TOURISM ECONOMICS

AN OXFORD ECONOMICS COMPANY

REPORT

Global city travel: 2019 to 2025

Asia's star on the rise as city travel set to climb 27% by 2025

TOURISM ECONOMICS

AN OXFORD ECONOMICS COMPANY

Contents

The global spread of international visitors and spending	2
Top destinations in 2019 by visitor volume	4
City destination rankings by 2025	6
Key country source markets for city destinations	8
Cities as origin markets driving global travel	9

Executive summary

- **Cities are a dynamic driver of global travel**, both as destinations and as origin markets since cities house a greater concentration of people with high enough income to enjoy international travel.
- 630 million international visitors are expected in 2019 in the top 300 cities worldwide; an additional 28 million compared to 2018. These **cities will account for almost 50% of global international visitor arrivals in 2019**, while being home to just under 20% of the global population.
- **Large Asian cities are among the most visited**, as the region houses seven out of the top ten city destinations. Bangkok, Hong Kong, and Macau are the three largest global destinations.
- **The top 25 destinations for international visitor arrivals in 2019 account for 19% of global visitor arrivals**. These top cities contain a mix of established destinations, including London, Paris and Rome as well as fast-growing destinations such as Istanbul and Kuala Lumpur. North America is represented in the top 25 destinations by New York, Cancún, Los Angeles, Orlando and Las Vegas. No city in Africa, South America or Oceania appear in the top 25 cities in 2019.
- By 2025 an additional **173 million international travelers are expected to visit the top 300 cities around the world** - an increase of 27% over 2019 volumes. Residents of these same cities will also generate almost half of all international travel spending.
- **Kuala Lumpur is expected to be the fastest growing city** among the top 10 destinations for international visitor arrivals in 2019; it will move up to be the sixth ranked destination by 2025, while the top five destinations are expected to remain unchanged.

300 cities, 20% of global population, 50% of international travel

The global spread of international visitors and spending

In 2019, inbound visitor arrivals to the 300 cities covered by the Global City Travel service are set to grow 4.6%, reaching 630 million visits. Of the top 15 cities, seven are located in Asia (and all of these are among the top ten), five cities are located in Europe but just two are located in North America while fourth ranked Dubai is the only Middle Eastern city.

Global travel expenditure will outpace visitor volumes again to reach $1.5 trillion (in nominal US$ terms, excluding airfares), up 5.7% compared to 2018. Spending patterns also vary across cities relative to visitor volumes.

North America cities rank higher in terms of visitor spend than for visitor arrivals, while European cities tend to rank lower, with more modest spend per visit. Of the top 15 cities, eight cities are located in Asia, four are located in North America (relative to just two in terms of visits) and two are located in Europe (relative to five in terms of visits).

Both New York and Shenzhen rank higher in relation to spending than international visitor arrivals, reflecting a combination of higher average length of stay and higher average spending per night compared to other top cities.

London and Dubai are ranked among the top five cities in terms of visits but are ranked lower at seventh and ninth in terms of visitor spending due to different average length of stay and spending per night. By contrast Singapore and Istanbul are also more highly ranked in terms of spending than visits.

Top 5 destinations for international visitor spending:

Macao - $39bn

Hong Kong - $27bn

New York - $26bn

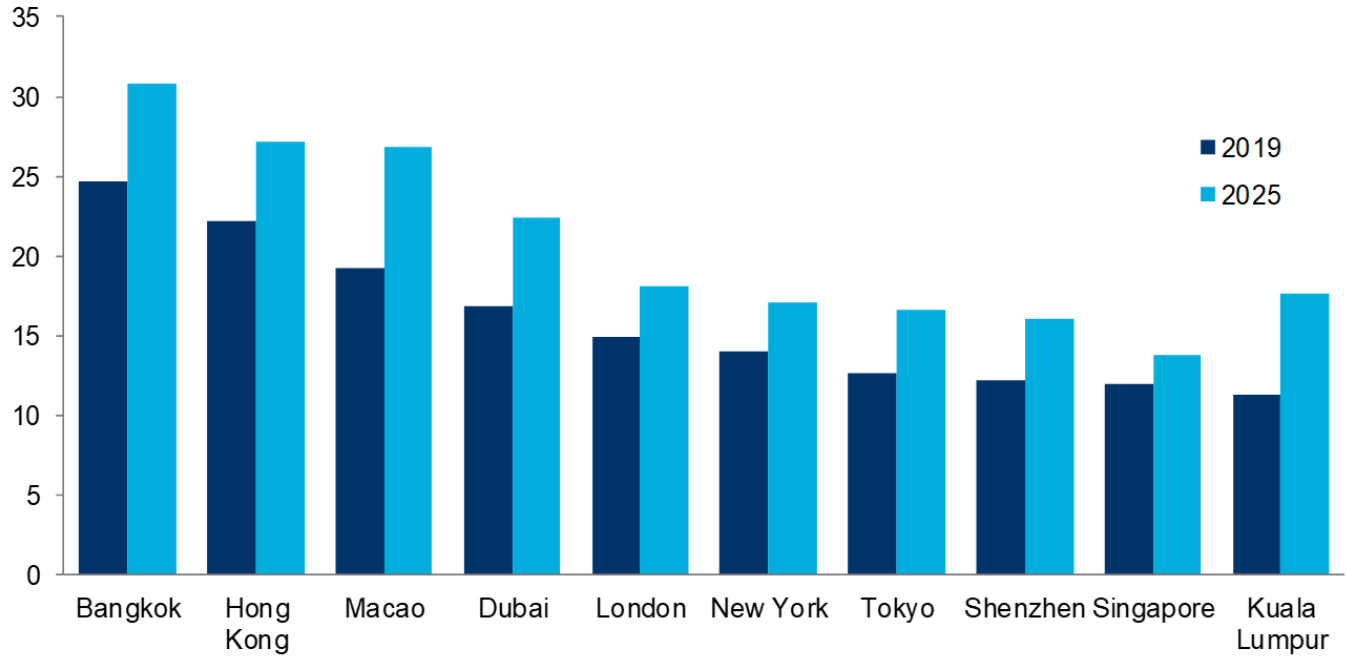
Bangkok - $22bn

Shenzhen - $22bn

Top 15 cities for international visitor arrivals (mn), 2019

Top 15 cities for international visitor spending (US$mn), 2019

Top 10 cities for international visitor arrivals (mn)



Top destinations in 2019 by visitor volume

The top 25 ranking of city travel destinations in 2019 is dominated by Asian destinations which comprise 11 of the top 25 cities. Bangkok is the top city with an expected 24.6mn international overnight visits followed by Hong Kong (22.1mn) and Macao (19.2mn).

London remains the largest city destination outside of Asia for international overnight visits in paid accommodation. Europe is the second most represented region among the top cities with eight out of the top 25 destinations. Istanbul data for flight arrivals gives it a higher ranking on that definition, but many of these travelers are ultimately destined for other destinations.

London remains the most popular European city for international visitor arrivals in 2019; and the most popular city outside Asia.

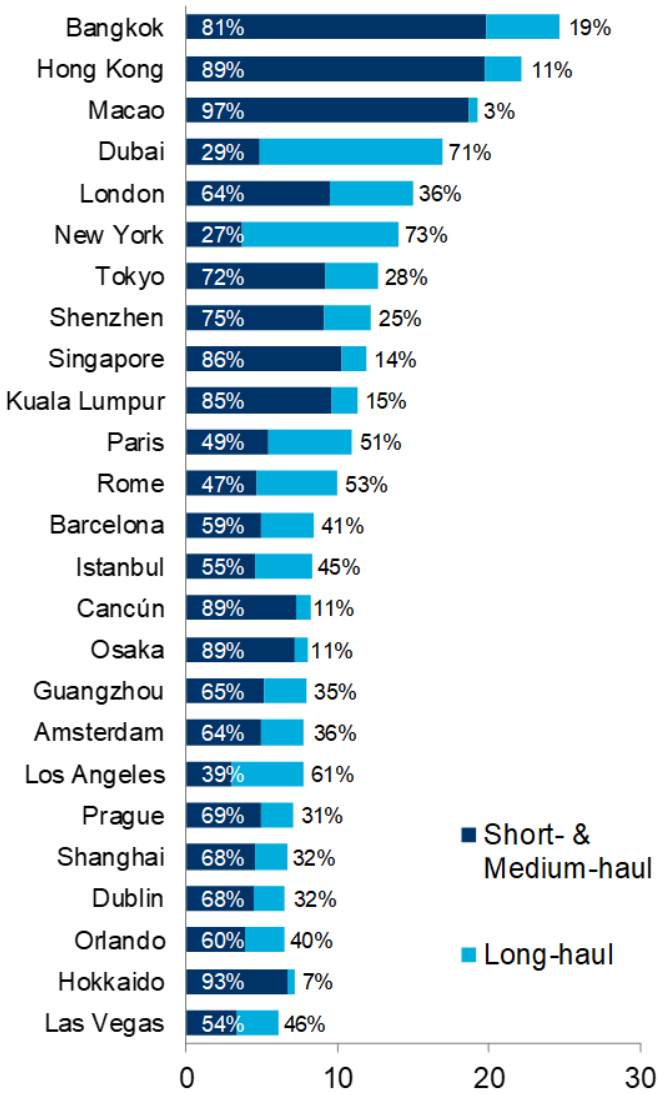
New York (14.0mn) is the highest ranked city in the Americas, ranked 6th just behind London, with Cancún (8.2mn), Los Angeles (7.8mn), Orlando (6.5mn) and Las Vegas (6.1mn) also making the top 25 ranking of international overnight visits.

The vast majority of travel to major Asian cities are from other Asian source markets, benefitting from recent rapid growth in these markets. Short- and medium-haul travel from within Asia accounts for the bulk of international travel to major destinations such as Bangkok (81%), Hong Kong (89%)[1], and Macaos[2] (97%).

Top Asian cities are highly reliant on short- & medium-haul travel.

International travel to cities such as Dubai (71%) and New York (73%) are predominantly long-haul arrivals i.e. visitors originating from outside the city's region reflecting their status as international hubs and as cities with global appeal.

Top city destinations, split by distance, 2019



Note: Short & medium haul travel is defined as visitors from the same region as the city, long haul is defined as visitors from all other regions.

Top city destinations, 2019

Rank	City	International overnight visits			
		2019 (mn)	Growth ('18 to '19)	Annualised growth ('19 to '25)	Rank change ('19 to '25)
1	Bangkok (TH)	24.6	7.6%	3.8%	0
2	Hong Kong, China (HK)	22.1	0.3%	3.5%	0
3	Macao, China (MO)	19.2	5.0%	5.7%	0
4	Dubai (AE)	16.9	5.8%	4.8%	0
5	London (UK)	15.0	3.6%	3.3%	0
6	New York, NY (US)	14.0	3.4%	3.3%	-1
7	Tokyo (JP)	12.7	8.2%	4.6%	-1
8	Shenzhen (CN)	12.2	4.4%	4.7%	-1
9	Singapore (SG)	11.9	4.0%	2.4%	-1
10	Kuala Lumpur (MY)	11.3	11.0%	7.7%	+4
11	Paris (FR)	10.9	1.9%	2.2%	0
12	Rome (IT)	9.9	1.5%	3.0%	0
13	Barcelona (ES)	8.4	2.4%	2.8%	-2
14	Istanbul (TR)	8.3	12.8%	5.7%	+1
15	Cancún (MX)	8.2	-2.3%	1.9%	-3
16	Osaka (JP)	8.0	5.9%	3.2%	0
17	Guangzhou (CN)	8.0	4.2%	4.9%	+3
18	Amsterdam (NL)	7.8	2.1%	2.0%	-1
19	Los Angeles, CA (US)	7.8	3.2%	3.6%	+2
20	Prague (CZ)	7.1	2.1%	1.7%	-3
21	Shanghai (CN)	6.7	5.0%	4.6%	+1
22	Dublin (IE)	6.5	4.0%	3.2%	0
23	Orlando, FL (US)	6.5	3.3%	4.0%	+2
24	Hokkaido (JP)	6.4	5.8%	3.3%	-2
25	Las Vegas, NV (US)	6.1	3.8%	3.3%	-4

City destination rankings by 2025

Kuala Lumpur is expected to rise significantly among the top 10 cities for international overnight visits by 2025, moving up four places to become the 6th highest ranked city, overtaking established destinations including New York and Tokyo. It is also expected to surpass Singapore, where some potential capacity constraints are expected to limit average annual visitor growth to 2.4%.

Kuala Lumpur, Istanbul and Guangzhou will move up the rankings, along with some other emerging markets

Guangzhou is also expected to rise in importance as a destination to become the 14th most visited city destination by international travelers.

Istanbul is expected to continue to rise to become the 13th most visited city by 2025, but London will remain the most visited European destination. Other established European city destinations such as Paris, Rome, Barcelona, Prague and Dublin all feature in the top 25 cities in 2019 for international overnight visits. They will remain large destinations in 2025 but are expected to rank lower.

There are some notable movements within the US. In addition to the fall in ranking for New York, Cancun is expected to only experience modest growth and fall three places in the ranking. It will be overtaken by more rapid expansion in Los Angeles, benefitting from strong growth in travel from Asia, while Orlando, with a greater exposure to Latin American emerging markets, should also climb in the ranking.

Top city destinations, 2025

		International overnight visits	
Rank	City	2025 (mn)	Rank change ('19 to '25)
1	Bangkok (TH)	30.8	0
2	Hong Kong, China (HK)	27.2	0
3	Macao, China (MO)	26.8	0
4	Dubai (AE)	22.4	0
5	London (UK)	18.1	0
6	Kuala Lumpur (MY)	17.7	+4
7	New York, NY (US)	17.0	-1
8	Tokyo (JP)	16.6	-1
9	Shenzhen (CN)	16.1	-1
10	Singapore (SG)	13.8	-1
11	Paris (FR)	12.5	0
12	Rome (IT)	11.9	0
13	Istanbul (TR)	11.6	+1
14	Guangzhou, (CN)	10.6	+3
15	Barcelona (ES)	9.9	-2
16	Osaka (JP)	9.7	0
17	Los Angeles, CA (US)	9.6	+2
18	Cancún (MX)	9.2	-3
19	Amsterdam (NL)	8.8	-1
20	Shanghai (CN)	8.8	+1
21	Orlando, FL (US)	8.3	+2
22	Dublin (IE)	7.9	0
23	Prague (CZ)	7.9	-3
24	Tehran (IR)	7.8	+9
25	Mecca (SA)	7.7	+4

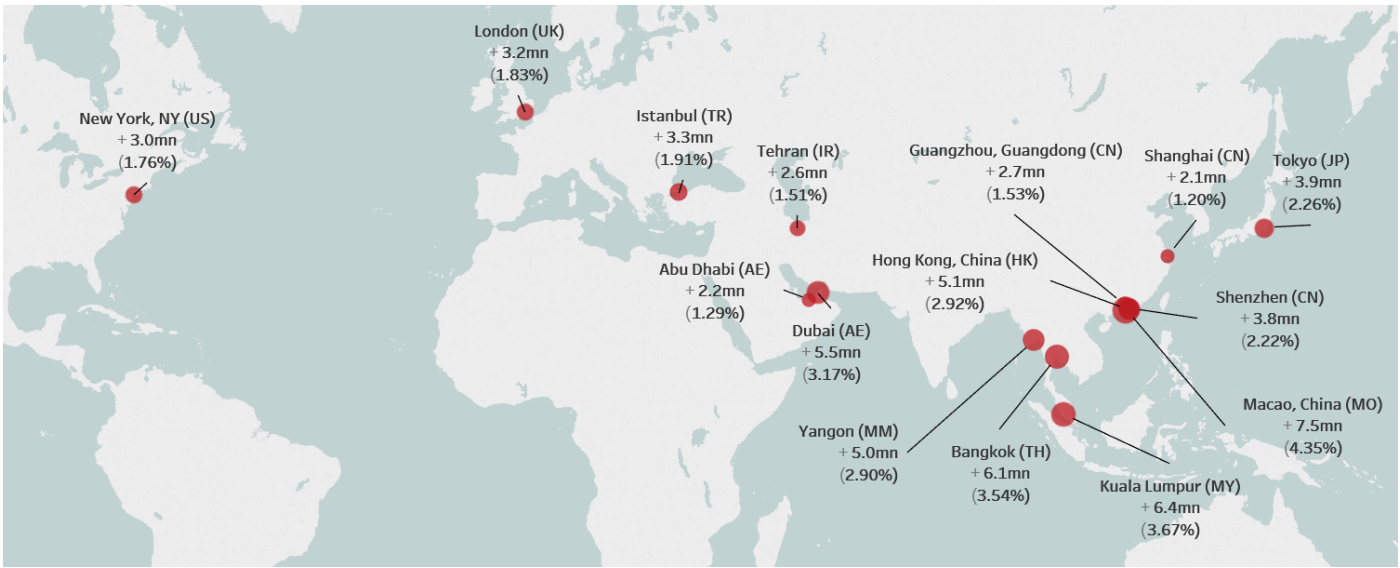
The city destinations driving future growth

An additional 173mn visitors are expected to travel to the cities covered by the GCT service by 2025 compared to 2019, with Asian cities enjoying the bulk of the windfall. This is driven by growing prosperity within the region, as Asian emerging markets are forecast to enjoy stronger GDP growth compared to other more developed nations and an accumulation of new travelling households in line with the growing middle class – notably in China and India.

Macao is set to be the top performer between 2019 and 2025 and is expected to welcome an additional 7.5mn visitors in 2025, with the majority of arrivals coming from China. This is followed by Kuala Lumpur and Bangkok, where an additional 6.4mn and 6.1mn arrivals are forecast. These three cities combined will welcome 20mn additional visitors in 2025 compared to 2019; 9mn of which are additional arrivals from China. The growth in travel to these three cities is greater than the expected total annual arrivals to London in 2025. Istanbul will be the top performing European city between 2019 and 2025 and is expected to receive an additional 3.3mn visitors. Despite a slower pace of growth compared to some of the emerging cities, visitor arrivals growth in more mature markets like London and New York will still be significant in absolute terms with an expected increase in arrivals of 3.2mn and 3.0mn arrivals between 2019 and 2025.

Macao, Kuala Lumpur, and Bangkok will welcome 20mn more visitors in 2025 than in 2019, an increase greater than the expected size of London's total annual arrivals in 2025.

Top 15 city destinations, change in visitor arrivals (mn), 2019-2025



Note: the percentage values on this map represent the share of total visitor arrivals growth across the GCT service between 2019 and 2025

Key country source markets for city destinations

One of the key strengths of Tourism Economics' **Global City Travel service** is the ability to examine the country of origin for historic and forecast international visitor arrivals.

During the period 2010 to 2018 China became the largest source market for international visitor arrivals across the Global City Travel service, it had previously been ranked 3rd. UK and US remain the next largest source markets and will generate one third of the growth in international visitor arrivals in coming years.

One-third of the growth in international visitor arrivals between 2019 and 2025 will originate from China, USA and UK

By 2025, an additional 27 million visitors are expected to travel to the GCT cities from China, representing almost one in every seven international visitor arrivals. The US and UK are the next biggest sources of city travel demand, adding a combined 25 million international visitors by 2025; the US will represent one in every 11 visitors and the UK will represent one in every 17 visitors.

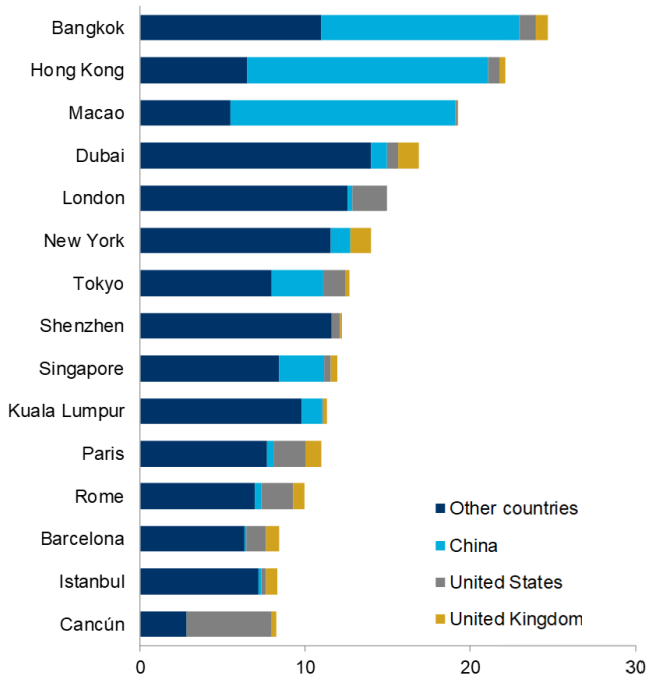
In 2019 China will make up the largest share of visitors to Bangkok (49%), Hong Kong (66%), and Macao (71%). It is also a highly important source of travel demand for other Asian markets, where it accounts for a sizeable proportion of travel in Tokyo, Singapore and Kuala Lumpur. While it currently accounts for a smaller proportion of travel in destinations outside of Asia, Chinese long-haul travel has expanded steadily in recent years, with an additional 10 million Chinese visitors travelling to long-haul city destinations between 2010 and 2018.

Global City Travel Service

Detailed travel data and forecasts for 185 countries

Learn more

Top city destinations, split by country source market, 2019



Further expansion in long-haul travel from China is expected in line with economic growth and a strengthening middle class.

China makes up the largest share of visitors to the top 3 ranked city destinations in 2019 and is also an important source for other Asian destinations

The USA is a key long-haul source market, and more notably for European city destinations compared to Asian or Middle Eastern cities. Overall, the US accounts for 10.8% of total arrivals in European cities covered by the GCT service and makes up an important share of international travel to key cities, including London (14.3%), Paris (17.7%), Rome (19.5%) and Barcelona (14.0%) in 2019.

Cities as origin markets driving global travel

Cities are not just important as destinations but are also key source markets for outbound travel. In 2019 outbound travel from the cities covered by the GCT service to the rest of the world is expected to account for 25.2% of total global outbound travel and 47.6% of total global outbound spending. This demonstrates the concentrated spending power of travellers originating from cities.

Top 15 cities for international departures (mn), 2019

European cities account for 12 of the top 25 cities for international departures in 2019, with London (16.3mn) the largest European city for international departures and the 2nd largest globally, despite some subdued growth in recent years due to Brexit uncertainty and higher international travel costs due to weaker sterling.

Asian cities account for six of the top 25 cities with Hong Kong (39.9mn) the top-ranked city within Asia and globally for international departures in 2019. There are four North American cities within the top 25 ranks, with its proximity to the US-Canadian border and its airlinks, Toronto (6.0mn) is the highest ranked city for international departures within the region and 5th globally in 2019.

Top cities for international departures, 2019

		International overnight visits			
Rank	City	2019 (mn)	Growth ('18 to '19)	Annualised growth ('19 to '25)	Rank change ('19 to '25)
1	Hong Kong, China (HK)	39.9	5.7%	5.1%	0
2	London (UK)	16.3	6.6%	4.7%	0
3	Singapore (SG)	11.2	7.8%	6.6%	0
4	Macao, China (MO)	6.2	5.5%	5.1%	-1
5	Toronto (CA)	6.0	3.0%	3.1%	-1
6	Abu Dhabi (AE)	5.8	6.1%	6.6%	+2
7	Seoul (KR)	5.8	3.5%	3.5%	0
8	Berlin (DE)	5.5	3.6%	2.9%	0
9	Moscow (RU)	5.3	5.2%	1.2%	0
10	New York, NY (US)	4.9	3.5%	2.7%	0
11	Los Angeles, CA (US)	4.0	3.4%	2.9%	-2
12	Stockholm (SE)	4.0	6.0%	4.9%	+1
13	Dubai (AE)	3.5	6.3%	6.4%	+1
14	Madrid (ES)	3.2	4.6%	4.0%	0
15	Hamburg (DE)	3.2	3.5%	2.8%	-4
16	Vienna (AT)	3.2	2.3%	3.1%	-1
17	Montréal (CA)	3.1	2.1%	2.5%	-6
18	Tokyo (JP)	3.1	8.7%	3.1%	-2
19	Amsterdam (NL)	3.1	5.0%	4.5%	+4
20	Dublin (IE)	3.1	1.0%	3.1%	-1
21	Rome (IT)	3.1	3.7%	3.1%	-1
22	Brussels (BE)	3.0	3.7%	3.2%	-3
23	Munich (DE)	3.0	3.8%	3.2%	-1
24	Bangkok (TH)	3.0	0.7%	2.1%	-5
25	Sydney (AU)	2.9	2.5%	4.2%	+7

TOURISM ECONOMICS
AN OXFORD ECONOMICS COMPANY

REPORT

Contacts

Adam Sacks
President

David Goodger
Managing Director

Helen McDermott
Lead Economist

Kieran Ferran
Senior Economist

About Tourism Economics

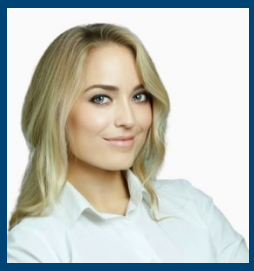
Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of tourism dynamics with rigorous economics to answer the most important questions facing destinations, developers, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, tourism forecasting models, tourism policy analysis, and economic impact studies.

Global City Travel (GCT) is a proprietary database providing reliable, timely, comparable and detailed international travel intelligence for 300 cities spanning 80 countries. This unique service has been developed using a combination of inputs, such as official destination measurements, origin-destination air passenger demand from OAG Aviation Worldwide, hotel statistics from STR, and economic indicators from Oxford Economics' suite of models including country and city-level data and forecasts that results in the most accurate view of global city tourism possible.

Overnight visitor arrivals in GCT are defined as visitors staying in all forms of paid accommodation. There are two exceptions due to data availability; cities in USA and Dubai, which also include those visitors who are visiting friends and relatives and staying in unpaid accommodation.

Using GCT databank, our clients are able to quickly benchmark competitive destinations, track market performance at City-level to develop their growth strategy and market moves.

Economist Support: we provide full client support to answer questions about our data or forecasts and can develop bespoke service solutions to meet your unique business needs.



Eva Satkute
Commercial Director

For further information, please contact Eva Satkute, Commercial Director

Email: esatkute@oxfordeconomics.com

Telephone: 44 (0)20 3910 8000

Endnotes

1 & 2: High short- & medium-haul visitor arrival shares for Hong Kong and Macao are due to China being treated as an international origin market for these destinations, as per official data reporting.

Copyright notice

Copyright 2019 © Oxford Economics, all rights reserved. Oxford Economics reserves the right to change at any time without notice, information contained within this document and makes no warranties or representations as to its accuracy.

CONTACT US

OXFORD +44 (0)1865 268 900

LONDON +44 (0)20 3910 8000

FRANKFURT +49 69 96 758 659

NEW YORK +1 (646) 503 3050

SINGAPORE +65 6850 0110

BELFAST +44 2892 635400

PARIS +33 (0)1 78 91 50 52

MILAN +39 02 8295 2521

DUBAI +971 (0) 4 429 5876

CAPE TOWN +27 (0)21 863 6200

BOSTON +1 (617) 206 6113

PHILADELPHIA +1 (646) 786 1879

CHICAGO +1 (847) 993-3140

LOS ANGELES +1 (424) 238 4331

TORONTO +1 (905) 361 6573

MEXICO CITY +52 155 5419 4173

TOKYO +81 (0)3 6860 8251

HONG KONG +852 3974 8845

SYDNEY +61 (0)2 8458 4200

MELBOURNE +61 3 8679 7300