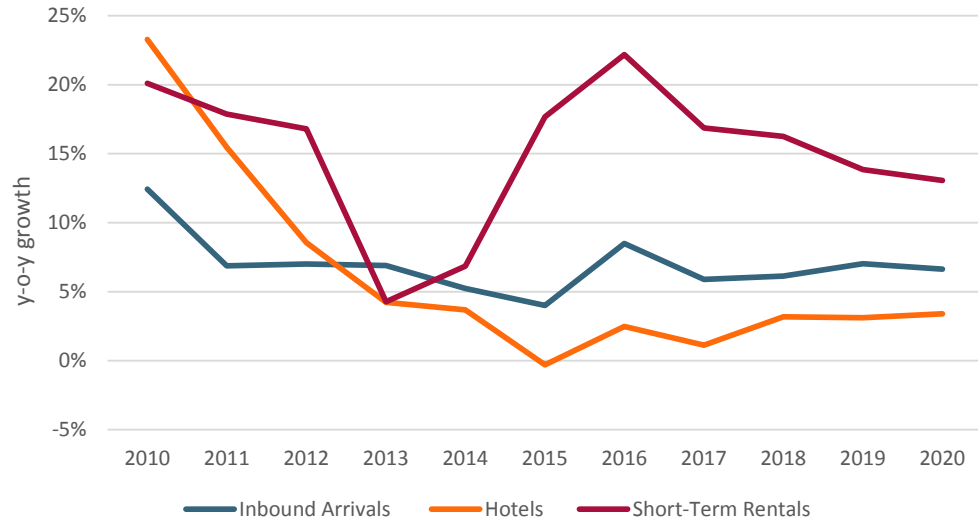


## Travel landscape: Strong performance across the board

Inbound arrivals and outbound departures in Asia (including Asia Pacific and Australasia) showed healthy growth of 8.5% and 8.0%, respectively, in 2016.

Airline sales recovered from their decline, helped by increased outbound and domestic trips taken by the Chinese in particular.

**Inbound Performance 2010–2020**

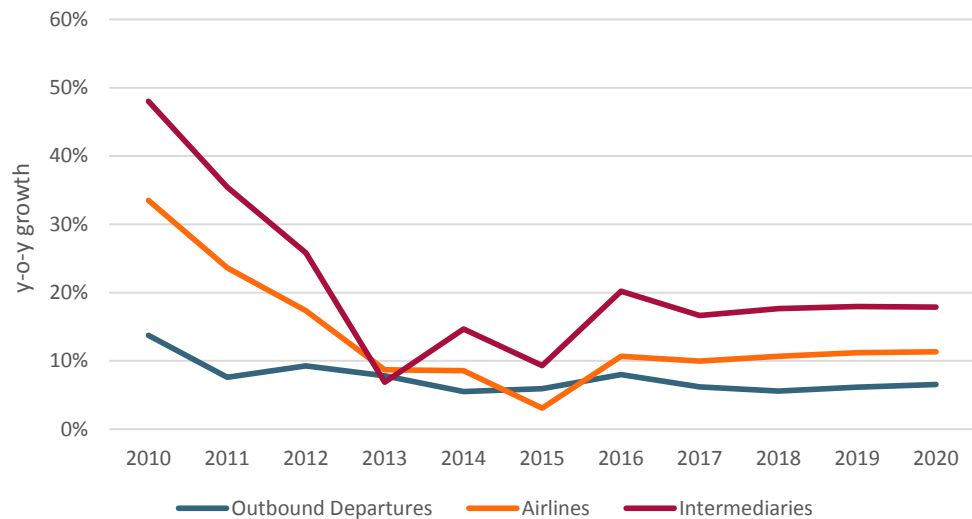


Source: Euromonitor International

Intermediaries registered a bumper year in 2016, with online travel agencies performing particularly well. Mobile OTA sales increased by 48% in Asia in 2016. A main contributor to this growth is Chinese OTA Ctrip, which has been making a steady rise onto the global stage. The company bought Skyscanner in December 2016 for GBP1.4 billion and is interested in entering the European and American markets.

Hotels struggled with their performance, especially when compared to short-term rentals, which continued their strong rise in the region. While performance in China remains timid, other Asian countries and Australia registered strong growth in 2016.

### Outbound Performance 2010–2020

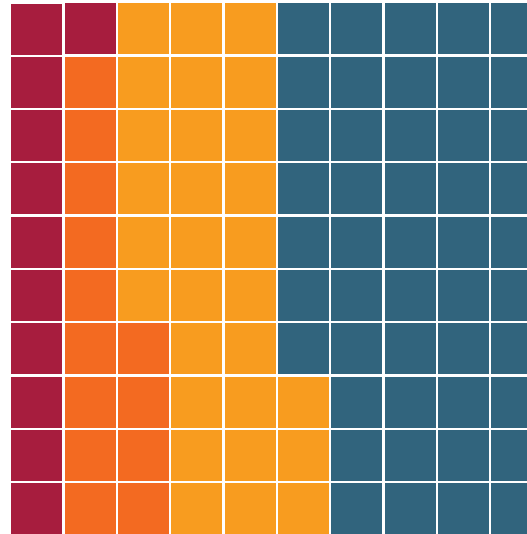


Source: Euromonitor International

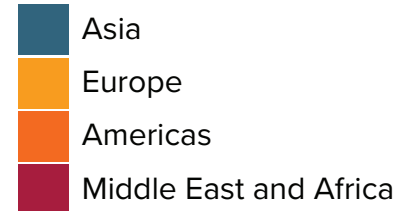
## Asian cities on the rise

Asia Pacific is the standout region that has driven change in the travel landscape over the past decade and is expected to continue doing so in the future. In 2010, 34 cities from Asia Pacific were present in our Top 100 Ranking; this jumped to 41 cities in 2017 and is expected to grow to 47 cities in 2025. The impact of inter-Asian travel, predominantly from China in particular, cannot be underestimated.

### Where Are the Top 100 City Destinations?



Each square represents one city, unranked



Source: Euromonitor International

## Mixed fortunes for top Asian cities in 2016

Globally, the top two cities are located in Asia. Hong Kong remains the largest arrivals city worldwide, benefiting from its strategic location and relationship with China. However, it saw growth dip in 2017 as relations with mainland China were strained, but this will be short-lived and growth will pick up again from 2018–2025.

Unlike Hong Kong, Bangkok has seen strong performance in recent years, with limited impact from the banning of “zero-dollar tours”—cheap tour packages targeted at Chinese first-time travellers. Battling for the second spot with London for a few years running, it has now solidified its position with just under 10% growth and has closed the gap with Hong Kong.

Seoul closes out the top 10 in Asia, but with an expected double-digit decline in 2017; because of the tensions between South Korea and China, the city is not expected to hang on to this position in 2017.

### 10 Largest Cities in Asia for Inbound Arrivals (2016, with Global Rank)



Source: Euromonitor International

## Top 10 Asian Cities

CITIES	Historic arrivals ('000)				Forecast arrivals ('000)	
	2016	2017	GROWTH	RANK CHANGE	2020	2025
Hong Kong	26,552.7	25,695.8	-3.2%	0	31,230.8	44,058.9
Bangkok	21,251.7	23,270.6	9.5%	0	28,509.6	39,887.7
Singapore	16,604.0	17,618.8	6.1%	0	21,266.9	30,194.0
Macau	15,391.9	16,299.1	5.9%	▼ 1	19,715.2	27,907.8
Shenzhen	12,571.0	12,962.0	3.1%	0	15,331.8	20,504.1
Kuala Lumpur	12,290.4	12,843.5	4.5%	0	15,382.2	21,251.4
Phuket	10,596.1	12,079.5	14.0%	0	15,321.5	22,119.6
Tokyo	9,272.9	9,713.5	4.8%	0	12,366.2	14,654.8
Taipei	9,226.7	9,318.9	1.0%	▼ 1	10,865.5	14,144.3
Seoul	9,002.8	7,659.1	-14.9%	▼ 6	9,159.1	13,229.7

Source: Euromonitor International

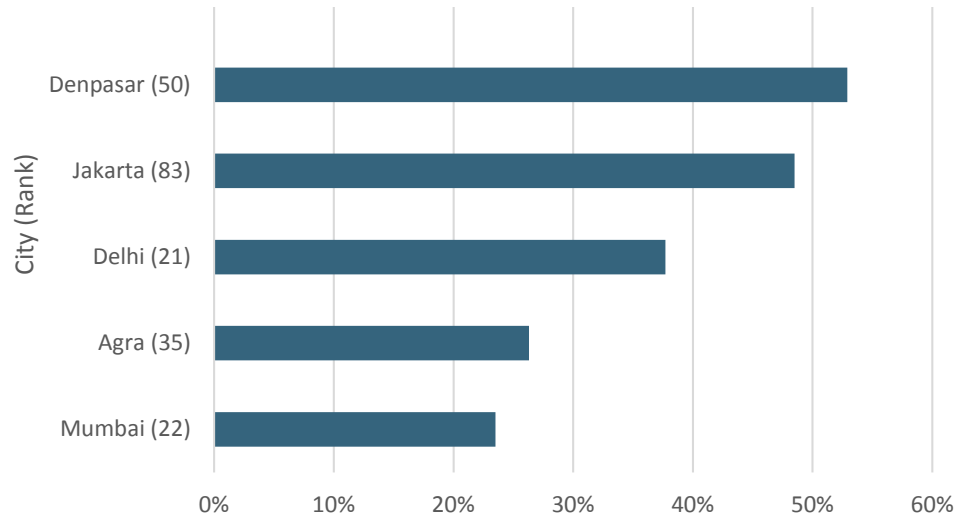


## Asian movers and shakers

Indonesian cities are expected to benefit from a Chinese influx, boosted by the waiving of visa requirements. Denpasar, the gateway to Bali, is expected to see the strongest growth.

In absolute growth terms, Delhi is expected to see the strongest increase in 2017, with 2.8 million more inbound arrivals compared to 2016. The 2014 e-visa launch in India has boosted arrivals.

### Five Strongest Performing Asian Cities in 2017\*



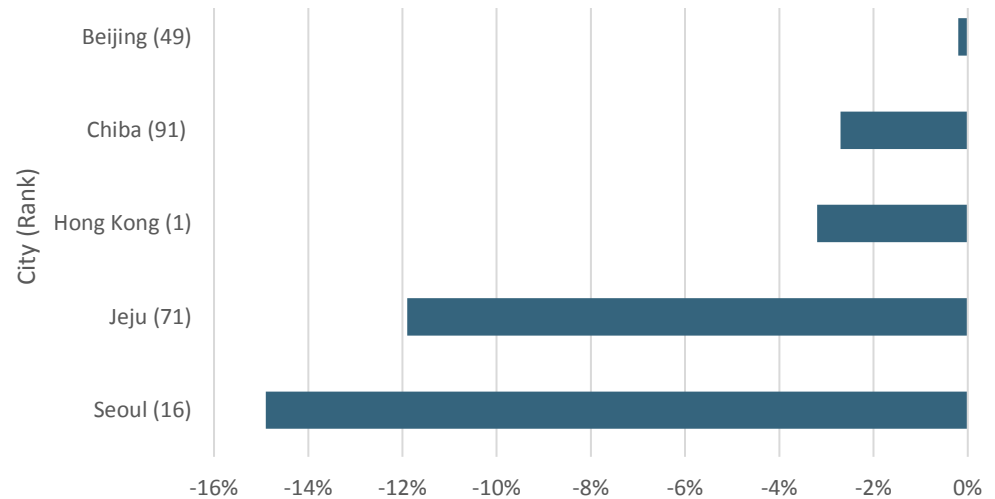
Source: Euromonitor International

Note: \*2017 data are forecast

South Korean cities are expected to perform the worst in the region, as the strained relationship with China takes its toll. Jeju registered very strong growth in the past years due to its proximity to China, visa-free entry allowance and the rapid growth of low-cost carrier Jeju Air, but this reversed in 2017.

Japanese cities are a victim of their own success; with the strong influx of Chinese tourists in recent years, hotel rates in Tokyo and neighbouring Chiba have skyrocketed, driving travellers away. Chiba registered decline, with Tokyo a mere slowdown.

#### Five Weakest Performing Asian Cities in 2017\*



Source: Euromonitor International

Note: \*2017 data are forecast

## Asian cities vying to be first smart cities

To ensure continued arrivals growth and sustainable expansion, Asian cities are steaming ahead with initiatives to become smart cities.

Seoul and Hong Kong are both serious contenders. Seoul is home to Samsung and LG and is expected to offer the first 5G network during the 2018 Winter Olympic Games. All households in Seoul have access to broadband, making it a global leader.

Hong Kong's Octopus Card, which can be used to pay for public transport and in shops, restaurants and vending machines, was one of the world's first contactless smart cards. Today, the city is focusing on transforming its Science Park into a smart city.

Singapore is becoming more congested as arrival numbers rise; as a result, it is working with the Massachusetts Institute of Technology (MIT) on mobility, health and the environment projects as part of the city-state's Smart Nation programme, under the Prime Minister's supervision.

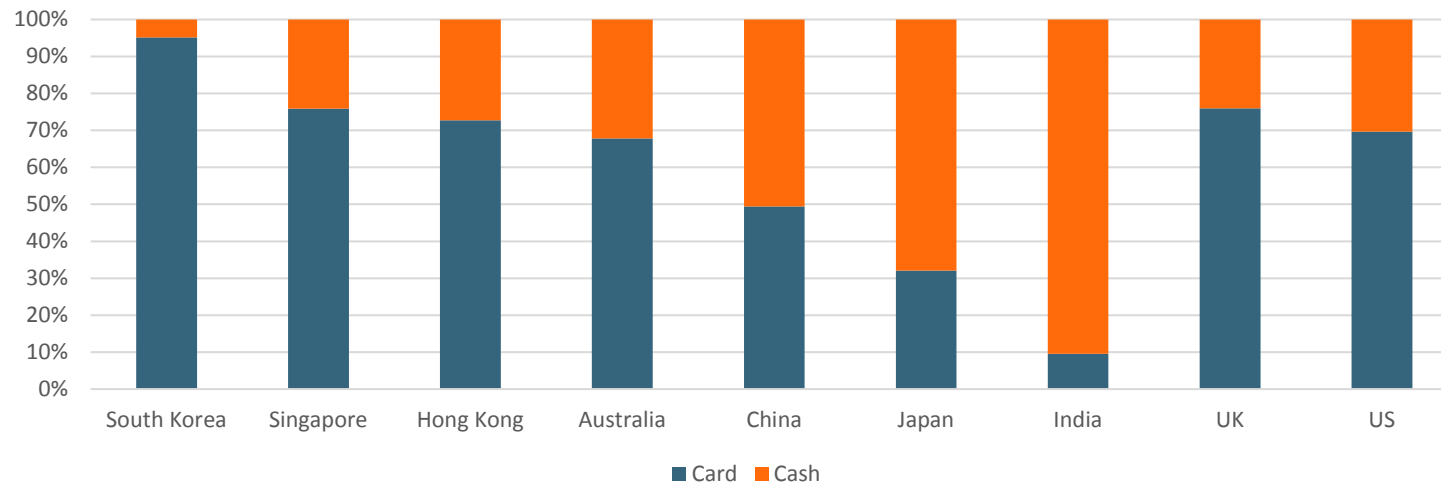


Successful smart cities of the future will combine the best aspects of technology infrastructure, while making the most of the growing potential of "collaborative technologies" and, above all, the citizens who power them.



*Nesta*

## Total Transactions by Card and Cash in Key Countries 2017



Source: Euromonitor International

### Cities driving cashless revolution

A big step towards a “smarter” society and economy is the growth of digital payment facilities. Developing economies such as China

and India have traditionally relied heavily on cash, as many citizens do not have bank accounts. Cities are driving a cashless revolution, with the push towards digital payments coming from governments, companies and consumers.

South Korea is nearly completely cashless. However, many Chinese urbanites are also fully cashless, using mobile payment apps such as AliPay and WeChat Pay, which have become giants by offering easy payment options.

In India, mobile payment app Paytm is paving the way for banked and unbanked citizens to buy travel products without cash.



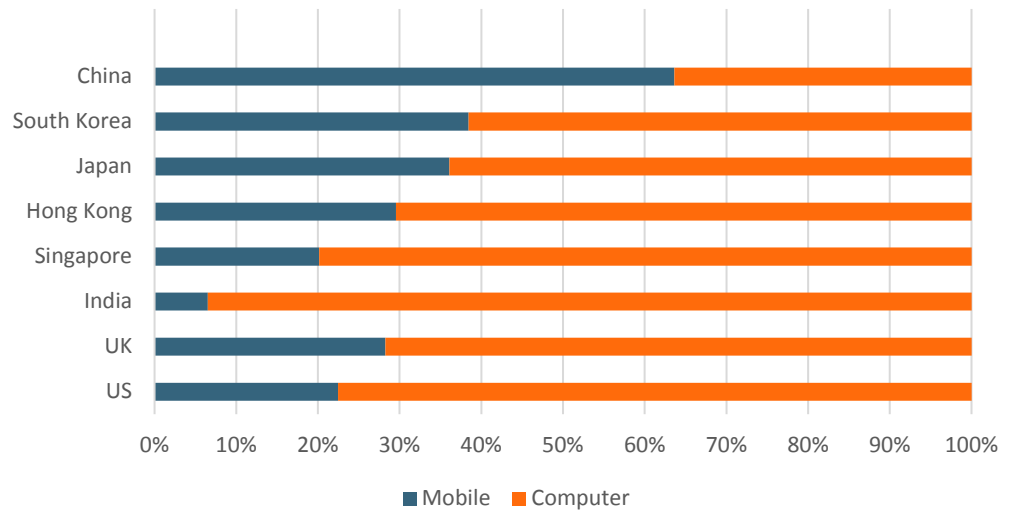


## From “mobile first” to “mobile only”

While “mobile first” is a favourite commerce buzzword, there is only one true mobile-centric nation: China. Chinese consumers account for 1.1 billion mobile internet subscriptions—more than 2.5 times those in the US, the next largest market.

For the first time in 2015, Chinese consumers made more purchases through mobile phones than computers. As of 2017, 64% of digital travel purchases are mobile-based.

### Computer vs. Mobile Travel Sales to Residents 2017



Source: Euromonitor International

Now this “mobile first” mindset is being duplicated by China’s Asian neighbours, including Indonesia, South Korea and Thailand. Governments and consumers in developing economies are turning to the mobile device to establish digital connectivity, because of the cheaper network investment and falling mobile device prices.

For “mobile first” to become “mobile only”, mobile infrastructure and mobile apps need to be improved. With the rise of mobiles has come a plethora of different apps, including social media, payment apps and travel-specific apps. App fatigue is a real possibility.



## WeChat Pay offers all-in-one solution

App fatigue results from the large number of apps people can store on their smartphones today. According to comScore, 80% of our time is spent on just three apps, which makes multi-functionality within apps increasingly important. Chinese all-in-one app WeChat is a frontrunner in this; WeChat has been an important influence in making China less reliant on cash transactions.

WeChat allows its users to find and book trips, check in for flights and hotels, contact customer services, book activities or restaurant tables, scan QR codes to buy products or turn on the lights or tv in their smart hotel room. Peer-to-peer payments are enabled, so even users without a bank account can use the app to receive and make payments.



With more than 750 million users and expansion plans in Europe and North America, WeChat offers major opportunities for travel brands.



## PayTM cashes in on Indian demonetisation

The Indian economy is heavily dependent on cash transactions; the demonetisation of INR500 and INR1,000 notes by the Indian government in November 2016 created a major shortage of cash in the economy. While the government took this step to fight corruption and the black market, it also had the side-effect of boosting cashless transactions. People across the country now prefer using mobile wallets for travel booking.

PayTM (Pay Through Mobile) is one of the companies successful in making cashless payments easy for second-tier, third-tier and rural Indians. PayTM launched a booking feature for railway tickets in September 2016, and in less than a year, this “travel outsider” has become the second largest retailer of rail tickets in the

country. Major OTAs such as MakeMyTrip and ClearTrip have followed suit by investing in mobile wallet.



95% of transactions in India still involve cash, but the demonetisation has boosted transactions made through digital payment facilities such as PayTM.



## The future is cryptic

Cryptocurrencies are here to stay. Bitcoin was the first decentralised cryptocurrency, launched in 2009. All Bitcoin transactions are recorded in the Blockchain, a peer-to-peer platform similar to PayPal, but without the intervention of a financial institution.

Governments and companies are looking closely at the success and development of Bitcoin, as it has the potential to disrupt existing payment infrastructure and entire economies. The Chinese central bank PBOC has cracked down on Bitcoin, while looking to launch its own cryptocurrency; this allows the Chinese economy to continue its digital revolution, while the PBOC keeps control over the financial market.

The impact on the travel industry could be immense, not only in the way people pay for travel, but also by simplifying loyalty schemes and through smart contracts. German start-up Etherisc, for example, has used Blockchain to write a fully-automated travel insurance pay-out programme.



With the price of Bitcoin currently going up, it is a great investment, but not necessarily a good way to pay for your holiday in advance. As cryptocurrencies become more widespread in the future, the market should stabilise, and it will become much more compelling as a retail concept. The bigger the ship, the easier it is to weather the storm.



*Daniel Scott*  
Co-founder, CoinCorner



A woman with blonde hair in a ponytail, wearing a black and white striped long-sleeved shirt and dark pants, is sitting on a red stool at a long wooden desk. She is looking at a laptop screen. Behind her, a man with grey hair and a light blue shirt is also looking at the laptop. To the left, another man in a dark t-shirt is partially visible. The desk has a white mug, a spiral notebook, and some cables. The background is a large window overlooking a city with a prominent church spire. The image has a warm, orange-toned overlay.

EUROPE

# Angels and EU-nicorns

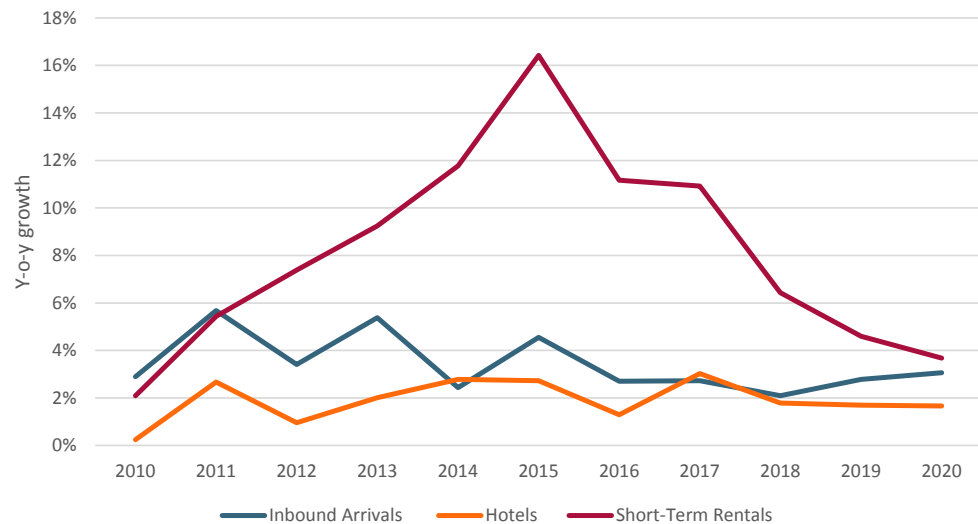
Cities as Start-up

## Travel landscape: Geopolitics dampens performance

The performance of the travel industry in Europe has been hampered by several events in recent years, including the Eurozone crisis, Brexit, the migrant crisis and terrorist attacks in a number of countries. All these developments lead to uncertainty in their own way, resulting in dampened performance.

Despite the uncertainty—or perhaps because of uncertainty—low-cost carriers have been performing well. Strong load factors, ongoing fleet modernisation, aggressive route networks, seat capacity expansion and improved customer service have been major factors behind the strong performance of the low-cost segment in Europe.

### Inbound Performance 2010–2020

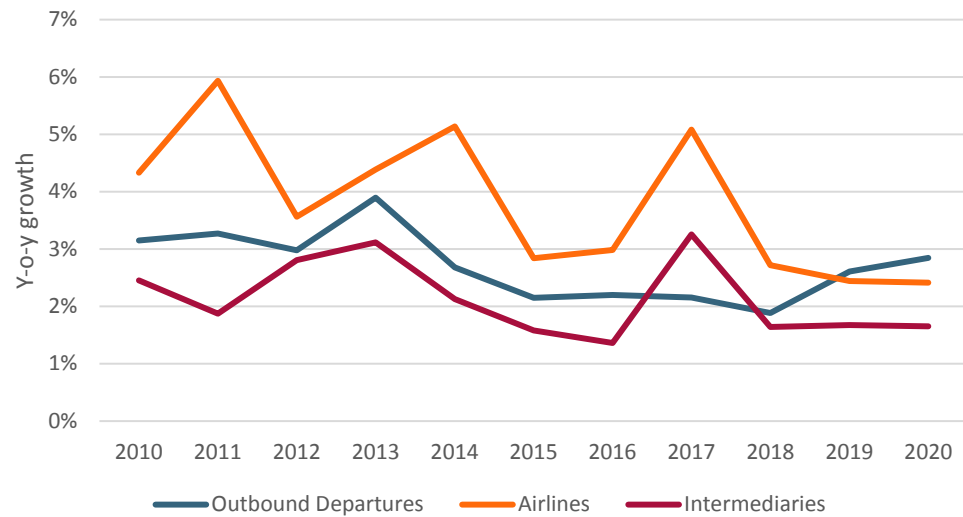


Source: Euromonitor International

Note: Inbound Arrivals and Outbound Departures are in volume (trips), while all other categories are in value (USD, fixed 2016 exchange rate).

The standout performer is short-term rentals. Many cities boomed, as especially Airbnb grew rapidly in major cities such as Paris, Amsterdam and London. More recently, slight backlash in cities such as Berlin and Barcelona, as well as overall saturation, have resulted in slowed growth.

### Outbound Performance 2010–2020



Source: Euromonitor International

Note: Inbound Arrivals and Outbound Departures are in volume (trips), while all other categories are in value (USD, fixed 2016 exchange rate).

## Household names take top spots in ranking

Despite terrorist attacks, the top 10 European cities remain largely unchanged—although Paris has dropped down the ranking following the two high-profile attacks in 2015.

Arrivals to Istanbul and Antalya have also fallen considerably. The country has been in turmoil with the ongoing war in neighbouring Syria, terrorist attacks by so-called Islamic State and the Kurdish PKK and the failed coup in July 2016. The country's image as a safe and welcoming destination might have suffered another dent after the referendum result in April 2017.

A familiar picture is forming, where the substitution effect means that cities in relatively quiet and stable countries are profiting from unrest in other countries.

Spain, Greece and Italy are performing well, as they offer a similar climate to affected countries such as Turkey, Egypt and Tunisia.

### 10 Largest Cities in Europe for Inbound Arrivals (2016, with Global Rank)



Source: Euromonitor International

## Top 10 European Cities

CITIES	Historic arrivals ('000)				Forecast arrivals ('000)	
	2016	2017	GROWTH	RANK CHANGE	2020	2025
London	19,190.3	19,842.8	3.4%	0	22,335.0	25,804.3
Paris	14,392.0	14,263.0	-0.9%	0	15,249.2	17,557.2
Rome	9,396.4	9,565.5	1.8%	▼ 2	10,404.4	11,951.9
Istanbul	9,174.4	8,642.3	-5.8%	▼ 4	9,541.2	11,622.3
Prague	8,182.5	8,550.7	4.5%	▼ 2	9,552.4	11,362.5
Barcelona	7,037.8	7,624.1	8.3%	0	8,024.4	8,899.4
Milan	6,695.1	6,882.5	2.8%	▲ 1	7,434.3	8,488.6
Amsterdam	6,345.1	6,570.4	3.6%	▼ 2	6,815.6	7,529.0
Antalya	6,173.4	6,457.4	4.6%	▼ 2	7,056.9	8,605.2
Vienna	5,867.6	6,043.7	3.0%	▼ 5	6,533.2	7,429.2

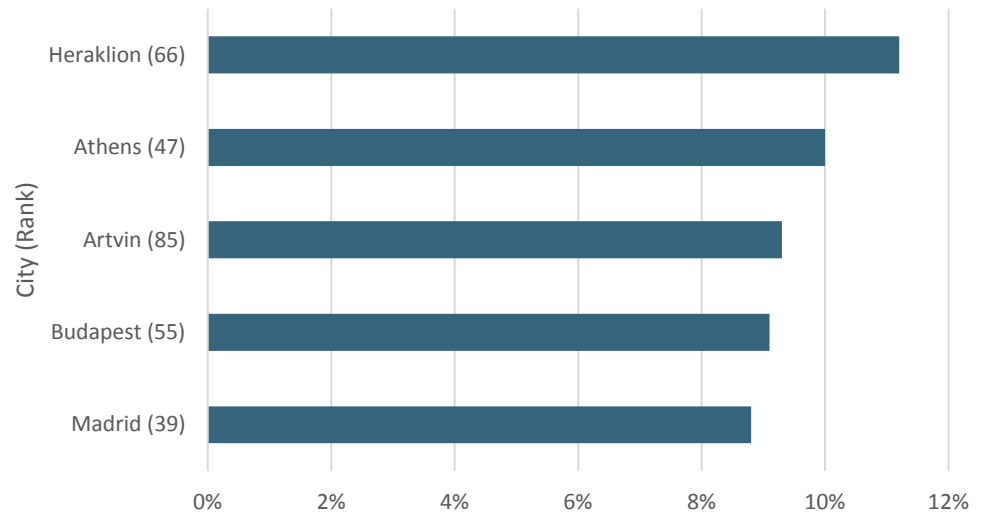
Source: Euromonitor International

## Movers and shakers in Europe

Heraklion and Athens, in relatively stable Greece, are standout performers in 2017.

The effect of terrorist attacks is evident, with Brussels, Paris, Nice and Istanbul all registering weak performances. Artvin in Turkey bucks the trend as it remains popular with Georgians.

### Five Strongest Performing European Cities in 2017\*



Source: Euromonitor International

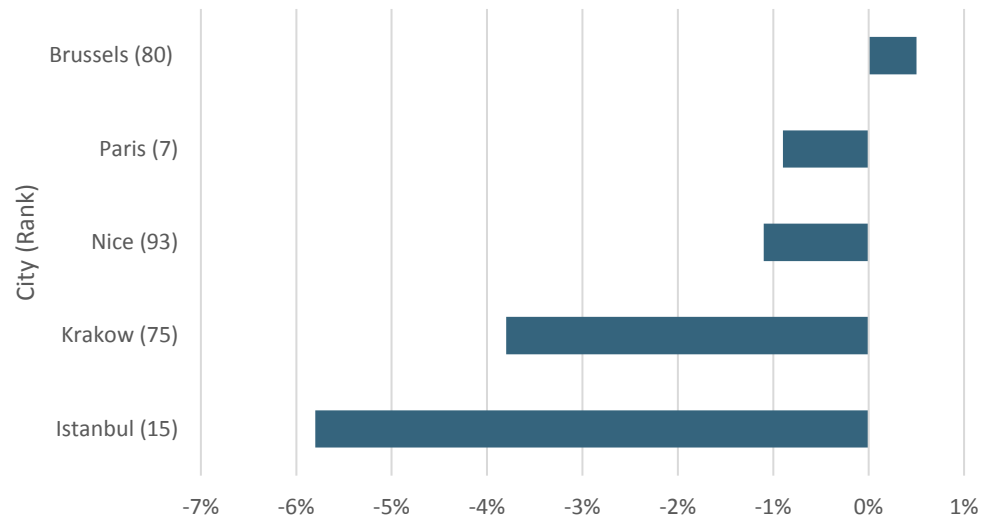
Note: \*2017 data are forecast.

Interestingly, London is expected to be less affected by attacks in the city and will continue to show healthy growth of more than 3% in 2017. It seems the size and nature of any attack, as well as the size of the city and local response, has a clear impact on travellers' decision-making.

The 2017 decline in Krakow was preceded by strong growth in 2016, as the city hosted the World Youth Day.

Madrid is expected to outperform Barcelona in 2017, as it did in 2016, but the latter city remains the top destination in Spain. Both cities are increasingly struggling with overcrowding.

### Five Weakest Performing European Cities in 2017\*



Source: Euromonitor International

Note: \*2017 data are forecast.



## Overcrowding becoming real threat to cities' attractiveness

While mass tourism is important to many local and national economies, overcrowding is changing the perception of its benefits.

Barcelona, Venice and Santorini are high-profile examples of cities struggling with overcrowding. For Venice and Santorini, the main culprit is cruise visitors, with the latter city limiting the number of ships since early 2017.

An analysis of population density (inhabitants per sq km) and traveller density (inbound plus domestic travellers divided by land area) for the top 10 European cities shows how Amsterdam in particular is close to overcrowding.

In [Turkey](#), Antalya is high on traveller density, but low for population, while Istanbul is high on population density and low for travellers. Clearly, locals' perception and traveller management play an important role in managing overcrowding.





## European cities attract start-ups

While overcrowding is an issue requiring a concerted effort by all stakeholders, there is a growing drive among start-ups in Europe to address other pain points in travel.

Some of the largest start-ups in travel, most notably Airbnb and Uber, originate from the US; however, Silicon Valley is increasingly competing with European hubs for start-up talent and investment.

Research by Startup Genome shows that Silicon Valley is still the uncontested start-up capital of the world. London, Berlin, Paris, Stockholm and Amsterdam all make it into the top 20. Other popular European start-up hubs include Dublin, Copenhagen, Barcelona, Lisbon and Prague.

## Ranking of Start-up Hubs 2017

	Overall Rank	Performance	Funding	Market Reach	Startup Experience	Talent
Silicon Valley	1	1	1	1	1	2
New York City	2	3	2	3	4	7
London	3	4	4	2	5	10
Beijing	4	2	5	19	2	8
Boston	5	6	6	12	3	4
Tel Aviv	6	9	8	4	7	11
Berlin	7	7	9	6	10	5
Shanghai	8	8	3	10	13	9
Los Angeles	9	5	7	15	11	14
Seattle	10	12	13	14	6	3
Paris	11	14	14	9	8	16
Singapore	12	16	16	11	20	1
Austin	13	15	11	18	9	6
Stockholm	14	17	20	8	12	18
Vancouver	15	19	19	7	15	15
Toronto	16	18	12	5	18	20
Sydney	17	20	10	13	17	12
Chicago	18	13	15	20	14	13
Amsterdam	19	10	17	17	16	19
Bangalore	20	11	18	16	19	17

Source: Startup Genome Global Startup Ecosystem Report 2017



## Airportr aims to solve baggage pain points

Founded in 2014, London start-up Airportr picks up baggage anywhere inside the M25, and drops it off at either Gatwick or Heathrow. Together with British Airways, it also offers customers the additional service of checking in bags remotely. Working within strict security standards, the company plans to expand by adding more airlines, before expanding geographically.

Executive Vice President of Airportr, Paul Mewett's vision of future travel will strike a chord with many: "We don't view a border as a barrier to facilitation. You should be able to have your bag picked up at home in London, travel on the same flight and be delivered direct to your hotel in New York. It should be as if you're travelling domestically and without bags."



International arrivals are set to increase from 1.3 billion in 2017 to 2.3 billion by 2030. With increasingly strict regulations around baggage, having a company that takes away the hassle will speak to many.





## Flyto wants people to realise their dreams

While trying to book a GBP1,000 flight to Australia, London-based Raphael Babalola stumbled across an idea which would grow into start-up Flyto. Babalola notes: “Studies show how Millennials would rather spend their money on experiences than things. Instead of that watch or car, they’d rather go somewhere they’ve never been before, but there is a barrier to that, and that is affordability.”

Today, the two-year-old start-up builds software that integrates with a travel provider’s website and offers customers a way to pay for their travel in instalments, while Flyto pays the travel provider upfront. Flyto is backed by Mastercard and Telefonica and is being advised by executives from Sabre and British Airways. Flyto has won the Travel Technology Europe 2017 Disrupt Award.



Consumers can pay in instalments for almost all big purchases, from mobile phones to cars to furniture, so why not for travel? Global average spend per trip was USD1,020 in 2016, which for many households is a major investment.



## Slock.it wants people to share just about anything

Slock.it is a German start-up using Blockchain technology to give Internet of Things (IoT) devices an identity and a wallet. Via smart contracts, the company is turning devices into autonomous players in the sharing economy. As is expected from start-ups, the company has big plans, wanting to build a marketplace called the Universal Sharing Network (USN), where people can share and rent just about anything that is connected to the internet.

Laura Hermann, Business Development at Slock.it, explains the potential impact on the travel industry: “By using the USN app, you will instantly see on a map what is shareable and instantly accessible to you. With your smartphone you can unlock a bike which

someone left there, and when you return it the bike will charge you. The same goes for apartments with smart locks.”



The sharing economy undoubtedly has great potential (Airbnb alone had gross booking sales of USD14.4 billion in 2016), but it has only really taken off in short-term rentals and car-sharing. Are we ready for a universal sharing network?





## Future challenges of supporting European start-ups

Silicon Valley is near-synonymous with start-ups, and so Europe will always be compared to Silicon Valley. However, Europe consists of many nations, all with different regulations and slightly different agendas, which do not necessarily benefit entrepreneurs.

Some work is being done to rectify this issue, with the European Commission proposing a Digital Single Market by updating and unifying regulations across the EU, so that start-ups can operate in each EU country under the same rules. The vision of the European Start-up Network is “to form one single European start-up ecosystem” by uniting all start-up associations, in an effort to allow European start-ups to scale globally.

There are two major challenges. Firstly, Brexit has increased uncertainty and fostered a “us vs. them” mentality. It shows how Europe continues to be a fractured business landscape, with neighbouring countries vying for businesses and start-ups. Reports indicate the lengths that governments will go to in attracting businesses looking to move after Brexit.

The second challenge is the issue of scaling up. While in Silicon Valley, money is invested heavily for companies to scale internationally, European investors tend to be more conservative, meaning that starting a business is a step many achieve, but scaling up is a barrier not overcome by many.



A black and white photograph of a steam train crossing a large stone viaduct. The train is emitting a large plume of white smoke. The viaduct has multiple arches and is set against a backdrop of rugged mountains. The foreground is filled with dense, low-lying vegetation. A semi-transparent orange and red gradient box covers the lower half of the image, containing the text.

# Rail Revolution

Cities as Connectors

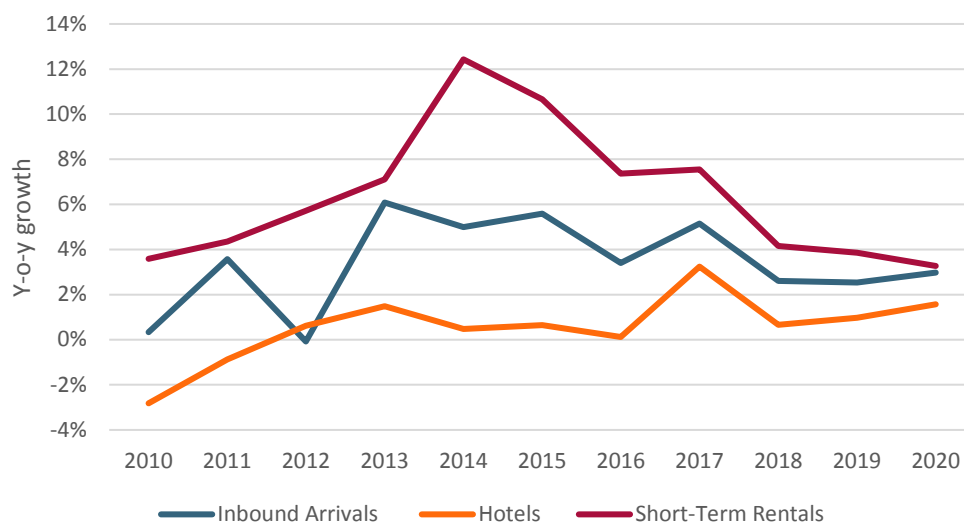
**FOCUS ON THE UK**

## Travel landscape: Brexit shapes travel performance

Brexit, and the subsequent fall of the pound, have had a major impact on the travel industry in the UK, with arrivals growing by 5.2% in 2017; outbound departures are forecast to decelerate in 2017, as UK consumers have less money to spend abroad.

2017 was a positive year for inbound arrivals, but with the terrorist attacks in London and Manchester, arrivals growth is expected to slow in 2018 to 2.6%.

### Inbound Performance 2010–2020



Source: Euromonitor International

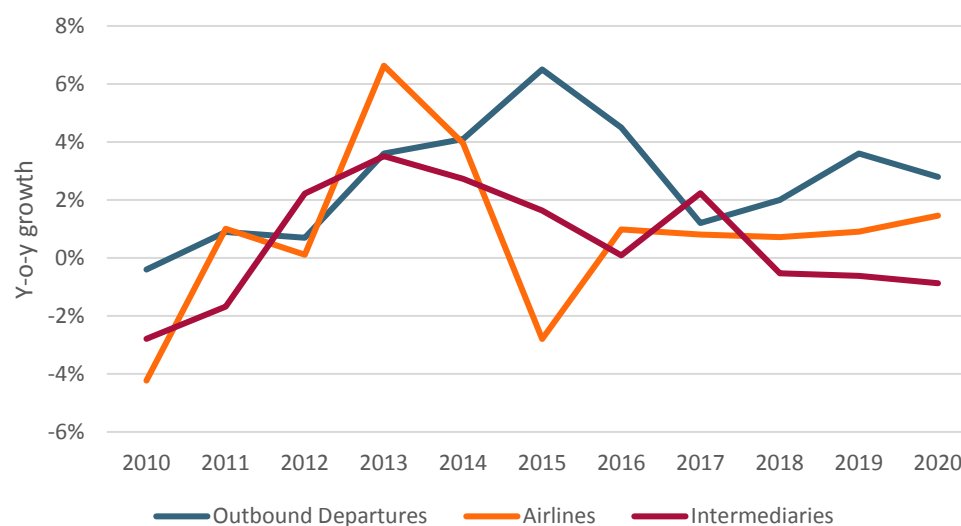
Note: Inbound Arrivals and Outbound Departures are in volume (trips), while all other categories are in value (GBP).



It is expected that the [UK](#) will achieve VisitBritain's target of 40 million inbound arrivals by 2020, reaching 40.6 million by 2020; this is thanks to strong inbound demand from Europe, North America and Asia, because of the pound's depreciation post-Brexit.

The UK has seen some of the strongest growth in short-term rentals. The UK government has embraced the sharing economy and allows people to host their London property on Airbnb for up to 90 days per year.

### Outbound Performance 2010–2020



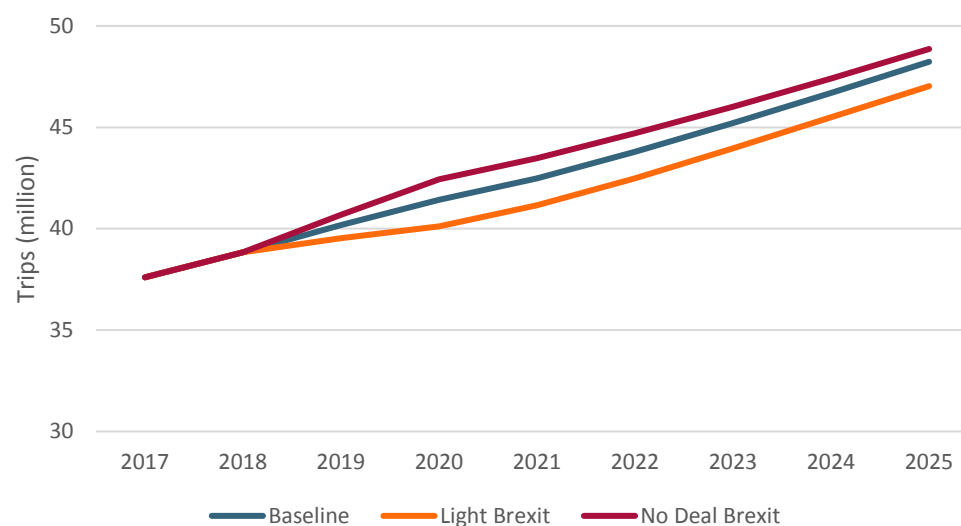
Source: Euromonitor International

Note: Inbound Arrivals and Outbound Departures are in volume (trips), while all other categories are in value (GBP).

## Hard versus soft Brexit

With the UK government triggering Article 50 in March 2017, the country will need to leave the EU by March 2019 in line with regulations. Euromonitor International's baseline forecast assumes a free trade agreement is reached, but there will be other regulatory and non-tariff trade barriers, as well as the loss of EU passporting rights for the financial sector.

**Inbound Arrivals to UK for Different Brexit Scenarios 2017–2025**

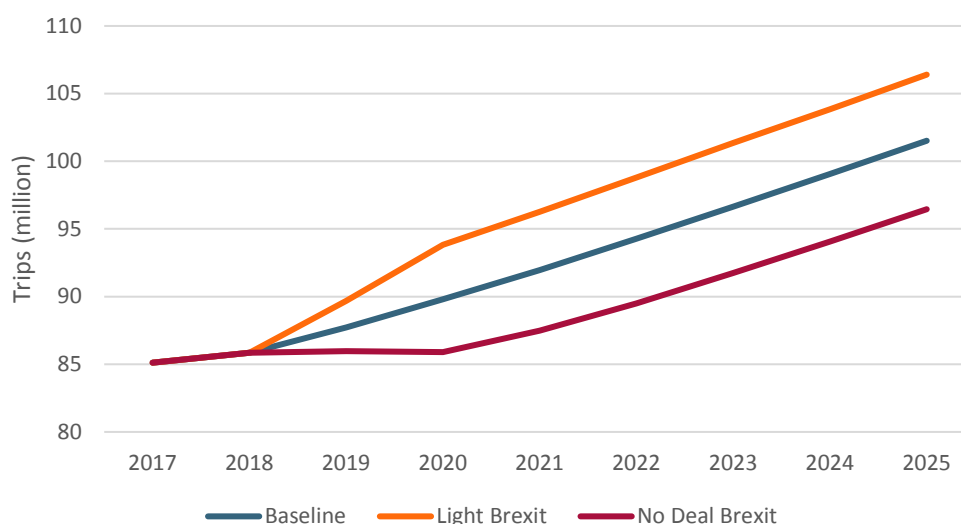


Source: Euromonitor International

A worst-case EU exit scenario for the UK would be that of a No Deal Brexit: EU and UK negotiators fail to find a compromise, and the UK leaves the EU without having reached a new free trade agreement, resulting in trade relations defaulting to WTO conditions. This scenario would lead to a long-term decline in UK GDP growth. The impact on departures would be negative, but arrivals would grow.

The Light Brexit scenario would be more positive: the UK government relaxes its negotiating position over immigration in return for access to the single market and passporting rights to preserve London's financial sector. Under this scenario, UK GDP would grow, positively affecting outbound travel, but dampening growth in inbound arrivals.

**Outbound Departures from UK for Different Brexit Scenarios 2017–2025**



Source: Euromonitor International

## London's business crown under siege

London is a globally recognised leisure and business hub, with the city creating more than USD550 billion in value added during 2016. However, the city's attractiveness for business services is under pressure post-Brexit.

Brexit threatens to undermine London's dominant position for ease of doing business and its attractiveness as a start-up hub. Competing cities that have emerged to steal its crown include Paris, Frankfurt, Berlin, Stockholm, Dublin and Amsterdam, based on transport connections, diversity and creative spirit.

Generally, 20% of inbound arrivals to London are for business, compared to a much higher share of spending at over 30%, with business travellers

reported to spend twice the amount their leisure counterparts do. The #LondonIsOpen campaign is critical to ensuring the message is heard loud and clear so that business continues.



## Top five cities in UK

The UK had 35.6 million arrivals in 2016, which means that over half of all international travellers coming to the UK visit London.

There is a major gap between London and the second city, Edinburgh, which has less than 10% of London's arrivals. In 2017, however, the smaller cities are growing faster than London, as the capital was hit by terrorist attacks. Manchester is also expected to see a slight impact following the 2017 attack in the Manchester Arena.

The four London airports—Heathrow, Gatwick, Stansted and Luton—saw about 158 million people passing through, while the next four largest airports—Manchester, Edinburgh, Birmingham and Glasgow—only hosted 59 million people.

Making the rest of the UK more accessible is an important focus of the UK government, with rail a key focus to achieve better connectivity and movement of international visitors.

### Five Largest Cities in the UK for Inbound Arrivals (2016, with Global Rank, Arrivals ('000), and 16 / 17 Growth)



Source: Euromonitor International

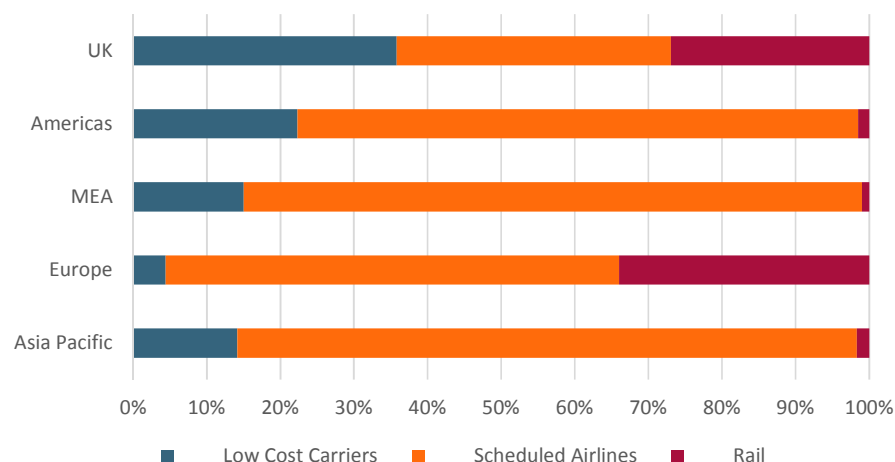
## Rail as part of the transport solution

Rail is a prominent travel mode for domestic and outbound travel (excluding commuting), especially in Asia and Europe. Value sales of rail tickets to UK residents are forecast to be USD4.7 billion in 2017.

The decision on airport expansion around London keeps dragging on, and, amid claims that UK airspace is overcrowded, legislators are looking for alternative ways of improving transport links. Furthermore, the impact of aviation on climate change, as well as localised pollution from increased congestion on cities' roads, is putting rail in a more positive light. In 2017, London breached annual pollution limits after only five days. According to the office of the Mayor of London, 9,400 London residents die prematurely every year due to exposure to air pollution.

Initiatives such as London's congestion charge, an additional fee for drivers to enter central London, have had some effect, but have also increased overcrowding on public transport. 2017 and 2018 will see significant rail developments to alleviate some of this pressure.

### Consumer Spending on Key Travel Modes by Country Residents 2017



Source: Euromonitor International

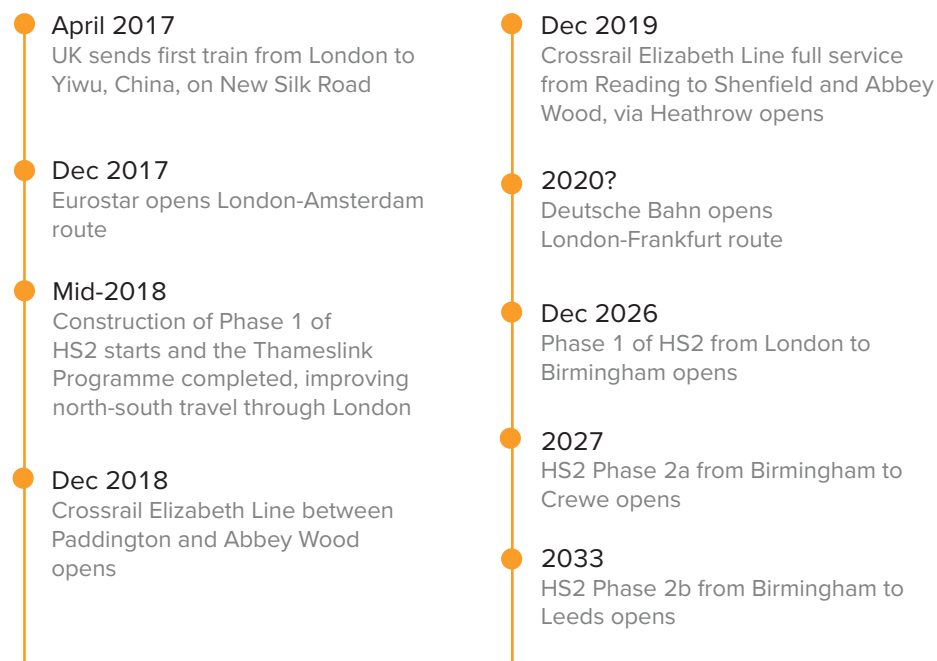
## Future national and international rail programmes

The only rail connection between London and mainland Europe is the Channel Tunnel, with Eurostar currently holding a monopoly on passenger travel. The company is expanding its network, with a direct link with Amsterdam starting in December 2017. With a travel time of under four hours, it is believed that the rail provider can compete with airlines on one of the busiest routes in Europe.

Rail is also seen as a way to provide economic stimuli beyond London. Crossrail is set to improve connections between London and surrounding areas, and to reduce overcrowding on the London Underground and trains. The Thameslink Programme is developed to ensure that destinations north and south of London are

directly connected, without the need to switch stations in London. High Speed Two (HS2) will run from London Euston to Birmingham, Crewe and Leeds to improve connections to northern powerhouses.

### Key (Proposed) Milestones for Rail Developments in the UK



Source: Euromonitor International





## Importance of rail highlighted by SilverRail acquisition


In May 2017, rail ticketing and distribution platform SilverRail entered into a definitive agreement with internet travel firm Expedia, the latter now holding a majority stake in SilverRail. With a mission to improve the online experience of rail customers, SilverRail processes over 25 million bookings per year. Expedia's former CEO Dara Khosrowshahi stated during his tenure that "rail is ready for an online revolution."

Especially in Europe and Asia, rail is an important transportation mode. Expedia's investment in SilverRail shows that the internet firm believes in the growing importance of rail and integrating rail on its "flight-heavy" platform. It is an important move for rail, as better online accessibility will reduce the barrier to usage by customers.



Rail is big business, but not everywhere (yet). In Europe, 12.6% of all outbound and domestic trips are made via rail, while this is 27.4% in Asia. In contrast, only 3.9% of trips in MEA, and 3.8% in the Americas, are made using rail.





## Rail is not enough: Business focuses on alternative ground transport

Amadeus's launch of its Transfer Hub in July 2017 shows the importance of seamless ground transportation to travellers.

Uber has completely changed the ground transportation landscape in major cities, such as London; however, the recent announcement from TFL that Uber's licence has not been renewed indicates that things do not always go smoothly with new business models.

Other corporations are jumping into gaps left by public transport, making public ground transportation more convenient.

Citymapper, a transportation app providing up-to-date public transportation information to its users in many cities around the world, announced in July 2017 that it is going to operate a night bus in east London. Using crowd-sourced data through its app, the company noticed a shortage of good public transport links in that part of the city and received a licence from Transport for London to start running its own service between Aldgate and Highbury & Islington.

In a similar fashion, Chariot, a start-up bought by Ford, offers a ride-sharing shuttle service focused on commuters in Manhattan. Currently only in the US, it has international expansion plans and could reduce underserved connections and congestion.

## Hyper-connected future with the Hyperloop?

Hyperloop One, the company being contracted to build the first Hyperloop connection between Dubai and Abu Dhabi, has proposed several other viable routes in Europe. One eye-catching route is between London and Edinburgh, via Birmingham and Manchester, which would take 50 minutes.

Hyperloop is the brainchild of Elon Musk, founder of PayPal, Space X and Tesla, and involves a sealed tube through which pods can travel without air friction, thereby being able to go up to 1,200 km per hour.

While very much in the early stages, if it is constructed, the Hyperloop could make HS2 redundant. Once HS2 is completely opened in

2033, travel from Edinburgh to London will take three hours and 38 minutes.

Hyperloop One has also proposed routes between Glasgow and Cardiff (89 minutes) and Glasgow to Liverpool (47 minutes).



Source: [Hyperloop-one.com](http://Hyperloop-one.com)

A black and white photograph of a man in profile, looking at a facial recognition device. The device is a small, handheld unit with a screen displaying a face and some text. The background is a plain, light-colored wall. The image is overlaid with a semi-transparent orange and pink gradient box containing text.

# Recognise that Face?

Cities as Hubs of Innovation

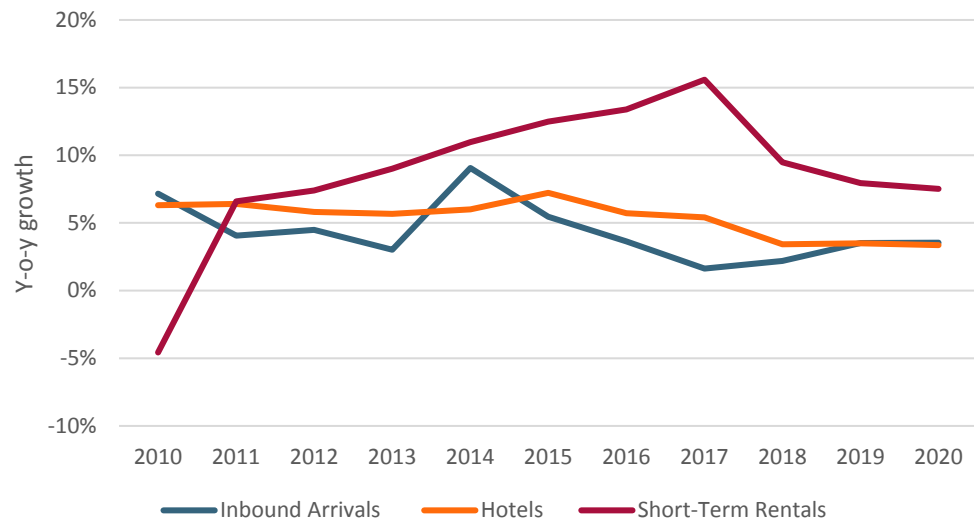
**AMERICAS**

## Travel landscape: US weighs heavy on Americas performance

Inbound arrivals growth to the Americas has been steadily decelerating in recent years.

Although still seeing positive growth, [US arrivals](#) witnessed a slowdown in 2016 due to a strong dollar and political uncertainty surrounding the US elections.

### Inbound Performance 2010–2020



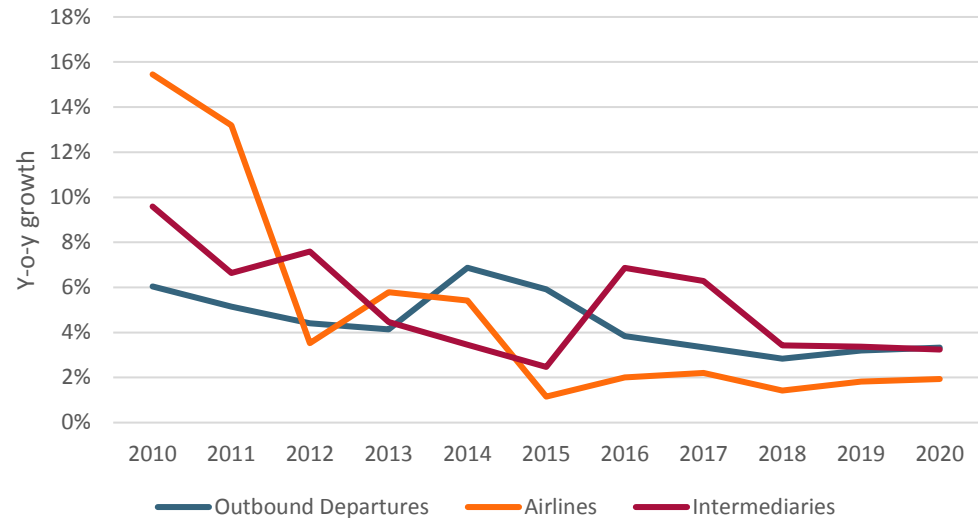
Source: Euromonitor International

Note: Inbound Arrivals and Outbound Departures are in volume (trips), while all other categories are in value (USD, fixed 2016 exchange rate).

Short-term rentals have performed very well in the Americas. The main players, Airbnb and HomeAway, are both based in the US, and the country accounts for 51% of global sales in the category in 2017. Growth was the strongest in Latin American countries, but from a very small base.

[Brazil](#), one of the major travel markets in Latin America, has gone through some turbulent times in recent years. The 2014 FIFA World Cup and the 2016 Olympic and Paralympic Games, respectively, helped boost arrivals; however, inbound arrivals took a hit from concurrent impeding factors, including Zika and political unrest surrounding the impeachment of President Dilma Rousseff.

### Outbound Performance 2010–2020



Source: Euromonitor International

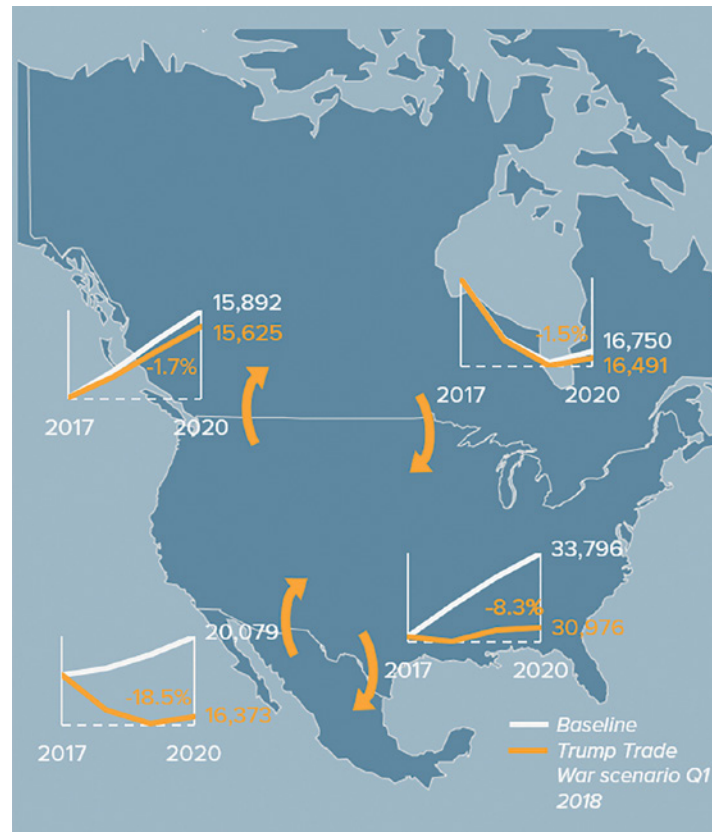
Note: Inbound Arrivals and Outbound Departures are in volume (trips), while all other categories are in value (USD, fixed 2016 exchange rate).

## Uncertainty reigns with Donald Trump in the White House

Global unease has accompanied President Trump to the White House. Trump entered office on the back of claims that he would close the US border, build a wall between Mexico and the US and end trade agreements, all potentially affecting the travel industry.

One of his first actions was to pull out of the Trans-Pacific Partnership (TPP) in January 2017. Similarly, he has threatened to pull out of the NAFTA agreement, which allows free trade between Canada, Mexico and the US.

Impact of Trump Trade War on Inbound and Outbound Trips from and to the US in 2018 (trips ('000) and % decline compared to baseline)



Source: Euromonitor International



Euromonitor International's Travel Forecast Model provides an indication of the impact a Trump Trade War would have on the travel industry. If the US drops out of NAFTA and imposes a 35% tariff on Mexican imports, followed by Mexican retaliation, the impact on inter-regional travel would be considerable.



## Near US monopoly on top spots

The impact of Trump on inbound arrivals to US cities will be closely watched by city tourism boards. Seven of the 10 Americas cities in the Top 100 are located in the US, but it is expected that 2017 performance of these cities will fall behind cities in Canada and Latin America.

**New York City** is the clear leader in the Americas. To many it might seem that the city is untouched by what is happening in Washington DC, but NYC & Co has revised its forecasts for 2017, expecting a potential fall of 300,000 visitors, although this is likely to be a worst-case scenario.

### 10 Largest Cities in Americas for Inbound Arrivals (2016, with Global Rank)



Source: Euromonitor International

As in many cities, the rise of Airbnb has meant that lodging prices have come down in New York, and while this is bad news for hotel operators, it has made the city more affordable.

[Toronto](#) hosted the Pan-American Games in August 2015 and has registered a strong performance since then.



## Top 10 Cities in the Americas

CITIES	Historic arrivals ('000)				Forecast arrivals ('000)	
	2016	2017	GROWTH	RANK CHANGE	2020	2025
New York City	12,650.0	13,100.0	3.6%	0	14,060.0	17,135.0
Miami	7,833.0	8,075.8	3.1%	▼ 1	8,783.7	10,806.6
Las Vegas	6,741.8	6,687.8	-0.8%	▼ 3	7,373.6	9,193.5
Los Angeles	5,840.7	6,074.3	4.0%	▼ 3	6,556.2	8,024.6
Cancún	5,829.0	6,761.0	16.0%	▲ 5	7,602.7	9,094.3
Orlando	5,130.5	5,269.0	2.7%	▼ 2	5,817.6	7,278.9
Toronto	4,001.2	4,451.0	11.2%	▲ 1	4,930.4	5,782.8
San Francisco	3,590.9	3,601.6	0.3%	▼ 3	3,892.8	4,769.3
Punta Cana	3,449.4	3,673.6	6.5%	▲ 1	4,080.3	4,935.3
Honolulu	2,549.6	2,574.9	1.0%	▼ 4	2,783.1	3,411.6

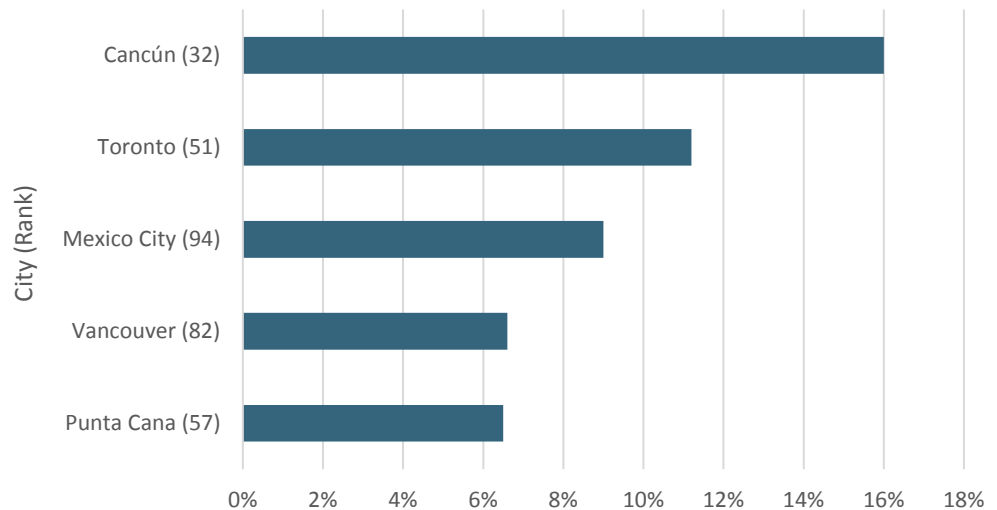
Source: Euromonitor International

## Movers and shakers in the Americas

Cancun is expected to be the strongest growing city in 2017 in the Americas. While the US is the largest source market, [Mexico](#) is becoming increasingly popular with visitors from Europe and Asia.

Rio de Janeiro performed strongly in 2016 with an increase in arrivals of 12.3% year-on-year due to the Olympic Games. Similar to 2015, when arrivals slumped after the 2014 World Cup in Brazil, 2017 is expected to register a decline in arrivals. A contributing factor to this is the Zika virus, which was finally under control in mid-2017, and political unrest at the end of 2016.

### Five Strongest Performing Americas Cities in 2017\*

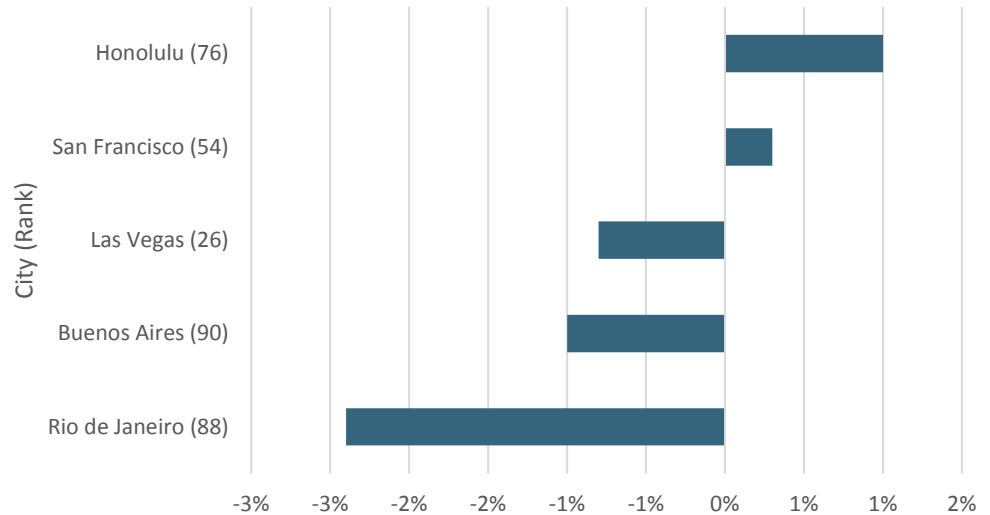


Source: Euromonitor International

Note: \*2017 data are forecast.

Canadian cities Toronto and Vancouver are in a strong growth period, as the low Canadian dollar ensures Canada is an affordable holiday destination for many. Canada is also likely benefiting from some substitution effect, as its current political vision is the near-opposite of its southern neighbour, advocating openness and stronger ties with other countries.

### Five Weakest Performing Americas Cities in 2017\*



Source: Euromonitor International

Note: \*2017 data are forecast.





## Facial recognition to improve security and efficiency

As part of his policy to tighten border controls, US President Donald Trump has ordered increased speed in implementing biometric scanners at airports.

In both iterations of his travel order, the President demanded a stronger focus on “biometric exit”, which collects data such as face scans, fingerprints and eye scans when travellers leave the country. Facial scans have been common when entering the US, but because this same data is not collected when leaving, it is harder to verify who overstayed their visa, track terrorism suspects and get accurate immigration data.

In the travel industry, facial recognition is also seen as a solution to pain points. In May 2017, [Delta Airlines](#) announced it is testing facial recognition scanners at its check-in kiosks, to ensure the traveller’s face matches their passport photo. If the tests go well, the company hopes this will reduce the need for check-in agents and should improve efficiency and reduce waiting times at check-in.

## All attention on voice

The travel industry is not only looking at the face to merely identify a traveller, but also to tell travel players what it wants, through speech and emotion.

Voice is widely lauded as the latest battle frontier, as especially Amazon's Alexa has made a big splash in the smart home market.

The implications for the travel industry are wide, especially as Alexa needs third parties to make the product more appealing. Brands such as Expedia, Kayak and Sabre have been quick to develop apps, whereby consumers can receive information about flights, hotels and make bookings through Alexa.



*Source: Amazon.com*



Hotel chains such as Marriott, meanwhile, use Alexa as virtual concierges, and for voice-controlled lights, room temperature and music.


The use of voice, however, is limited as it is currently simply another way of making a booking, while technology is still some way from understanding and processing truly natural language.



To create value added services for the travel industry you need to drop the cool factor and think about where voice can truly add value to existing services, whether it's creating new revenue opportunities for the travel provider or greater convenience for the traveller, or hopefully both.



*Joakim Everstin*  
*Co-founder, Electric Gemini*



## “How does this make you feel?”

Beyond voice and facial recognition is emotion recognition; technology that has great potential for the future.

Emotion recognition software will become integrated into consumers' devices, especially with the likes of Apple buying Emotient, an emotion recognition software start-up.

MIT offshoot Affectiva offers emotion as a service through its software, using sensors or a webcam. It tracks facial responses and applies machine-learning algorithms to analyse results. The company can identify seven emotions and over 20 facial expressions in its emotion database.

Adventure travel brand Explore was one of the first to pilot this technology to help when choosing a destination and activities.

These examples show that brands and advertisers will increasingly move towards reading consumers' emotional and physical responses without filters, in situations such as shopping, searching for a holiday or when arriving at a hotel reception after a long flight.

## Booking hotels based on mood with Travelsify

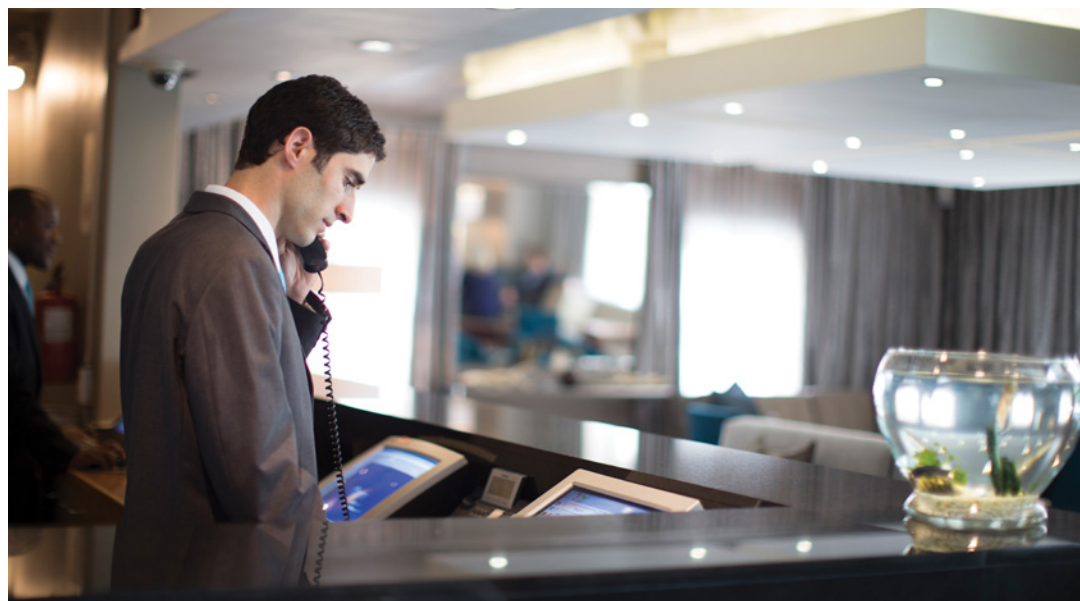
Travelsify is an online hotel booking platform that ranks each hotel according to 34 attributes, and then allows users to pick a hotel based on their mood or emotional state, rather than simply selecting from a list of amenities.

Travelsify has announced a collaboration with the fourth largest hotel player AccorHotels, which will use the technology in its search engine.

In an increasingly fragmented booking landscape, brands are looking for innovative booking functionalities to stand out, such as emotive, natural language search. Curating the options to narrow down the choices for consumers, in a way that they can relate to, will lead to improved targeting and the narrowing of the gap between expectation and experience.



Room sales of AccorHotels were USD13.5 billion in 2016, meaning that Travelsify's technology will now have access to a large traveller base to improve our understanding of emotion on booking behaviour.



## Expedia examines emotions to improve platforms

Expedia is looking beyond a comprehensive offering and ease of use of its platforms, to improve user conversion. In an increasingly competitive market, Expedia has opened a number of Usability Labs to analyse people's use of Expedia's website. Sensors are attached to research subjects' faces, giving an insight into their emotions.

The Labs record where subjects look on the screen, and through facial movement, how what they see makes them feel. Expedia hopes that this emotional recognition can help improve its platforms for different populations, while reducing stress and frustration when booking a holiday on its platforms.



Global online travel bookings approached USD1 trillion in 2017, accounting for 42% of all travel bookings made; improving the booking process through emotion analysis can only be a good thing.





## Read my mind: The future of emotive booking

Beyond recognising emotions through facial expressions, the future might lie in reading brain activity.

Computer headsets from Emotiv record brain activity, registering different emotional states deciphered from gestures, using multiple sensors.

Brain-tracking wearable devices will lead to deeper levels of human / computer interaction, and lead to new ways of developing consumer relationships and brand experiences, as well as additional benefits such as new product development through improved data on feedback.

It is not too far-fetched to say that for some consumers, reading their mind—literally—will lead to a greater sense of satisfaction with reality and their experience of brands.

For this reason, reading one's mind might become a natural part of one's travel booking and in-destination experience.



An aerial photograph of a modern city skyline, likely Dubai, featuring numerous skyscrapers and a large body of water with a marina. The image is overlaid with a semi-transparent orange and red gradient. The text "MIDDLE EAST AND AFRICA" is positioned in the upper right area of the gradient.

**MIDDLE EAST AND AFRICA**

# Looking beyond Borders

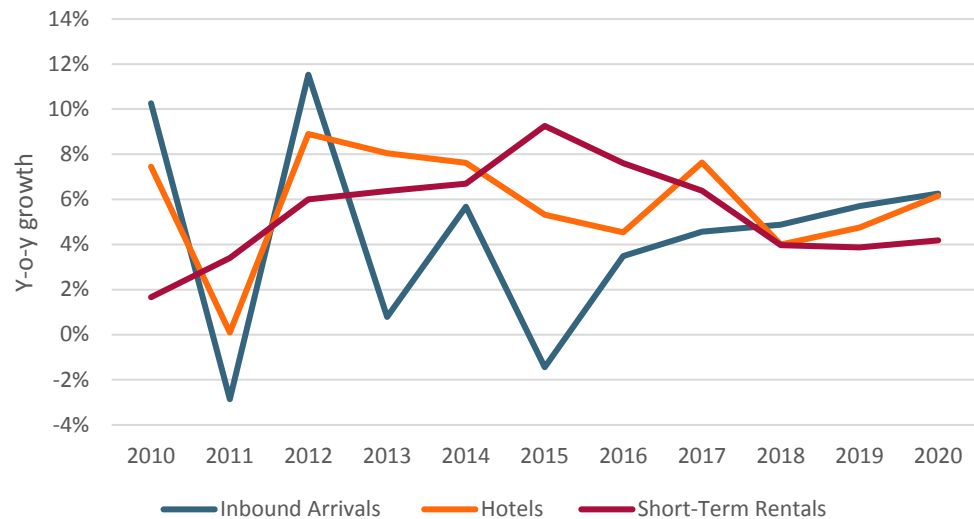
Cities as Entry Points

## Travel landscape: Strong performance amid relative calm

Performance in the Middle East and Africa has fluctuated greatly due to unrest in many countries. 2017 is expected to be a good year across the board.

Most noteworthy, it is expected that [Egypt](#) will register growth in 2017, after a strong decline in 2016 due to the October 2015 bombing involving a Russian plane, which stopped tourism to Egypt in its tracks.

### Inbound Performance 2010–2020



Source: Euromonitor International

Note: Inbound Arrivals and Outbound Departures are in volume (trips), while all other categories are in value (USD, fixed 2016 exchange rate).

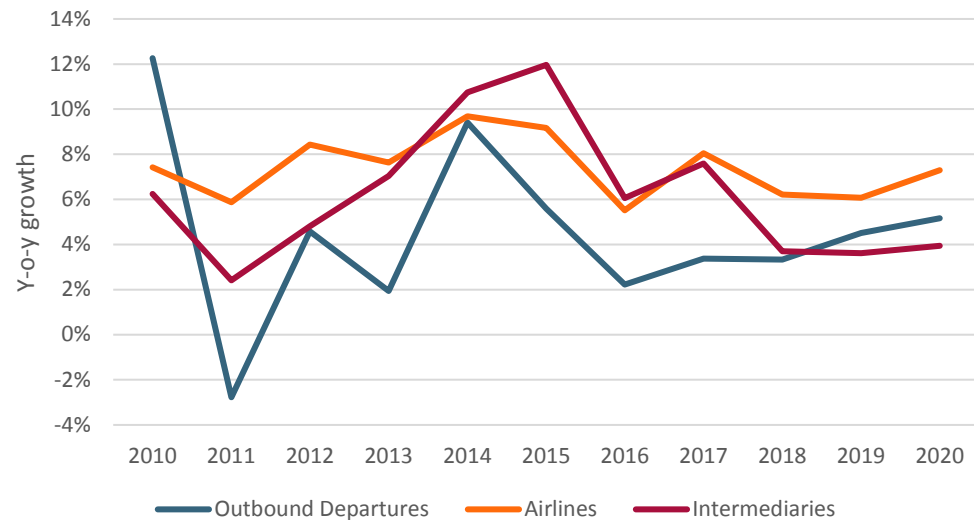


Although the Middle East in particular has strong legacy airline players, low-cost carriers are performing strongly, showing 13% growth in 2017.

Lodging performs well in the region, mainly driven by the [United Arab Emirates](#). Budget hotels are the standout performers, although South Africa and [Kenya](#) are expected to register strong growth in luxury hotels as Sub-Saharan Africa continues to be popular with luxury travellers.

South Africa has been identified by short-term rentals platform Airbnb as a key market to enter Africa, and the country is expected to see growth of 32% in 2017.

### Outbound Performance 2010–2020



Source: Euromonitor International

Note: Inbound Arrivals and Outbound Departures are in volume (trips), while all other categories are in value (USD, fixed 2016 exchange rate).

## West Africa after Ebola

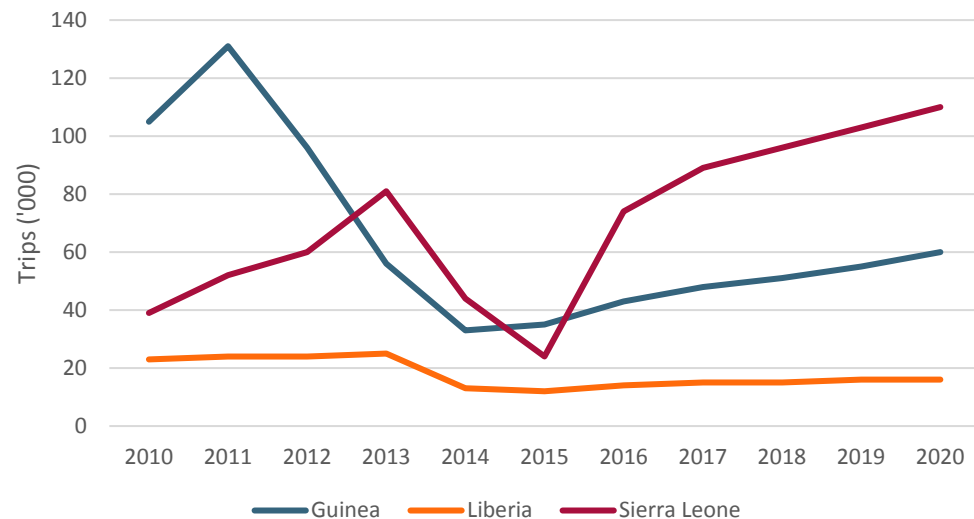
While the Middle East continues to face wars and border disputes, Africa is looking to do the reverse: opening borders and enhancing collaboration.

Africa has had its own recent struggles, however, with the 2014 outbreak of Ebola in Guinea, followed by an unprecedented number of cases in Liberia and Sierra Leone.

The outbreak caused shockwaves throughout the West Africa region, and had a heavy impact on tourism arrivals. The countries with the greatest impact had not had any major Ebola outbreaks before, and subsequently were ill-equipped to respond quickly and effectively.

Since the outbreak was declared over in June 2016, Sierra Leone has seen the strongest rebound in its economy and tourism numbers. Meanwhile, Guinea and Liberia are expected to see only slow growth and a long way back to recovery to pre-Ebola arrival numbers.

### Inbound Arrivals to Ebola-Affected Countries 2010–2020



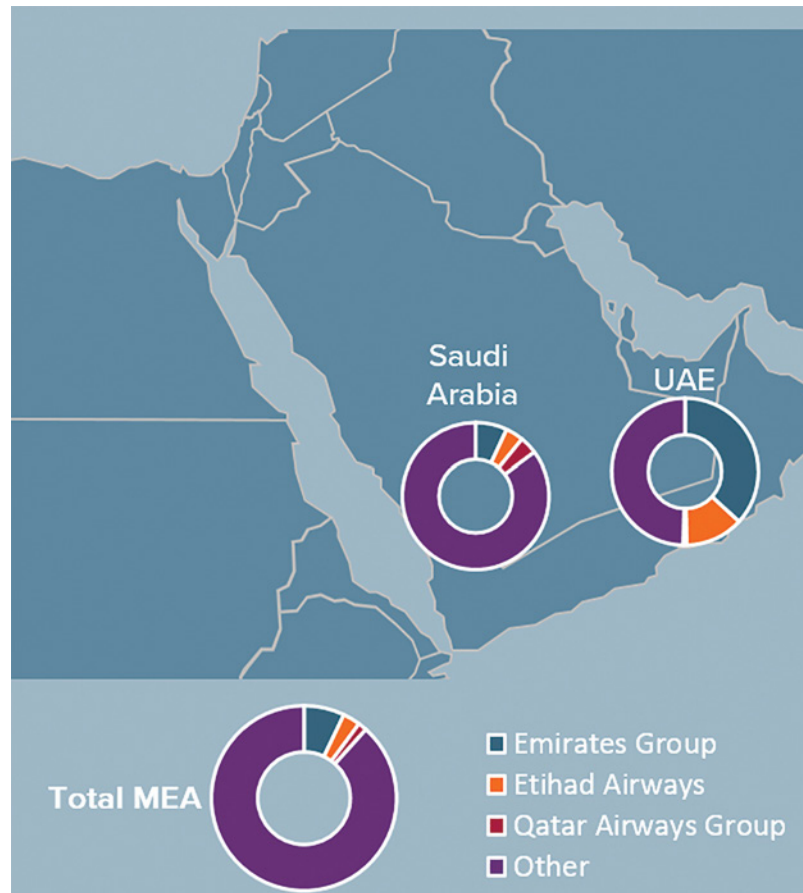
Source: Euromonitor International

## No winners among Middle Eastern airlines

The bilateral dispute with Qatar has further intensified geopolitical tensions in the region, and is likely to negatively affect demand.

The Middle East is home to the big three carriers, Emirates, Etihad and Qatar Airways, which have expanded rapidly across the globe in the last 20 years thanks to liberalisation and open skies, much to the chagrin of many legacy carriers around the world.

Value Share of Selected Carriers in the Middle East (2016)



Source: Euromonitor International



Qatar Airways is clearly the main loser of the turmoil, with the Saudi government cancelling all licences for the airline to fly in its airspace, meaning 52 daily flights are affected. According to aviation consultants Frost & Sullivan, around 30% of Qatar Airways' revenue could be affected.

However, the ban also affects the other airlines, as the [UAE airlines](#) have significant exposure to the Qatari market. It is therefore unlikely that there will be any winners in the short term.



## Middle East outshines Africa in top ranking

Despite the dispute, Doha is 64th in the ranking, although the future is more uncertain now. Dubai is by far the largest destination in the MEA region, but Saudi Arabia has three cities in the top ranking. The hajj is a major draw for arrivals to the country, but the kingdom is looking to ensure it is not just Mecca that benefits.

The Post-Umrah Programme, an initiative that allows pilgrims to convert their Umrah visas into tourist visas, was launched to allow pilgrims to extend their stays in the country. Better dispersion should also come with the first high-speed train between Mecca and Medina, set to launch in 2018.

**Johannesburg** is the only Sub-Saharan Africa city in the top 100, with tourism considered a pillar

of its economic growth strategy. The city's Smart Access Programme aims to give free Wi-Fi to all in the city by 2020. 300MB of free Wi-Fi per day is already available at bus stations and theatres.

### 10 Largest Cities in MEA for Inbound Arrivals (2016, with Global Rank)



Source: Euromonitor International

## Top 10 MEA Cities

CITIES	Historic arrivals ('000)				Forecast arrivals ('000)	
	2016	2017	GROWTH	RANK CHANGE	2020	2025
Dubai	14,870.0	16,010.0	7.7%	▲ 1	20,271.4	26,787.8
Mecca	7,964.5	8,745.0	9.8%	▲ 2	10,256.4	14,122.5
Johannesburg	5,167.1	5,537.6	7.2%	▼ 2	6,428.4	8,856.1
Riyadh	5,067.4	5,518.4	8.9%	▲ 1	6,544.7	9,096.4
Dammam City	3,417.3	3,584.8	4.9%	▼ 1	4,208.0	5,790.6
Cairo	3,012.6	3,067.1	1.8%	▼ 3	4,183.9	5,743.4
Doha	2,906.6	3,016.6	3.8%	▼ 5	3,412.8	4,511.5
Jerusalem	2,860.5	2,888.6	1.0%	▼ 5	3,267.2	4,061.4
Tel Aviv	2,520.8	2,613.8	3.7%	▼ 1	3,001.0	3,808.0
Marrakech	2,512.9	2,668.7	6.2%	▲ 3	3,052.5	3,844.1

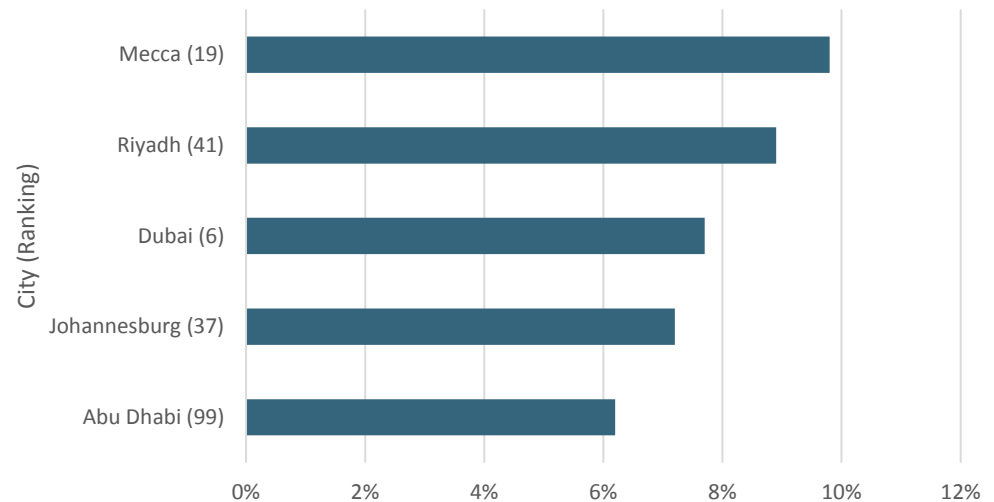
Source: Euromonitor International

Note: as per 13th Nov 2017: Dubai city data has been revised for the period 2016 and 2017 to reflect the publication of more recent official data statistics

## Dichotomy between strong and weak performers

While Mecca, Riyadh and Dubai are booming, many cities are dealing with turmoil. This is the story of the Middle East and Africa: the region is a dichotomy between cities that are performing well, and make it into the top 100 ranking, and those that have fallen outside the ranking due to strong declines.

### Five Strongest Performing MEA Cities in 2017\*



Source: Euromonitor International

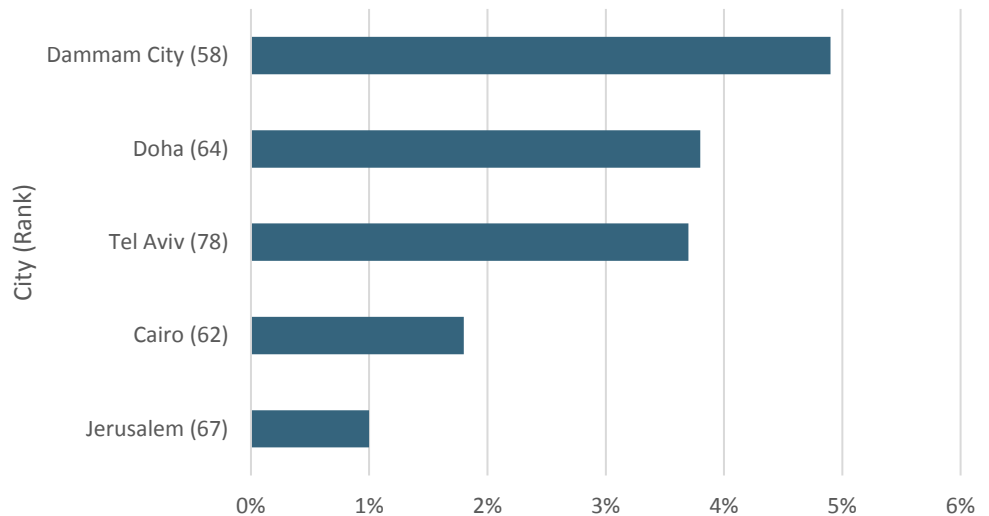
Note: \*2017 data are forecast.

Note: as per 13th Nov 2017: Dubai city data has been revised for the period 2016 and 2017 to reflect the publication of more recent official data statistics

The weakest performers in the ranking, although still showing growth, are cities in Israel and Egypt, with both countries hit by geopolitical unrest. Israel has launched a campaign which includes subsidising new budget hotels and paying airlines to bring passengers, hoping to change their ailing fortunes.

Most striking are the absentees from the ranking. In 2014, Sharm el Sheikh and Sousse were ranked 85th and 95th, respectively. Following terrorist attacks, however, these cities have fallen to 240th and 232nd, respectively, in the ranking, providing a clear warning of the impact that terrorism, and subsequent responses by local authorities and the tourism industry, can have on destinations.

### Five Weakest Performing MEA Cities in 2017\*



Source: Euromonitor International

Note: \*2017 data are forecast.



## Dubai stands out for smart mobility

Dubai seems insulated from all the turmoil that is going on around it. The city's tourism industry is booming, and it is adopting new technologies at a rapid pace.

The Dubai Tourism Vision 2020 aims to welcome 20 million visitors by the year 2020, when it will host Expo2020. Euromonitor International's forecast shows this target is set to be met.

The Dubai 2030 transport strategy aims to make 25% of all transportation in Dubai smart and driverless by 2030. This includes separate lanes for driverless buses and passenger drones able to carry a single rider. Eight drones have been test-run over the Burj Al Arab.

The city also signed a deal with Hyperloop One to launch a hyperloop train with a speed of 500mph to run from Dubai City to the capital of Abu Dhabi, covering the 150km distance in 12 minutes. With feasibility studies in place, Hyperloop One expects project completion by 2020.

Dubai Electric and Water Authority began to install electric charging stations, EV-Green Chargers, in Dubai in 2015 and plans to increase the number up to 200 stations, to promote the use of electric cars and a sustainable environment.



## Opening borders when others close theirs

In stark contrast to the US and Europe, where there are increasing calls for stronger border controls and barring certain travellers from entry, African leaders are seeing travel and tourism as a way to boost the economic prosperity of the continent.

The African Union outlines its plans towards seamless borders in the Agenda 2063 policy document. To this end, the African passport was launched in July 2016, allowing holders to travel visa-free to all 53 member states.

Research by the African Development Bank shows that in 2016, Africans did not need a visa to travel to only 20% of other African countries. In many cases, it is harder for an African citizen to enter an African country than it is for a US citizen.

Some countries, however, have made good progress, with Ghana starting to offer visas upon arrival for all AU member states in 2016 and visa-free travel for 17 countries, many of which are fellow members of the Economic Community of West African States (ECOWAS).



We hereby adopt Agenda 2063, as a collective vision and roadmap for the next 50 years and therefore commit to speed up actions to introduce an African passport, issued by member states, capitalising on the global migration towards e-passports, and with the abolishment of visa requirements for all African citizens in all African countries by 2018.



*African Union  
Agenda 2063*

## Challenges ahead for seamless borders

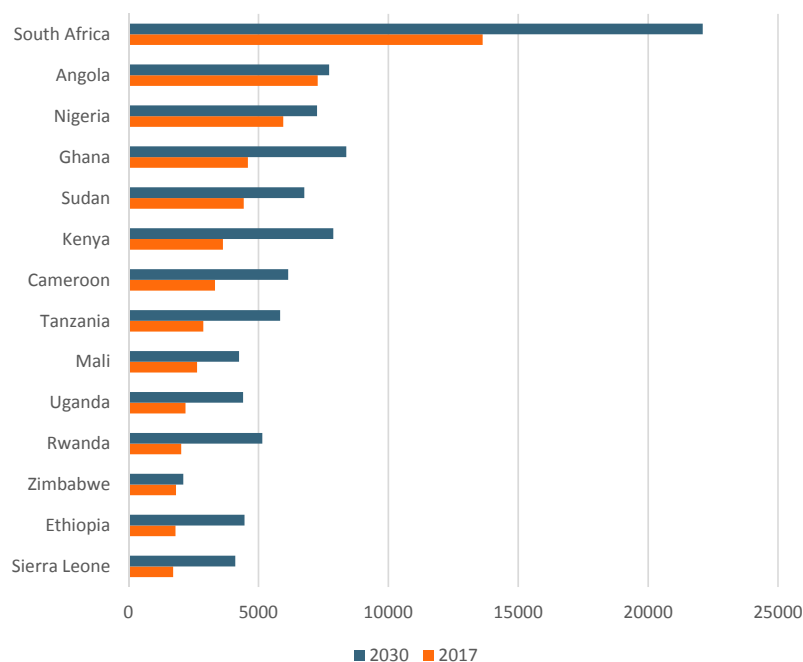
While on paper the plans would greatly benefit the region and the travel industry, the proposals are mired in challenges and much of the workings are still unclear.

Firstly, there are major discrepancies in GDP per country, resulting in fears of one-way migration to the richer countries. By 2030, for example, South Africa's GDP per capita is expected to be 10 times higher than neighbouring Zimbabwe.

Already there are many issues with getting a passport, with Uganda recently running out of passports and Nigerian printers haggling with the government for higher pay. In Congo, a passport costs USD185, while the average income is USD680 per year, making possession of a passport only

possible for the elite. How the AU passport will be distributed is unclear, but already there is criticism that it is initially only for heads of state, rather than ordinary citizens.

### GDP per Capita for Selected African Countries 2017 / 2030



Source: Euromonitor International

## Travel industry has role to play

Seamless borders, or even visas upon entry for more African countries, will offer great opportunities to the travel industry.

However, the industry also has a role to play. At the moment, there are very few direct air connections between African countries, and many African citizens resort to travelling via Europe to reach another African country. Increasing flight paths between regional hubs would contribute to a more open Africa.

With the strong growth in GDP in many African countries, and a population that is set to grow from 1.2 billion to 1.7 billion by 2030 in the AU member states, there is strong potential for increased business and leisure travel.

While there have been some initiatives to increase domestic travel in Africa, intra-regional travel still has some way to go. African tourist boards will need to shift their focus, as many tend to focus on attracting European and North American travellers instead of their neighbours.



It is immensely encouraging to see African countries looking to simplify cross-border travel by easing, and in some cases abolishing, visa restrictions. As part of West Africa Tourism we have been lobbying with ministries for a number of years to implement an ECOWAS tourist visa which will give access to all countries in the regional bloc. Whether or not it will be implemented is another story, but the principle of open borders is great.



**David Oades**

*Founder, Overlanding West Africa  
Board member, West Africa Tourism*



# City Ranking and Notes



## City Destinations Ranking 1 to 13

2016 RANKING	CITY	COUNTRY	Historic arrivals ('000)				Forecast arrivals ('000)	
			2016	2017	GROWTH	RANK CHANGE	2020	2025
1	Hong Kong	Hong Kong, China	26,552.7	25,695.8	-3.2%	0	31,230.8	44,058.9
2	Bangkok	Thailand	21,251.7	23,270.6	9.5%	0	28,509.6	39,887.7
3	London	UK	19,190.3	19,842.8	3.4%	0	22,335.0	25,804.3
4	Singapore	Singapore	16,604.0	17,618.8	6.1%	0	21,266.9	30,194.0
5	Macau	Macau	15,391.9	16,299.1	5.9%	▼ 1	19,715.2	27,907.8
6	Dubai	United Arab Emirates	14,870.0	16,010.0	7.7%	▲ 1	20,271.4	26,787.8
7	Paris	France	14,392.0	14,263.0	-0.9%	0	15,249.2	17,557.2
8	New York City	US	12,650.0	13,100.0	3.6%	0	14,060.0	17,135.0
9	Shenzhen	China	12,571.0	12,962.0	3.1%	0	15,331.8	20,504.1
10	Kuala Lumpur	Malaysia	12,290.4	12,843.5	4.5%	0	15,382.2	21,251.4
11	Phuket	Thailand	10,596.1	12,079.5	14.0%	0	15,321.5	22,119.6
12	Rome	Italy	9,396.4	9,565.5	1.8%	▼ 2	10,404.4	11,951.9
13	Tokyo	Japan	9,272.9	9,713.5	4.8%	0	12,366.2	14,654.8

Source: Euromonitor International

Note: as per 13th Nov 2017: Dubai city data has been revised for the period 2016 and 2017 to reflect the publication of more recent official data statistics

## City Destinations Ranking 14 to 26

2016 RANKING	CITY	COUNTRY	Historic arrivals ('000)				Forecast arrivals ('000)	
			2016	2017	GROWTH	RANK CHANGE	2020	2025
14	Taipei	Taiwan	9,226.7	9,318.9	1.0%	▼ 1	10,865.5	14,144.3
15	Istanbul	Turkey	9,174.4	8,642.3	-5.8%	▼ 4	9,541.2	11,622.3
16	Seoul	South Korea	9,002.8	7,659.1	-14.9%	▼ 6	9,159.1	13,229.7
17	Guangzhou	China	8,618.7	9,075.5	5.3%	▲ 1	10,674.2	14,183.9
18	Prague	Czech Republic	8,182.5	8,550.7	4.5%	▼ 2	9,552.4	11,362.5
19	Mecca	Saudi Arabia	7,964.5	8,745.0	9.8%	▲ 1	10,256.4	14,122.5
20	Miami	US	7,833.0	8,075.8	3.1%	▼ 1	8,783.7	10,806.6
21	Delhi	India	7,447.8	10,257.0	37.7%	▲ 9	12,891.2	18,757.2
22	Mumbai	India	7,194.3	8,884.9	23.5%	▲ 5	11,053.4	15,905.5
23	Barcelona	Spain	7,037.8	7,624.1	8.3%	0	8,024.4	8,899.4
24	Pattaya	Thailand	7,018.8	7,313.5	4.2%	0	8,995.7	12,670.0
25	Shanghai	China	6,904.3	7,201.2	4.3%	0	8,376.4	10,970.9
26	Las Vegas	US	6,741.8	6,687.8	-0.8%	▼ 3	7,373.6	9,193.5

Source: Euromonitor International



## City Destinations Ranking 27 to 39

2016 RANKING	CITY	COUNTRY	Historic arrivals ('000)				Forecast arrivals ('000)	
			2016	2017	GROWTH	RANK CHANGE	2020	2025
27	Milan	Italy	6,695.1	6,882.5	2.8%	▲ 1	7,434.3	8,488.6
28	Amsterdam	Netherlands	6,345.1	6,570.4	3.6%	▼ 2	6,815.6	7,529.0
29	Antalya	Turkey	6,173.4	6,457.4	4.6%	▼ 2	7,056.9	8,605.2
30	Vienna	Austria	5,867.6	6,043.7	3.0%	▼ 5	6,533.2	7,429.2
31	Los Angeles	US	5,840.7	6,074.3	4.0%	▼ 3	6,556.2	8,024.6
32	Cancún	Mexico	5,829.0	6,761.0	16.0%	▲ 5	7,602.7	9,094.3
33	Osaka	Japan	5,644.8	6,133.1	8.7%	0	7,574.2	9,050.8
34	Berlin	Germany	5,559.6	5,833.1	4.9%	▼ 2	6,430.3	7,644.8
35	Agra	India	5,340.0	6,744.4	26.3%	▲ 7	8,517.6	12,417.6
36	Ho Chi Minh City	Vietnam	5,200.0	5,500.0	5.8%	▼ 5	7,053.8	10,201.5
37	Johannesburg	South Africa	5,167.1	5,537.6	7.2%	▼ 2	6,428.4	8,856.1
38	Venice	Italy	5,139.9	5,227.3	1.7%	▼ 5	5,635.6	6,413.8
39	Madrid	Spain	5,131.7	5,581.0	8.8%	▲ 2	5,916.0	6,597.9

Source: Euromonitor International

## City Destinations Ranking 40 to 52

2016 RANKING	CITY	COUNTRY	Historic arrivals ('000)				Forecast arrivals ('000)	
			2016	2017	GROWTH	RANK CHANGE	2020	2025
40	Orlando	US	5,130.5	5,269.0	2.7%	▼ 2	5,817.6	7,278.9
41	Riyadh	Saudi Arabia	5,067.4	5,518.4	8.9%	▲ 1	6,544.7	9,096.4
42	Johor Bahru	Malaysia	4,844.7	5,571.4	15.0%	▲ 3	6,726.0	9,360.9
43	Dublin	Ireland	4,810.0	4,977.0	3.5%	▼ 4	5,307.5	6,051.1
44	Florence	Italy	4,806.4	4,878.5	1.5%	▼ 4	5,309.1	6,101.9
45	Chennai	India	4,680.8	5,186.3	10.8%	▲ 1	6,561.4	9,589.2
46	Moscow	Russia	4,541.5	4,632.3	2.0%	▼ 3	5,000.2	6,701.7
47	Athens	Greece	4,526.0	4,978.6	10.0%	▲ 1	5,448.4	6,503.9
48	Jaipur	India	4,319.7	5,088.6	17.8%	▲ 3	6,480.6	9,550.1
49	Beijing	China	4,165.0	4,156.7	-0.2%	▼ 3	4,932.4	6,589.1
50	Denpasar	Indonesia	4,080.9	6,238.3	52.9%	▲ 18	8,909.2	12,313.0
51	Toronto	Canada	4,001.2	4,451.0	11.2%	▲ 1	4,930.4	5,782.8
52	Ha Noi	Vietnam	4,000.0	4,300.0	7.5%	▲ 1	5,340.9	7,417.2

Source: Euromonitor International

## City Destinations Ranking 53 to 65

2016 RANKING	CITY	COUNTRY	Historic arrivals ('000)				Forecast arrivals ('000)	
			2016	2017	GROWTH	RANK CHANGE	2020	2025
53	Sydney	Australia	3,620.4	3,857.9	6.6%	▼ 1	4,465.6	5,773.2
54	San Francisco	US	3,590.9	3,601.6	0.3%	▼ 3	3,892.8	4,769.3
55	Budapest	Hungary	3,505.0	3,823.9	9.1%	0	4,390.1	5,449.7
56	Ha Long	Vietnam	3,500.0	4,000.0	14.3%	▲ 3	4,808.6	6,663.6
57	Punta Cana	Dominican Republic	3,449.4	3,673.6	6.5%	▼ 1	4,080.3	4,935.3
58	Dammam City	Saudi Arabia	3,417.3	3,584.8	4.9%	▼ 1	4,208.0	5,790.6
59	Munich	Germany	3,389.3	3,492.0	3.0%	▼ 1	3,860.3	4,608.3
60	Zhuhai	China	3,172.3	3,277.0	3.3%	▼ 2	3,810.7	5,003.2
61	Lisbon	Portugal	3,136.1	3,320.3	5.9%	0	3,601.4	4,158.2
62	Cairo	Egypt	3,012.6	3,067.1	1.8%	▼ 3	4,183.9	5,743.4
63	Penang Island	Malaysia	2,974.3	3,194.4	7.4%	▼ 1	3,795.6	5,185.2
64	Doha	Qatar	2,906.6	3,016.6	3.8%	▼ 5	3,412.8	4,511.5
65	Copenhagen	Denmark	2,887.7	3,061.0	6.0%	▼ 1	3,313.4	3,807.5

Source: Euromonitor International

## City Destinations Ranking 66 to 78

2016 RANKING	CITY	COUNTRY	Historic arrivals ('000)				Forecast arrivals ('000)	
			2016	2017	GROWTH	RANK CHANGE	2020	2025
66	Heraklion	Greece	2,885.2	3,208.3	11.2%	▲ 3	3,487.5	4,141.9
67	Jerusalem	Israel	2,860.5	2,888.6	1.0%	▼ 5	3,267.2	4,061.4
68	Edirne	Turkey	2,845.4	2,934.1	3.1%	▼ 3	3,185.3	3,851.9
69	Phnom Penh	Cambodia	2,806.4	3,016.9	7.5%	▲ 1	3,753.2	5,435.8
70	St Petersburg	Russia	2,800.5	2,856.5	2.0%	▼ 3	3,043.7	4,016.8
71	Jeju	South Korea	2,756.1	2,429.4	-11.9%	▼ 17	2,892.2	4,165.1
72	Kyoto	Japan	2,744.1	3,029.6	10.4%	▲ 5	3,741.4	4,470.8
73	Chiang Mai	Thailand	2,739.1	2,944.6	7.5%	▲ 3	3,464.6	4,708.8
74	Warsaw	Poland	2,734.8	2,794.7	2.2%	0	3,028.7	3,438.7
75	Krakow	Poland	2,650.0	2,550.0	-3.8%	▼ 8	2,766.5	3,137.9
76	Honolulu	US	2,549.6	2,574.9	1.0%	▼ 4	2,783.1	3,411.6
77	Melbourne	Australia	2,534.3	2,782.7	9.8%	▲ 2	3,246.9	4,228.7
78	Tel Aviv	Israel	2,520.8	2,613.8	3.7%	▼ 1	3,001.0	3,808.0

Source: Euromonitor International

## City Destinations Ranking 79 to 91

2016 RANKING	CITY	COUNTRY	Historic arrivals ('000)				Forecast arrivals ('000)	
			2016	2017	GROWTH	RANK CHANGE	2020	2025
79	Marrakech	Morocco	2,512.9	2,668.7	6.2%	▲ 3	3,052.5	3,844.1
80	Brussels	Belgium	2,511.5	2,524.0	0.5%	▼ 5	2,846.2	3,353.2
81	Auckland	New Zealand	2,494.8	2,625.1	5.2%	▲ 3	2,987.2	3,840.6
82	Vancouver	Canada	2,489.1	2,652.6	6.6%	▲ 5	2,937.6	3,447.2
83	Jakarta	Indonesia	2,416.3	3,587.5	48.5%	▲ 25	5,223.4	7,185.9
84	Frankfurt	Germany	2,406.2	2,511.4	4.4%	▼ 2	2,753.4	3,255.7
85	Artvin	Turkey	2,353.5	2,572.3	9.3%	▲ 4	2,792.5	3,376.9
86	Guilin	China	2,333.2	2,531.5	8.5%	▲ 2	2,957.7	3,870.6
87	Stockholm	Sweden	2,327.0	2,471.2	6.2%	0	2,784.3	3,371.7
88	Rio de Janeiro	Brazil	2,309.0	2,253.6	-2.4%	▼ 5	2,617.5	3,310.4
89	Kolkata	India	2,291.4	2,550.4	11.3%	▲ 7	3,171.6	4,559.4
90	Buenos Aires City	Argentina	2,263.8	2,241.2	-1.0%	▼ 5	2,463.3	3,098.7
91	Chiba	Japan	2,213.3	2,152.6	-2.7%	▼ OUT	2,740.4	3,247.6

Source: Euromonitor International

## City Destinations Ranking 92 to 100

2016 RANKING	CITY	COUNTRY	Historic arrivals ('000)				Forecast arrivals ('000)	
			2016	2017	GROWTH	RANK CHANGE	2020	2025
92	Siem Reap	Cambodia	2,205.3	2,337.6	6.0%	▲ 2	2,908.1	4,211.9
93	Nice	France	2,164.8	2,141.0	-1.1%	▼ OUT	2,264.2	2,577.8
94	Mexico City	Mexico	2,157.0	2,351.0	9.0%	▲ 5	2,578.9	3,012.0
95	Lima	Peru	2,151.0	2,274.0	5.7%	▲ 3	2,501.6	3,099.1
96	Taichung	Taiwan	2,091.4	2,175.0	4.0%	▼ 3	2,547.1	3,330.0
97	Rhodes	Greece	2,091.1	2,252.1	7.7%	▲ 3	2,448.1	2,907.4
98	Washington DC	US	2,072.1	2,154.0	4.0%	▼ 2	2,346.1	2,898.8
99	Abu Dhabi	United Arab Emirates	2,054.9	2,182.9	6.2%	▲ 1	2,598.7	3,567.9
100	Colombo	Sri Lanka	2,040.6	2,206.0	8.1%	▲ 3	2,639.6	3,674.9

Source: Euromonitor International



## Definitions

**International arrivals** by city includes visitors from abroad who arrive at the city under review as their first point of entry, and also includes those visitors to the city who arrived in the country via a different point of entry, but then go on to visit the city in question during their trip.

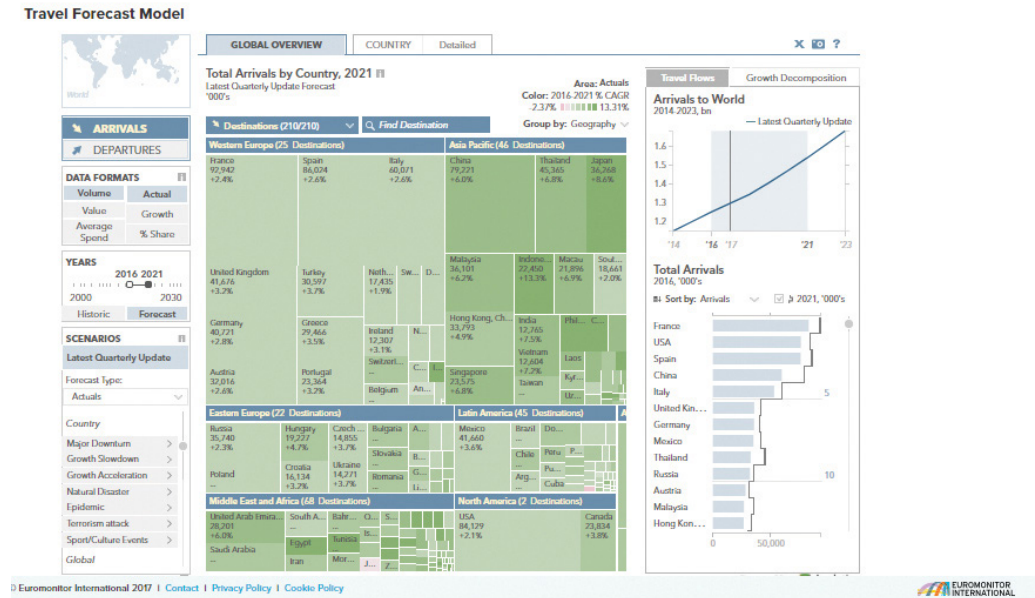
**Arrivals** refers to international tourists, i.e. any person visiting another country for at least 24 hours, for a period not exceeding 12 months, and staying in collective or private accommodation. Each arrival is counted separately and includes people travelling more than once a year and people visiting several countries during one holiday. Domestic visitors are excluded. This encompasses all purposes of visit, such as business, leisure and visiting friends and relatives.

Euromonitor International's arrivals figures **exclude** same-day visitors, people in transit and cruise passengers as this can distort arrival figures at important border crossings and cruise destinations, respectively. It also excludes those in paid employment abroad. Students that stay in a country for a period of more than 12 months are excluded and are considered as temporary residents. Military personnel and transportation crew are excluded, along with displaced people because of war or natural disasters.

The ranking focuses on **city hubs** and tends to exclude beach and ski resorts that may enjoy high volumes of international visitors.

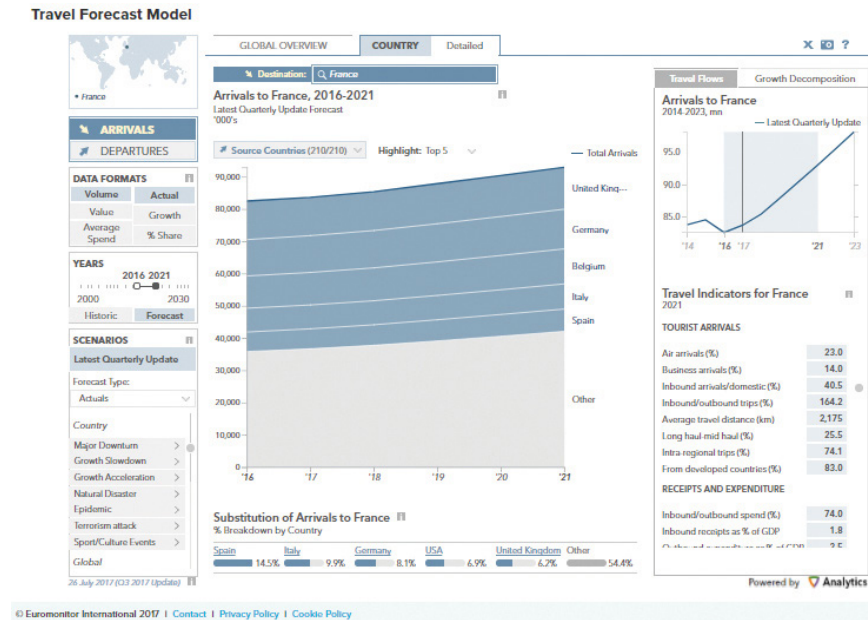
## City arrivals forecasting

City arrivals forecast data were calculated using a regression model based on socioeconomic data collected by Euromonitor International. This model compares cities' characteristics to those of the countries they are located in, and using historic patterns, identifies how much influence these differences have on cities' tourist arrivals. Using Euromonitor International's Travel Forecast Model, which forecasts international arrivals at the country level, the estimated effects of the differences between cities and countries were used to adjust country forecasts and produce city level forecasts.



Source: Euromonitor International

Hence, if a particular city and the country it is located in have similar characteristics, the forecast growth of the city's tourist arrivals will be similar to the forecast growth of total arrivals to its country from Euromonitor International's Travel Forecast Model. However, if the characteristics of the city and the country differ, the approach captures city-level idiosyncrasies and produces tailored forecasts. The set of characteristics used includes GDP, disposable income, consumer expenditure, population, terrorism attacks and sporting / cultural events.



## The team behind the report

The Top 100 City Destinations Ranking: WTM London 2017 edition was created exclusively for World Travel Market London by Euromonitor International's travel research team.

To meet Euromonitor team, please visit ME366 stand in the WTM Exhibition floor.

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