

North America's Travel & Tourism sector's recovery outstripping many other regions, says WTTC

Sector's contribution to GDP and jobs are set to reach pre-pandemic levels by end of 2022

London, UK: New research from the World Travel & Tourism Council (<u>WTTC</u>) reveals the recovery of North America's Travel & Tourism sector has soared ahead of many other regions of the world.

With recovery taking place faster than expected, its contribution to GDP is forecast to rise 38% this year, ahead of the global average.

WTTC, which represents the global Travel & Tourism private sector, says the successful vaccination rollouts in North American countries such as Canada, the U.S. and Puerto Rico, coupled with recently relaxed travel restrictions, are aiding the sector's fast recovery.

Before the pandemic struck, North America's Travel & Tourism sector's contribution to GDP represented nearly US\$ 2.2 trillion (8.8% of the total economy).

However as international travel ground to an almost complete standstill last year, its contribution fell to US\$1.25 trillion.

According to the latest research, and at the current rate of recovery, the region will recoup more than a third, with a year-on-year growth of 38%, reaching a total contribution of US\$ 1.7 trillion.

WTTC data also reveals the region could see a year on year rise of 26.4% next year, bringing the sector's contribution to the North American economy back to pre-pandemic levels at nearly US\$ 2.2 trillion.

Whilst the local economy has benefited from a rise in domestic spend, expected to grow by 43.7% by the end of this year, and 21.4% in 2022, recent changes to international travel restrictions are also expected to provide a rise in international spend.

The global tourism body's research shows that international spend looks set to grow by a moderate 16.9% this year. However next year, the region will benefit significantly from vaccine rollouts and more relaxed travel restrictions, with international spending predicted to grow by 147%.

After a loss of more than seven million Travel & Tourism jobs last year, employment is also set to rise significantly this year. According to the data, year on year growth could hit a high of more than 25%.



Jobs in the sector could climb even further and rise 16.7% next year, bringing the total number of people employed in the sector ahead of pre-pandemic levels, to almost 27 million.

Julia Simpson, WTTC President & CEO said: "Our research shows that while globally Travel & Tourism is slowly beginning to recover from COVID-19, North America is recovering at a much faster rate.

"Last year, the COVID-19 pandemic cost a devastating seven million jobs from the Travel & Tourism sector, but due to a predicted rise in international and domestic spend this year and next, both jobs and GDP are on the rise."

According to the WTTC research, the sector's contribution to the region's GDP and the rise in jobs could be even more positive this year and next, if five vital measures are met by governments globally.

Firstly, these measures include allowing fully vaccinated travellers to move freely, irrespective of their origin or eventual destination.

Secondly, the implementation of digital solutions which enable all travellers to easily prove their COVID status, in turn speeding up the process at borders around the world.

Thirdly, for safe international travel to fully restart, governments must recognise for all vaccines authorised by WHO, a step already taken by the U.S.

Fourthly, continued support of the COVAX/UNICEF initiative to ensure equitable distribution of vaccines around the world.

Finally, the continued implementation of enhanced health and safety protocols, which will underpin customer confidence.

The future could be even brighter for North America

If these five vital measures are followed before the end of 2021, research shows the impact on the economy and jobs across North America could be considerable.

The Travel & Tourism sector's contribution to GDP could rise by 43.3% by the end of this year, bringing the sector's contribution to GDP to nearly US\$1.8 trillion.

However next year, its contribution could rise a further of 28.8%, catapulting it beyond 2019 levels to more than US\$2.3 trillion.

Domestic spending could increase by 49.4% this year, followed by a further 23% year on year growth in 2022.

International spending would also benefit from government action. It could rise 21% this year, and significantly outpace domestic spend next year, with a year-on-year increase of 164%.

This in turn could have a positive effect on employment in the region with a 30.1% increase in jobs this year, and a year or year increase of 18.9% in 2022.

These additional jobs would bring the total number of those working in the sector to 28.3m – almost three million more than pre-pandemic levels.

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