

World Travel & Tourism Council's latest major report reveals North America contributes 25% to global Travel & Tourism GDP



- Cancun and Las Vegas lead the way in city GDP contribution
- Top 10 largest cities for direct Travel & Tourism GDP include Orlando, New York and Mexico City
- International visitors to Toronto spent nine times more than domestic travellers

The World Travel & Tourism Council [WTTTC], which represents the global Travel & Tourism private sector, today released its comprehensive Cities Report for 2019, which reveals North America contributes \$686.6 billion (25%) to the global Travel & Tourism GDP.

Focusing on 73 major tourism city destinations, the report provides estimates of the GDP and employment directly generated by the Travel & Tourism sector, and highlights successful initiatives, strategies and policies that have been

implemented.

The report reveals many cities across North America make a significant contribution to the city's overall GDP, with Cancun's Travel & Tourism sector contributing almost half (46.8%), and Las Vegas contributing more than a quarter (27.4%).

Of the top 10 cities in this category, Las Vegas is followed by Orlando, which directly contributes 19.8% to the city's overall GDP.

The Cities Report shows these 73 cities account for \$691 billion in direct Travel & Tourism GDP, which represents 25% of the sector's direct global GDP and accounts for over 17 million jobs. Additionally, in 2018, direct Travel & Tourism GDP across the cities, grew by 3.6%, above the overall city economy growth of 3.0%. The top 10 largest cities for direct Travel & Tourism contribution to city GDP include Orlando (\$26.3BN), New York (\$26BN) and Mexico City (\$24.6BN).

International visitor spending is usually more important to cities than it is to countries as a whole. Two out of the top 10 cities for international visitor spending were in North America, with international visitors to New York spending \$21BN and those to Miami spending \$17BN.

Infrastructure development and prioritisation of tourism has been a key driver of Travel & Tourism growth. Revenues from international visitors will in some cases pay for city infrastructure projects, the provision of public workers and services that improve the quality of life for residents. For example, the international visitor spend in New York last year was 3.8 times higher than the costs of the NYPD, and nearly twice the budget for city schools.

Notably, four out of the top 10 cities for domestic visitor spending are in the region, with Orlando taking the third spot at \$40.7BN and Las Vegas in sixth place with \$29.3BN. Sitting in eighth position, domestic spending in New York reached \$25.3BN, whilst in Mexico City hit \$16BN.

However, when considering domestic spend by percentage, domestic tourism in Chicago represents the greatest share of North American cities analysed in the report at 88.3%, directly followed by Mexico City at 87.2%.

Cities with an overreliance on domestic or international demand can be more exposed to economic and geopolitical crises. For example, large cities which are highly reliant on domestic demand could be exposed to changes in the domestic economy. On the other hand, cities which are more reliant on international demand and/or particular source markets may be vulnerable to external disruptions. The report highlights several cities which demonstrate a more balanced split between domestic and international demand, this includes two North American cities: San Francisco and New York. In contrast, North American cities such as Orlando and Las Vegas have a skewed divide, with over 85% of spending coming from domestic visitors in both cities.

The Global Picture

With over half (55%) of the world's population living in urban areas – this is due to increase to 68% over the next 30 years – cities have become the hubs for global economic growth and innovation, while also attracting more people who want to live and do business there.

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economy growth of 3.0%. The top 10 largest cities for direct Travel & Tourism contribution in 2018 offer diverse geographic representation, with cities such Shanghai, Paris, and Orlando all sitting in the top five.

WTTC President & CEO, Gloria Guevara said:

“The North American cities featured in this report are wholly representative of the region, with major cities across the US, Mexico and Canada showing the critical importance the Travel & Tourism sector has on communities and offers further examples in areas such as best practices for sustainable growth, resilience and destination stewardship .”

“Achieving sustainable growth in cities requires reaching far beyond the sector itself, and into the broader urban agenda. To drive true economic impact that can translate seamlessly into social benefits, a city must engage with all stakeholders, across the public and private sector, in order to establish the cities of the future.”