

# Benchmarking Travel & Tourism in Africa

How does Travel & Tourism compare to other sectors?

*Summary of Findings, November 2013*

Sponsored by:



Introduction.....	3
Summary of research structure.....	4
Sectors referenced.....	5
Africa summary.....	8
Data sources and methodology.....	14
About WTTC and Oxford Economics.....	18

# Introduction

- The World Travel & Tourism Council (WTTC) has spearheaded global analysis of the economic importance of the sector for over 20 years. This research has established the contribution of Travel & Tourism on an ongoing basis to over 180 countries in absolute size, share of the economy, and growth.
- Around the world, WTTC research is referenced as the authoritative source of the role of Tourism in generating GDP, income, and employment.
- WTTC is now releasing new research on the role that Travel & Tourism plays in the world economy in comparison to other economic sectors.
- The results of these comparisons provide new perspectives on the relative significance of Travel & Tourism as well as some of its unique advantages in driving current and future global economic growth.

# Summary of Research Structure

- This updated WTTC research benchmarks Travel & Tourism against an assortment of other sectors for twenty-five countries and for each world region.

## Regions

- World
- Americas
- Europe
- Asia Pacific
- Middle East
- Africa

## Countries

- Argentina
- Australia
- Brazil
- Canada
- China
- Colombia
- France
- Germany
- India
- Indonesia
- Italy
- Jamaica
- Japan
- Mexico
- Montenegro
- Peru
- Russia
- Serbia
- South Africa
- South Korea
- Thailand
- Turkey
- UAE
- United Kingdom
- USA

# Summary of Research Structure

- The following metrics are analysed by sector for each country and region:
  - GDP (size and share of economy)
  - Employment contribution (size and share of economy)
  - Historic growth
  - Expected growth

## Sectors referenced

The following sectors have been analysed in comparison to Travel & Tourism. They were selected as having a similar breadth and global presence as Travel & Tourism.

- **Mining**: includes the extraction of oil, natural gas, coal, metals, and related services
- **Education**: includes all levels of educational services
- **Higher Education**: includes learning that occurs at universities, academies, colleges, seminaries, and institutes of technology
- **Chemicals manufacturing**: includes drugs & medicines, manufacture of basic pharmaceutical products and pharmaceutical preparations, plastics, rubber, paint, polishes, ink, perfumes, cosmetics, soap, cleaning materials, fertilizer, pesticides, other chemicals
- **Automotive manufacturing**: includes motor vehicles and parts & accessories
- **Communications**: includes post (national and private) and telecommunications
- **Banking**: includes all banking activities and related services.
- **Financial services**: includes banking, investment services, insurance

# Levels of industry impacts

The analysis examines the economic value of industries on three levels.

- Direct: this includes only those employees and the related value added for the relevant sector. In the case of Travel & Tourism, we only count the value added of the accommodation, recreation, transportation, and other related sectors.
- Indirect: this measures the supply chain impact (also called inter-industry linkages) for each sector.
- Induced: this measures the impacts of incomes earned directly and indirectly as they are spent in the local economy.
- The sum of direct, indirect, and induced impacts equals the total economic impact of a sector.



# Africa Summary

**How does Travel & Tourism compare to other sectors?**

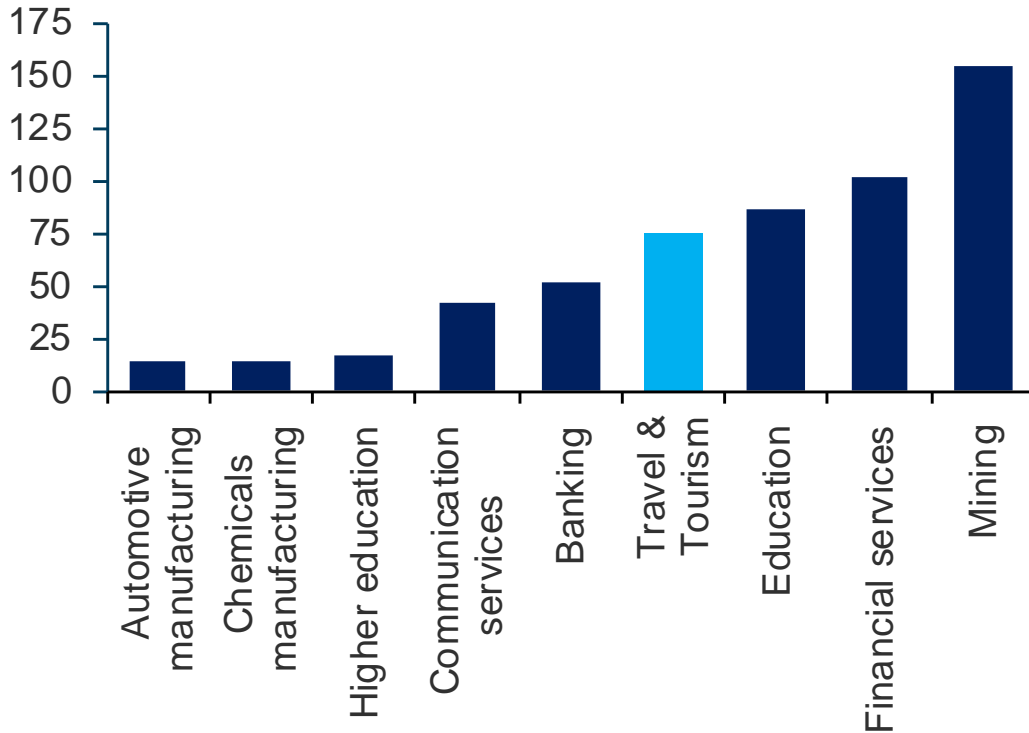


# Ranking Direct Industry GDP in Africa

- Travel & Tourism direct GDP in Africa reached \$US 75 billion in 2013.
- This is greater than the GDP of Africa's banking, communications, chemicals manufacturing, and auto manufacturing sectors.
- And Travel & Tourism in Africa is nearly the same size as Africa's education and financial services sectors.

## Africa Direct GDP by Industry in 2013

2013 (000s)

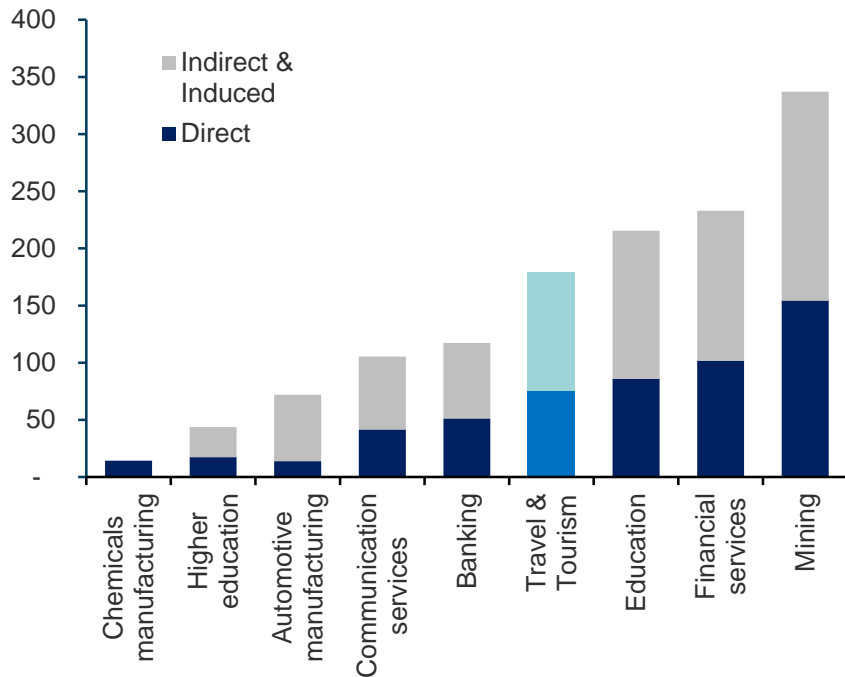


# Ranking GDP Impact in Africa

- Including its indirect and induced impacts, Travel & Tourism generated \$US 179 billion in GDP, or 8.9% of Africa's GDP in 2013, exceeding that of the banking, chemicals, auto, higher education, and communications sectors.

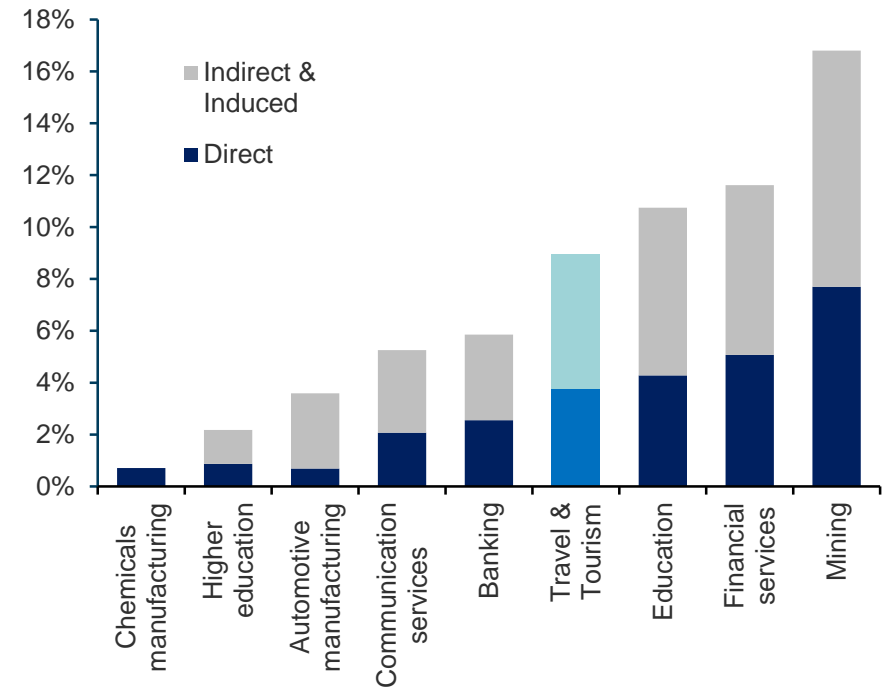
## Africa GDP Impact by Industry

\$US billion (2012 prices)



## Africa GDP Impact by Industry

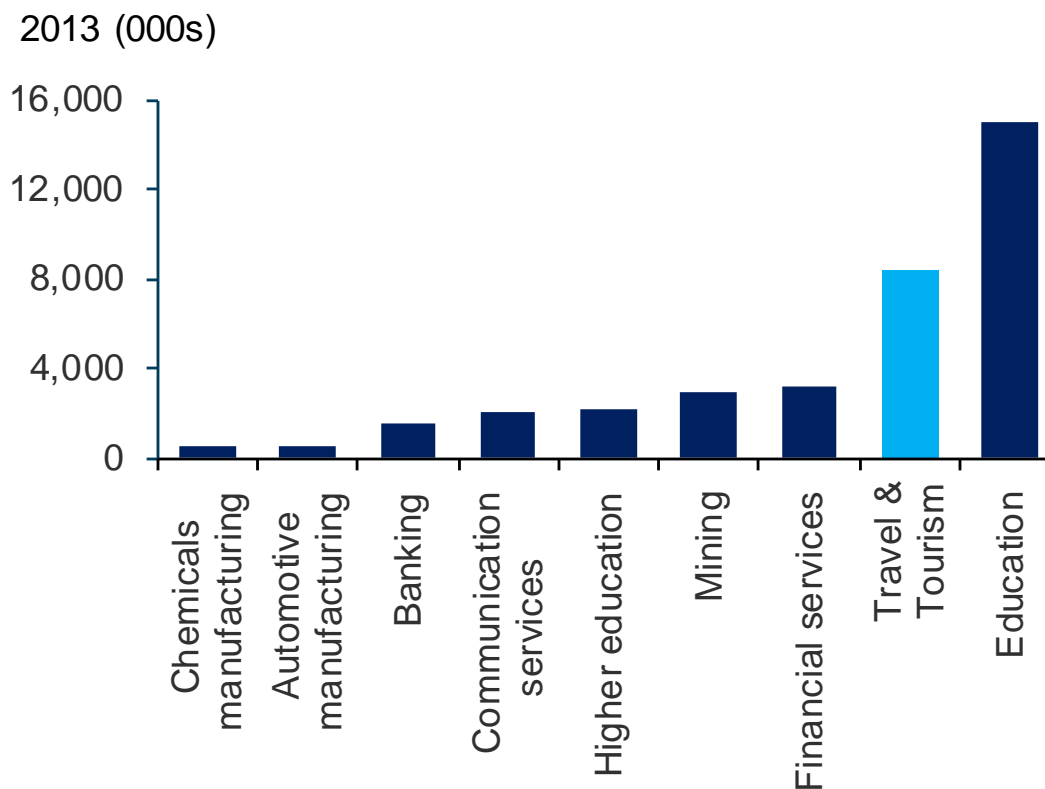
share of total economy GDP



# Ranking Direct Industry Employment in Africa

- With 8 million direct employees in Africa, Travel & Tourism is one of the leading employers in the region, surpassing the direct job creation of chemicals manufacturing, auto manufacturing, higher education, communications, banking, mining, and financial services.

**Africa Direct Employment by Industry in 2013**

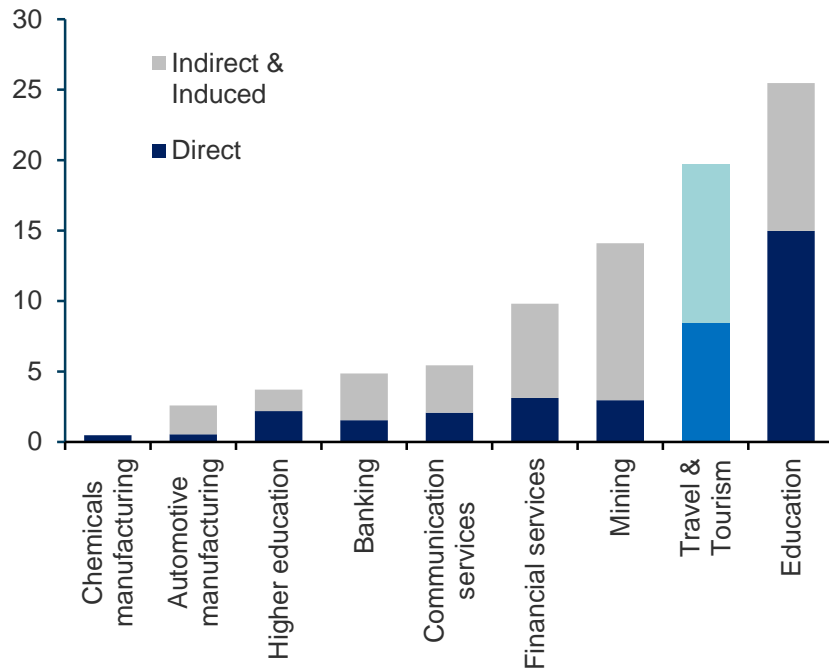


# Industry Employment Impacts in Africa

- Including its indirect and induced impacts, Travel & Tourism in Africa sustained 20 million jobs in 2013, exceeding that of the chemicals, auto manufacturing, communications, banking, higher education, financial services, and mining sectors.
- At 7.1% of regional employment, Travel & Tourism generates nearly 1 in 14 jobs in Africa.

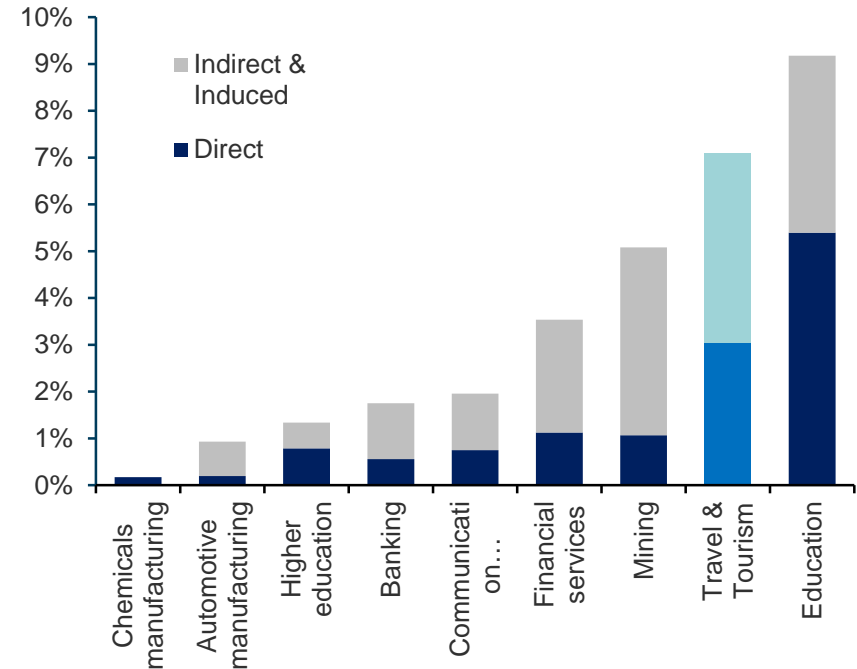
**Africa Employment Impact by Industry**

2012, millions



**Africa Employment Impact by Industry**

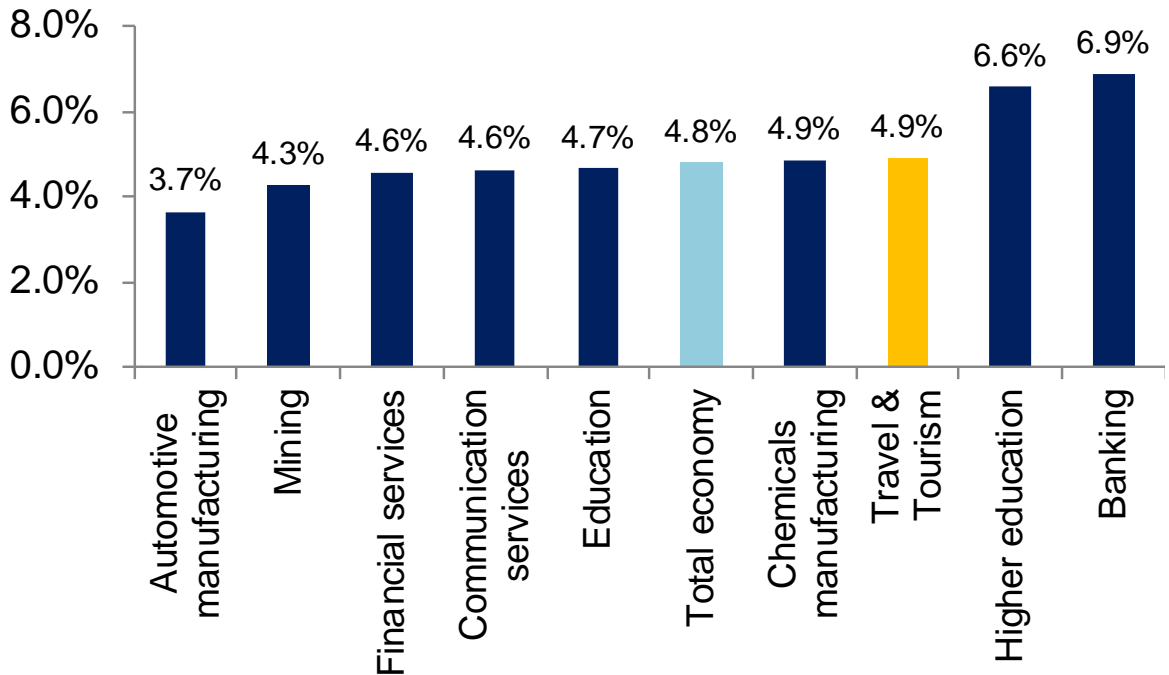
share of total economy employment



# GDP Growth in Africa

- The Oxford Economics global industry model projects Travel & Tourism GDP to grow 4.9% per annum (compound annual growth) over the next decade. This is greater growth than forecast for the total economy.
- This positions the industry as a driver of economic growth, exceeding the growth projections for mining, education, financial services, and chemicals manufacturing.

**Africa GDP Forecast by Industry**  
CAGR% 2013-2023



# Data Sources & Methodology

**How does Travel & Tourism compare to other sectors?**

# Data sources and methodology: GDP and Employment

- Main data sources for comparative sectors:
  - United Nations International Labour Organization;
  - OECD;
  - CEIC Data Manager;
  - Eurostat (European Commission);
  - UK Office for National Statistics (ONS);
  - Oxford Economics Cities and Regions Forecasting Service;
  - UNESCO;
  - Groningen Growth and Development Centre;
  - UN World Input-Output Database (WIOD);
  - Oxford Economics Global Industry Model;
  - Oxford Economics Global Economic Model;
  - Oxford Economics UK Regional Model; and
  - Various country-specific National Statistics Office websites
- Travel & Tourism GDP and employment figures are drawn from Oxford Economics analysis for WTTC using the Tourism Satellite Account framework.

# Data sources and methodology: Exports

- Main data sources:
  - World Trade Organization (WTO)
  - IMFBOPA
  - Oxford Economics.
- Total exports, total service exports and total goods/merchandise exports are sourced originally to national accounts and central bank balance of payments data.
- Service exports taken from IMFBOPA database for all countries where possible.
- 2000 figures taken from above, 2013 estimated using 2012 shares of total and applied to totals for 2013.
- All currency figures are stated in 2012 US dollars.



# Data sources and methodology: Linkages

- Main data sources: OECD, National Statistical Offices, Oxford Economics
- Input-output tables for all countries were sourced from either the OECD or, when not available, National Statistical Offices. From the input-output tables, multiplier matrices were developed for each economy, detailing the flow of spending in an economy that occurs as a consequence of spending in a given industry.
- For each of the comparator sectors, a spending shock of \$1 million was simulated, with the resulting spending impacts in every industry in the economy recorded.
- These spending outcomes were translated into gross value added (GVA) using the GVA/output ratios available in the input-output tables, and employment, using productivity level data developed from the GDP and employment figures derived elsewhere in the study.
- Travel & Tourism multipliers are drawn from Oxford Economics / WTTC ongoing Tourism Satellite Account analysis.
- Global and regional multipliers were calculated as the weighted average of all relevant nations, with weightings assigned according to sector GDP.

# About WTTC and Oxford Economics



- The World Travel & Tourism Council (WTTC) is the forum for business leaders in the Travel & Tourism industry. With Chief Executives of some one hundred of the world's leading Travel & Tourism companies as its Members, WTTC has a unique mandate and overview on all matters related to Travel & Tourism.
- WTTC works to raise awareness of Travel & Tourism as one of the world's largest industries, supporting 260 million jobs and generating 9 per cent of world GDP in 2012.
- WTTC advocates partnership between the public and private sectors, delivering results that match the needs of economies, local and regional authorities and local communities with those of business.



- Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics enjoys a reputation for high quality, quantitative analysis and evidence-based advice.
- For this, it draws on its own staff of over 70 highly-experienced professional economists; a dedicated data analysis team; global modeling tools, and a range of partner institutions in Europe, the US and in the United Nations Project Link. Oxford Economics has offices in New York, Philadelphia, San Francisco, Chicago, London, Oxford, Belfast, Dubai, and Singapore.