# DESTINATION
# 2030

*Global Cities'*
*Readiness For*
*Tourism Growth*

JLL® | WORLD TRAVEL & TOURISM COUNCIL

# Contents

# Foreword

The Travel & Tourism sector, which accounts for 10.4% of global GDP, is a cornerstone of the global economy; creating jobs, driving exports, and generating prosperity across the globe. As the world urbanises and cities cement their roles as global economic hubs that catalyse innovation and business growth, so the share of city Travel & Tourism rises. Nearly half of the 1.4 billion international visitors today, and many billions more domestic travellers, visit cities every year.

Thanks to increasing disposable incomes from the growing middle classes, improved physical and digital connectivity, and an increasing  desire to see the world, forecasts of the future growth of Travel & Tourism, at nearly 4% per year for each of the next ten years, are strong. The money generated by tourists helps cities not only pay for infrastructure projects and essential workers such as police, but also for services to improve the quality of life for residents - clean roads and beaches, festivals and outdoor art, for example.

Over the past few years, however, several destinations, and cities in particular, have been criticised in the media for the under-management of Travel & Tourism and the stresses that visitor numbers have put on urban systems and residents. As a result, the World Travel & Tourism Council (WTTC) and JLL set out to study the extent to which global cities have the necessary urban and tourism infrastructure and policies to support the sustainable growth of the sector at the city level.

For a city to truly thrive and for Travel & Tourism to develop in a sustainable manner, city planning authorities, developers, investors, legislators and community groups need to understand how ready the city is for future expected growth in tourism and the resulting challenges and opportunities that it may face. It is important for decision-makers to create long-term plans involving all stakeholders, considering the needs of visitors, but putting residents at the heart of plans for investment and infrastructure developments. Investors should also consider this broad spectrum of indicators when making investment decisions, as they are linked to the future potential of the investment market.

To provide a holistic view, our work therefore covers the current physical and natural assets, social capital and existence of specific Travel & Tourism-related policies for 50 global cities. Our hope is that by sharing examples of the experiences and best practice policies of cities, this work will help other cities to make effective decisions that support thriving destinations and provide actionable investment solutions that foster sustainable growth in future tourism activity.

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# Executive Summary

The World Travel & Tourism Council (WTTC) and JLL have teamed up to launch the first assessment of cities' readiness for tourism growth, through the development of a unique methodology to evaluate and deliver on solutions to foster sustainable growth in tourism activity. Destination 2030 is a comprehensive index based on the evaluation of more than 75 indicators in 50 global markets, and it addresses the question of what makes a city ready for Travel & Tourism growth.

This research takes the novel approach of assessing 'readiness', through which it aims to help city governments and tourism bodies better understand how well cities are positioned for future growth, and learn about other cities' best practices, while identifying gaps and opportunities that should be considered in future tourism strategy planning.

The newly-created index brings together a broad spectrum of destination practices and community attributes to determine a level and type of readiness. The levels range from emerging to established market tourism hubs with varying levels of infrastructure. Five city typologies were defined on the basis of the level of readiness.

**1.** **Dawning Developers:** Cities have an emerging tourism infrastructure, gradual tourism growth and lower visitor concentration but with potential to grow; such as Manila, Moscow and Riyadh.

**2.** **Emerging Performers:** Cities have an emerging tourism infrastructure, growing tourism momentum and the start of increasing pressures related to tourism growth; including Delhi, Istanbul and Mexico City.

**3.** **Balanced Dynamics:** Cities are often business centres with a lower share of leisure compared to business travel, but they also have an established tourism infrastructure and potential for Travel & Tourism growth. Examples include Chicago, Munich and Tokyo.

**4.** **Mature Performers:** Cities have strong leisure and/or business travel dynamics and an established tourism infrastructure, but there is a risk of future strains related to visitor volume, infrastructure or activity that is testing readiness for additional growth. Such cities include New York, Berlin, London and Sydney.

**5.** **Managing Momentum:** Cities have high growth momentum driven by leisure travel and an established tourism infrastructure. Yet, these cities face pressures to ensure that the volume of travellers is matched with the required urban infrastructure and tourism product diversity. Examples include Amsterdam, Barcelona and Prague.

With this novel framework, city planning authorities and legislators, investors and real estate developers, tourism organisations and Travel & Tourism companies alike can evaluate global cities' readiness for expected tourism volumes by 2030, and thereby shape tourism and investment policies which benefit the city.

# Introduction

Travel & Tourism is one of the world's largest economic sectors, creating jobs, driving exports, and generating prosperity across the world. The sector comprises a wide range of industries, from hospitality and transport to visitor attractions, and it incorporates visitors travelling for business and leisure, travelling domestically and internationally. In 2018, the sector accounted for 10.4% of global GDP and supported 319 million jobs, or 10% of the world's total employment.

In addition to direct and indirect economic benefits, Travel & Tourism also generates valuable spin-off benefits by providing infrastructure that other industries can use, and by boosting trade, skills, and investments. For example, money raised from visitors is reinvested into tourism development in Paris, and into culture, parks and recreation in Toronto, and pays for nearly one third of public transportation costs in Amsterdam. What's more, the sector plays a key role in preserving cultures, protecting monuments and heritage attractions, and building local pride.

MANAGING MOMENTUM: **PARIS**

## The Rise of City Tourism

Cities and city tourism drive both country and sector growth on a significant scale. Cities are global hubs accelerating business, innovation and job creation all around the world. Today, over half (55%) of the world's population lives in urban areas and this proportion is expected to rise to 68% by 2050, with China, India and Nigeria expected to account for 35% of projected growth. Forecasts show that urbanisation combined with population growth could add another 2.5 billion people to urban areas by 2050[1].

Together with this great population exodus from rural areas to cities comes a rise in city tourism – often at a higher rate of Travel & Tourism growth than in countries as a whole[2]. Of the 1.4 billion international visitors crossing borders in 2018 for tourism purposes, 45% of them are travelling to visit cities. In fact, international arrivals to the 300 largest city travel destinations accounted for over half a billion trips last year[3].

In the past decade, there has been a clear shift from north to south and west to east, as the rise of middle-class income earners, particularly those from China and India, have provided many with enough disposable income to support domestic and international travel. All of the ten global cities with the highest direct Travel & Tourism GDP growth over the past decade are in emerging and developing economies, while all but one of the ten cities with the fastest growing Travel & Tourism GDP in the coming decade are forecast to be in Asia-Pacific.

As growth in the dominant emerging markets continues apace, so too will the numbers of international visitors that these cities both welcome and 'export' as outbound travellers.

## Sustainable Tourism Growth

For a city to truly thrive and for Travel & Tourism to develop in a sustainable manner, governments need to provide and promote a supportive, physical, regulatory and social environment. This requires official policy that prioritises the liveability of cities, ensures there is clean air and water, excellent education, affordable housing, good transport connectivity, and access to parks and green spaces for residents. It requires the right financial incentives for private sector investment to support necessary infrastructure and to attract companies providing quality jobs, and it requires Travel & Tourism and its future growth to be fully integrated into these wider city policies.

This analysis on city readiness prepared by WTTC and JLL attempts to determine how future-ready 50 global cities are for the challenges of growth. It aims to provide policy makers with comparative data to learn from other cities' experiences to support better decision-making, develop more effective policies and, ultimately, enhance private sector co-operation. **This report does not intend to give a prescriptive roadmap. Every destination is unique with its own specialisms, and needs to adapt to its particular requirements.**
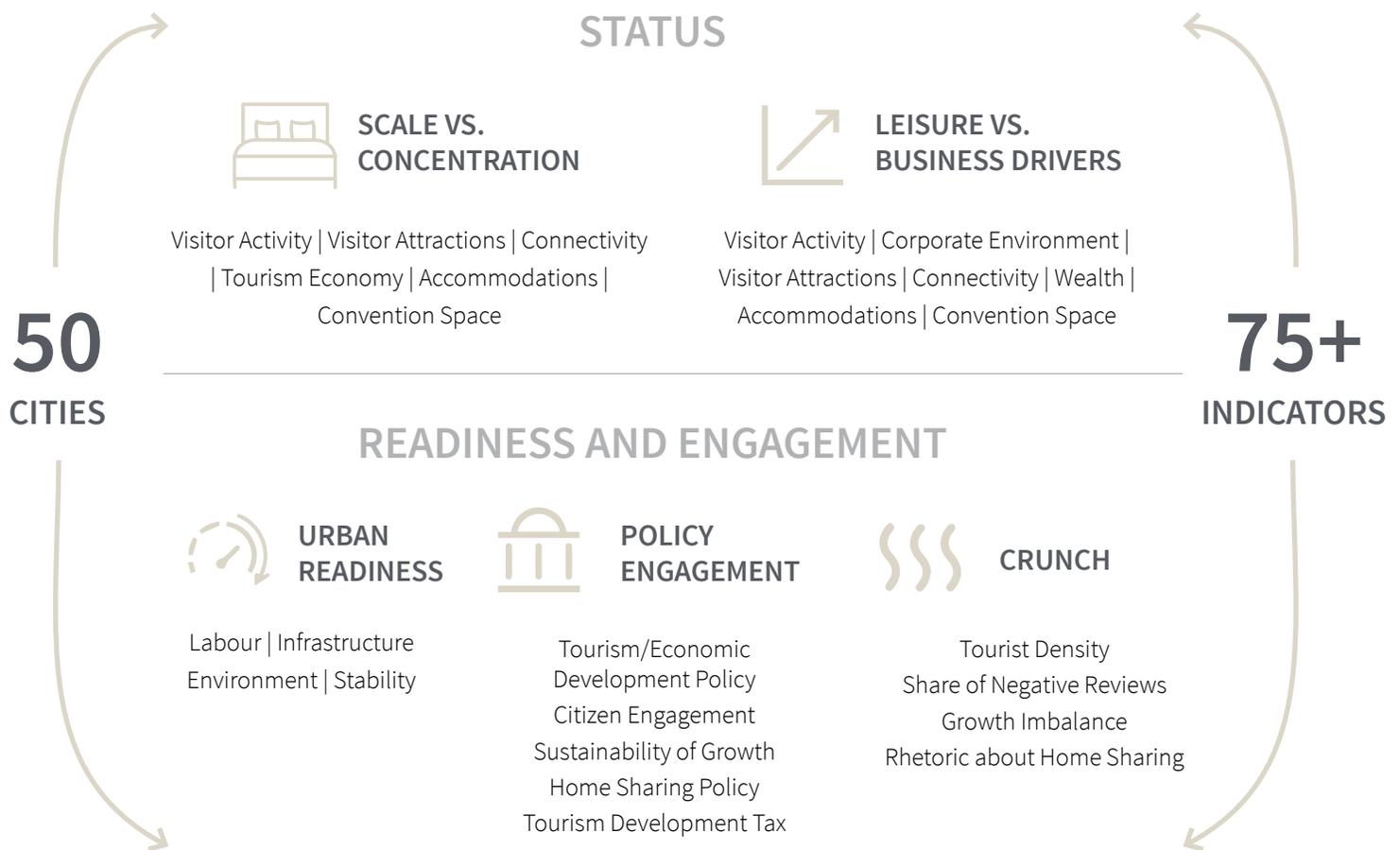
# Destination 2030 – City Readiness Framework: Our Methodology

The JLL and WTTC research framework employed a two-step approach in analysing city readiness. To start, the current status, size and offerings of the city's tourism market were analysed– by i) scale vs. concentration and ii) leisure vs. business drivers. The second step involved looking into the urban readiness which includes the economic fundamentals, city infrastructure and business environment which impact the travel and tourism economy, as well as assessing the level of tourism pressure the city is currently experiencing and assessing the extent of policies that relate to tourism management.

This approach culminated in the creation of five city typologies – which represent different levels of tourism readiness – into which the 50 cities were grouped.

**FIGURE 1: FRAMEWORK | CITY READINESS FOR TOURISM GROWTH**

## STATUS

**SCALE VS. CONCENTRATION**

Visitor Activity | Visitor Attractions | Connectivity | Tourism Economy | Accommodations | Convention Space

**LEISURE VS. BUSINESS DRIVERS**

Visitor Activity | Corporate Environment | Visitor Attractions | Connectivity | Wealth | Accommodations | Convention Space

**50 CITIES**

**75+ INDICATORS**

## READINESS AND ENGAGEMENT

**URBAN READINESS**

Labour | Infrastructure Environment | Stability

**POLICY ENGAGEMENT**

Tourism/Economic Development Policy
Citizen Engagement
Sustainability of Growth
Home Sharing Policy
Tourism Development Tax

**CRUNCH**

Tourist Density
Share of Negative Reviews
Growth Imbalance
Rhetoric about Home Sharing

*Source: JLL*

# Tourism Readiness – City Typologies Explained

*Where does
my city rank?*



**5 Levels
of City
Readiness**

Established urban readiness and tourism infrastructure

Emerging urban readiness and tourism infrastructure

**5) Managing Momentum**
High growth momentum driven by leisure travel
Visitor volumes and activities with potential to
cause strain on the city

| | | |
|---|---|---|
| Amsterdam | Prague | Stockholm |
| Barcelona | Rome | Toronto |
| Paris | San Francisco | Vancouver |

**4) Mature Performers**
Strong leisure and/or business travel
Visitor volumes and activity increasingly
testing cities' readiness for additional growth

| | | | |
|---|---|---|---|
| Auckland | Lisbon | Madrid | Seoul |
| Berlin | London | Miami | Seville |
| Dublin | Los Angeles | New York | Sydney |
| Las Vegas | | | |

**1) Dawning Developers**
Slower tourism growth, and lower visitor concentration—for now

| | | |
|---|---|---|
| Bogota | Kuala Lumpur | Mumbai |
| Buenos Aires | Lima | Rio de Janeiro |
| Cairo | Manila | Riyadh |
| Chengdu | Moscow | |

**3) Balanced Dynamics**
Cities often are financial hubs with lower share of
leisure travel
Additional runway for visitor growth without straining
cities' urban landscape

| | | |
|---|---|---|
| Beijing | Munich | Singapore |
| Chicago | Osaka | Tokyo |
| Dubai | Shanghai | Washington, DC |
| Hong Kong | | |

**2) Emerging Performers**
Growing tourism momentum and increased pressures

| | |
|---|---|
| Bangkok | Istanbul |
| Cape Town | Jakarta |
| Delhi | Mexico City |
| Ho Chi Minh City | |

*Source: JLL, WTTC*

## Overview of Typologies

Our analysis revealed that cities in three clusters (Managing Momentum, Mature Performers and Balanced Dynamics) are established tourism markets with a relatively high level of urban readiness—meaning they generally offer more developed infrastructure, comparatively higher political stability and more airport capacity. These tourism economies are well positioned to attract both leisure and business travellers but face different degrees of tourism pressure. Cities in the other clusters have a less established tourism market and therefore have huge potential for growth. Each destination has its unique characteristic and the purpose of the research is to help identify future opportunities for sustainable growth.

**DAWNING DEVELOPERS AND EMERGING PERFORMERS**

Cities in these categories tend to be in emerging countries, with a lower level of urban readiness. Examples include **Bogota, Cairo, Delhi, and Istanbul**.

To improve their readiness, efforts should be focused on developing and enhancing urban infrastructure such as airport connectivity, accommodation stock and addressing environmental issues such as waste and water quality. These cities can also harness opportunities to develop and improve existing tourism policies which foster growth at a pace that the city can afford. One example is Istanbul, which recently opened a new airport, in turn increasing its capacity to handle more than 200 million passengers per year. Buenos Aires also improved its connectivity by increasing the number of direct flights, in turn enabling more national and international arrivals to the city. Mexico City still has to define how to manage and increase capacity to maximise potential.

**BALANCED DYNAMICS AND MATURE PERFORMERS**

The two categories where cities are more at equilibrium are Mature Performers and Balanced Dynamics. These represent international cosmopolitan cities with an established urban readiness and tourism infrastructure, but which are not yet seeing many overt signs of tourism pressure in the comparable data. Based on findings of the research, cities in these two categories are most favourable and ready to manage the current levels of growth. However, they will still need to continuously evolve for these dynamics to remain balanced, especially as new markets of inbound travellers arise. Cities like New York have done an excellent job at creating a balance of domestic and international visitors and engaging its many local communities in tourism development.

### *Balanced Dynamics*

Over half of the cities in this category are located in the Asia-Pacific region, notably including **Singapore, Beijing, Osaka** and **Hong Kong**. These cities are centers of business with a dynamic corporate presence which accounts for a significant amount of the tourism market demand. In addition, cities in this category benefit from a strong urban infrastructure and relative political stability, placing them in a good position to expand their tourism industry.

Underpinned by government support in the sector, several large-scale infrastructure projects have significantly improved connectivity and the cities' image as travel destinations. Such examples are the 2018 opening of the world's largest sea bridge in Hong Kong connecting Macau and Zhuhai, and the planned expansion of Singapore's Changi airport. While these cities may have a lower concentration of tourism activities compared to their North American and European counterparts, they are expected to see significant tourism growth in the coming decade.

**Munich** and **Chicago** are also grouped in this category. To drive tourism growth, Munich, for instance is focused on positioning itself as the 'most attractive European city' for those seeking culture and enjoyment. Its tourism strategy goals include 'the sustainable promotion of moderate tourism growth', incorporating measures such as attracting travellers with high spending habits and promoting off-season travel[4]. Chicago also has plans to enhance the city's visitor friendliness through improving its transportation system and tourism marketing activities[5].

### *Mature Performers*

**Auckland** and **Berlin** sit in this category. Both cities possess a well-developed city infrastructure with a balanced proportion of leisure and business travel demand. While the forecasted growth in tourism volumes over the next ten years stand to add pressure on the local economy, each city has developed a comprehensive tourism plan that aims to attract tourists while achieving a balance between the domestic and tourism economy.

Local residents are invited to play an active role in tourism planning and their feedback is reviewed by the government. Strategies to divert tourists away from popular city centre locations to avoid overcrowding and to reduce seasonality have also been implemented. The combination of the above proactive approaches puts the cities in a strategic position to deal with future growth.

**MANAGING MOMENTUM**

European and North American cities such as **Amsterdam, Barcelona,** and **San Francisco** occupy the whole 'Managing Momentum' category. These cities have, in recent years, seen high tourism growth momentum but at the same time have either experienced tourism pressures or are at the risk of facing potential issues.

They are grappling with challenges related to the implementation of tourism management policies such as around visitors crowding in a central area. These include regulations on home sharing or creating new tourism attractions and products or experiences to help move people away from congested areas. To date, their actions have tended to be reactive in some cases, yet the policies that these cities have put in place often serve as best practices for others who wish to proactively manage their tourism industry.

What's more, their tourism stories are also enabling the sector to redefine the measurement of tourism success. It is no longer about the number of tourists but also the social and economic impact of the sector on the community. City government and policy makers alike are increasingly realising the need to shift from just destination marketing to take a more proactive and holistic destination management approach. They also need to plan their growth; defining where they want to grow and assign priority to tourism planning at the highest levels.

MATURE PERFORMER: **LISBON**

# How to Get Ready? - Finding the Right Balance – Strategy for Sustainable Tourism Growth

Achieving tourism readiness involves more than just focusing on the Travel & Tourism sector. Success requires a range of other considerations to support the visitor economy including city infrastructure, and the availability of labour and safety, among others. It is essential to integrate tourism into the broader urban agenda, which means involving a variety of stakeholders – ranging from city planning authorities, developers, investors and legislators to community groups – from the start of the planning process.

For cities to improve their readiness for tourism growth and enhance their positioning for the future, a four-step framework has been developed to provide guidance on key considerations and policy recommendations that help achieve sustainable tourism growth.

## Step 1: Understand a city's DNA

As a first step, it is essential to understand the clear essence or DNA of the city. What are its assets and unique features that make people want to live in, invest in, and visit it? How does the city's history and culture affect the community's values, beliefs and ways of living? How does the outside world perceive the place and is that an accurate view?

These insights should help shape the vision for the strategic plan and set the parameters by which the destination could develop into the future. For example, Amsterdam is known for the progressive outlook of its residents, and this, along with its geography draws people to live and work there.

## Step 2: Assess the current state of the city's tourism ecosystem

It is then key to have a holistic overview of the tourism economy, as well as the city's infrastructure which supports it. In the context of this research, this included the review of over 75 indicators. What's more, stakeholders should have a thorough understanding of the level of tourist concentration, the overall scale of the Travel & Tourism sector, and the driving factors behind it. The two go hand in hand in enabling cities to identify gaps and growth opportunities.

For instance, cities with low tourist concentration and a smaller Travel & Tourism market may have potential room to grow. Seoul, Singapore and Osaka are representative examples (see Figure 2).

Understanding the composition of the Travel & Tourism market is also central in determining which tourist segment the city should pursue to achieve maximum benefit. Coincidentally, those three Asian cities all have a higher proportion of business travellers than many others in the study. Each of them may want to consider putting greater emphasis on developing the leisure element, so as to diversify their tourism dynamics and increase the scale of their respective tourism economy.

For cities which have a high concentration of tourist activities and a disproportionate focus on leisure travel, such as Prague, Barcelona, Rome (see Figure 3), the development of a larger corporate traveller base could be beneficial, as this segment generally generates more revenue and travels out of high season and during weekdays. What's more, business travellers spend less time in key tourist attractions, thus relieving some of the pressure from a crowded city centre.

Once the scale, concentration and segment mix have been identified, a city's broader urban-readiness should be examined, especially as it relates to labour, infrastructure, environment and stability. This will provide another level of insight, enabling cities to better establish opportunities for the sustainable growth of the sector. Singapore, for instance, has a high score in overall readiness. However, its labour score is relatively low (see Figure 4), largely due to limited workforce availability; this is something the government is attempting to address through its many enabling labour policies.

While urban readiness tends to be highest in developed economies, developing cities such as Bogota, Cairo, Kuala Lumpur and Manila that are in the Dawning Developers category tend to require a longer time frame to develop the urban characteristics that will support significant future tourism growth.

## FIGURE 2: TRAVEL AND TOURISM SCALE VS. CONCENTRATION



*Source: JLL, WTTC*
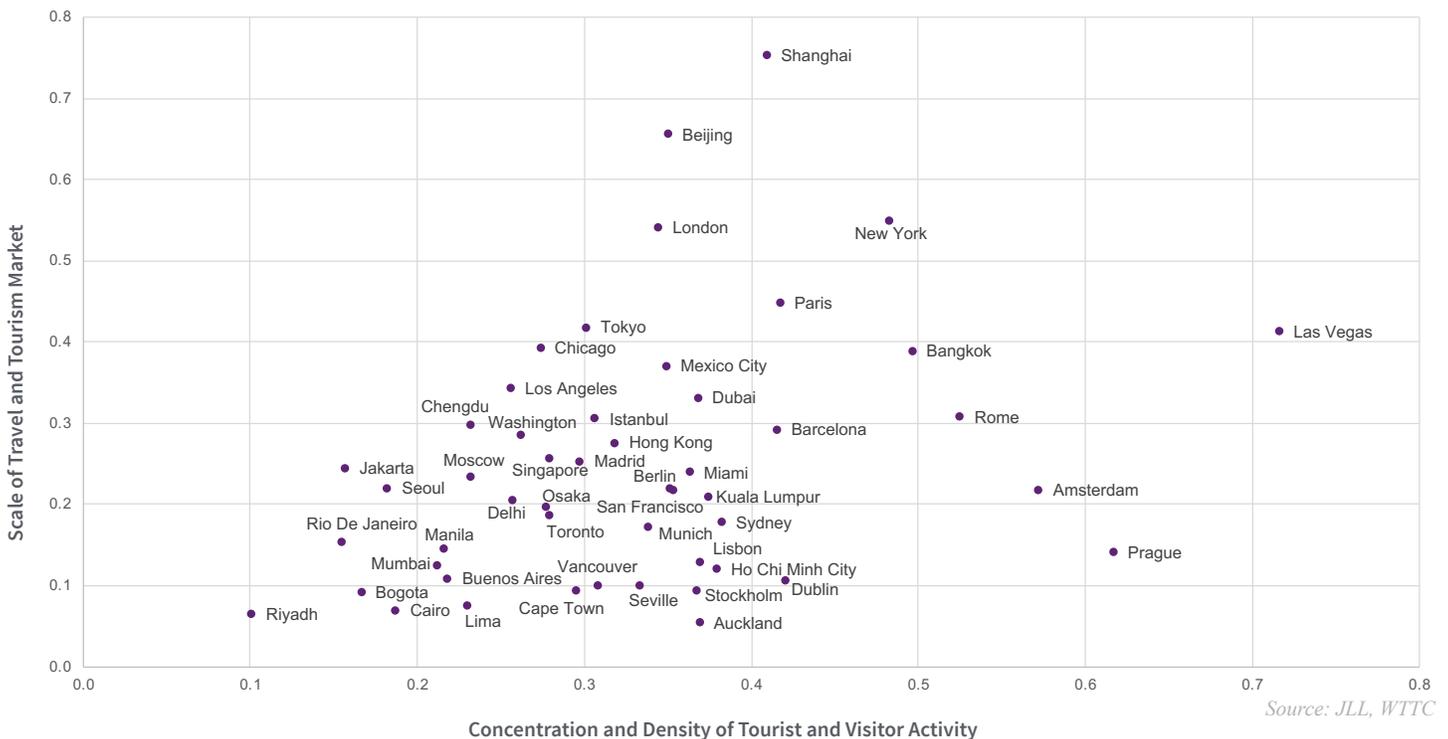
The above matrix demonstrates the scale of the tourism markets vs. the concentration and density of tourist activities in the 50 global cities we studied. Las Vegas, Amsterdam and Prague have the strongest level of concentration due mainly to the high level of tourist arrivals compared to local population. The Travel & Tourism sector also accounts for a high proportion of GDP and employment. In terms of scale, it is not surprising that global gateway markets such as New York, London and Paris are high up on the list due to their popularity as a tourism destinations. Shanghai and Beijing also have a sizable tourism market. Domestic tourism is very prominent in both cities; the level of domestic overnight stays is the highest of the markets studied. They also have a strong supply of conference spaces and hotel inventory.

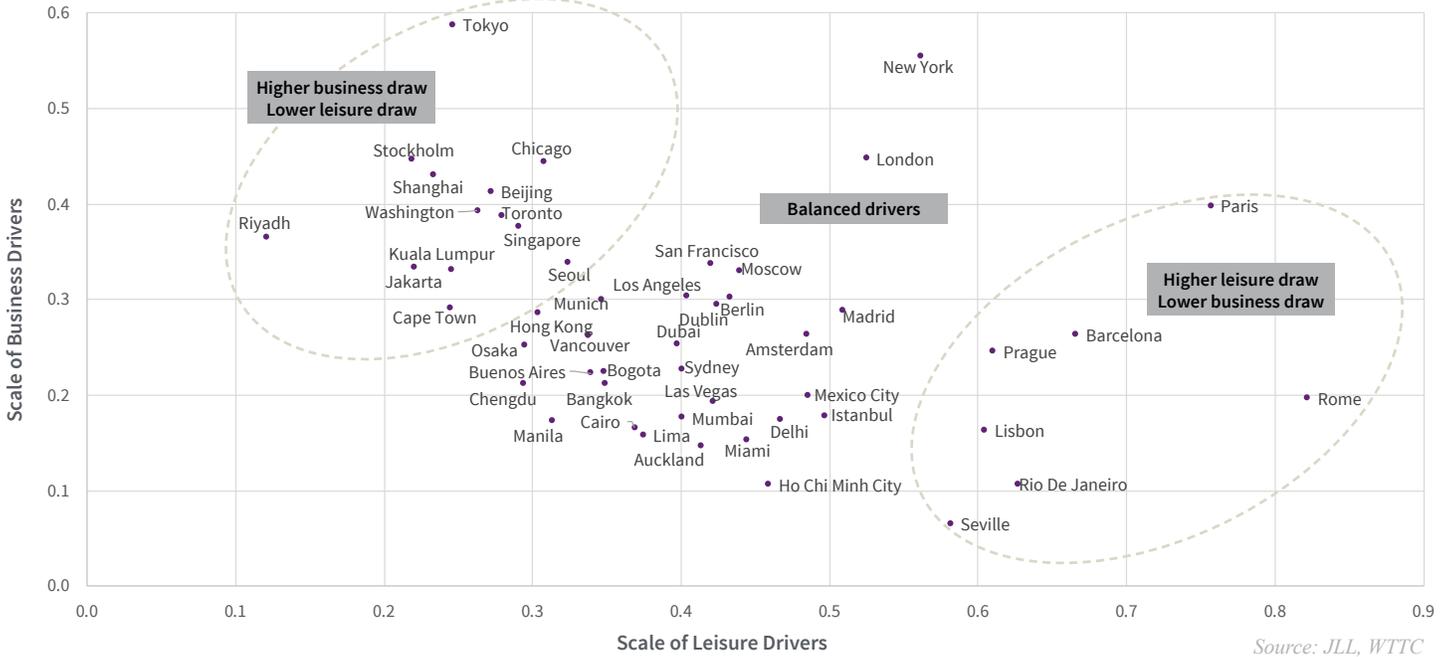**FIGURE 3: SCALE OF LEISURE VS. BUSINESS DRIVERS**



Figure 3 shows the key tourism demand drivers for 50 global cities. New York and London, two of the largest Travel & Tourism markets in the world, are supported by a good balance of leisure and business demand. The two cities are in the Mature Performer category which suggests that for a destination to achieve long term success, it is crucial to diversify its tourism offerings.

**FIGURE 4: OVERALL URBAN READINESS FOR TOURISM GROWTH**
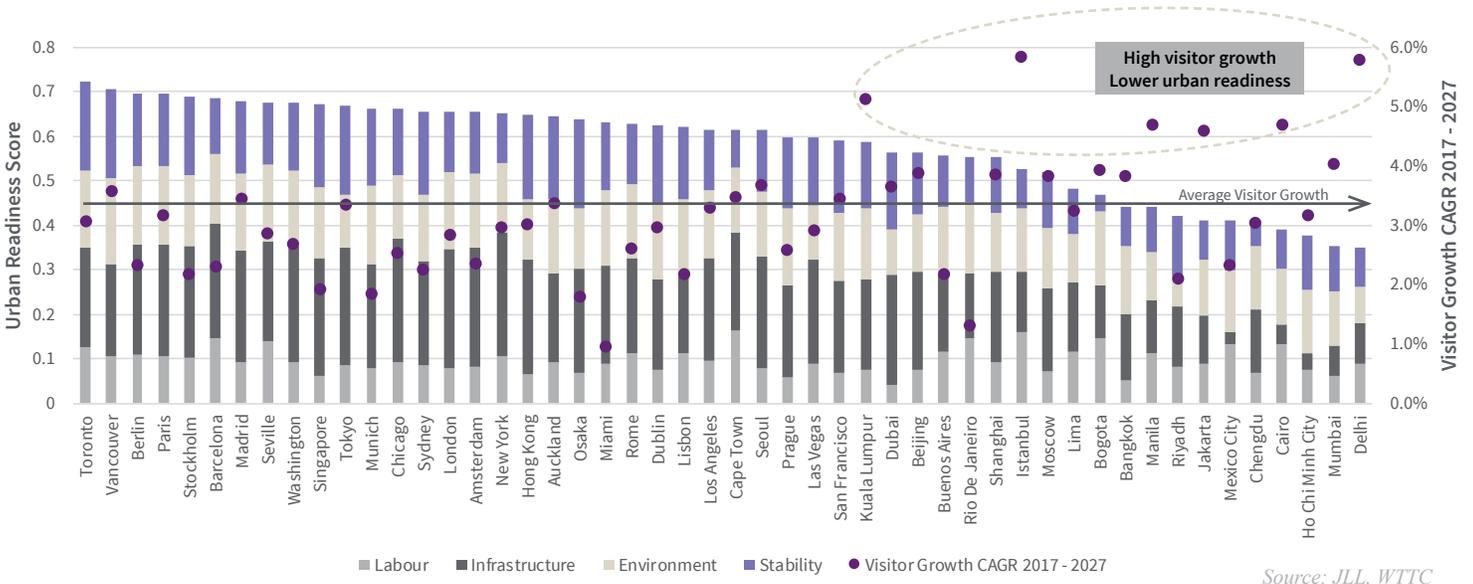


The urban readiness score measures how well cities are positioned to accommodate future tourism growth based on four key factors - Labour availability, urban infrastructure, environment and stability. The graph demonstrates the areas of the urban landscape where a city leads or lags, which can help the creation of a growth plan. Overall urban readiness for tourism growth is highest in developed economies, whereas emerging markets lag, especially outside of Asian gateway cities.

## *Step 3: Set sustainable end goals and develop a plan with policies to achieve the goals*

Once a thorough assessment of the city is completed, key stakeholders should collectively decide the end goal and develop a detailed roadmap to achieve it. It is crucial that this process involves all stakeholders in order to determine what success should look like for the city. All elements involving citizen satisfaction should be considered, particularly the views of communities living in the city centre.

Cities are on the frontline of major global and societal changes. In fact, some cities are just as important as the overall country in terms of their influence and the responsibility for their citizens and the sustainable growth of the economy.

Though the size and context of governance vary widely, these cities face many common challenges. As mayors gain greater influence in policy-making and tax-raising powers, they also face ever-growing resident numbers and sustainability challenges, straining budgets and priorities.

It has already been widely noted that Travel & Tourism can bring significant financial and employment benefits to cities around the world. In embracing the value from the sector, the authorities and destination management (and marketing) organisations must be proactive in embracing tourism policies that take into consideration the needs of both visitors and the local population.

The policy areas set out below are just some of those that JLL and WTTC have identified that, if done well, will stand a city in good stead in terms of their readiness for future growth. These considerations will also help support destinations in their planning and tourism management.

### A) CITIZEN ENGAGEMENT

### *Does the city have a process for measuring local residents' perception and views related to tourism impact?*

While a city's strategy for tourism growth may appear perfect on paper, in the medium to long term it will only work if key stakeholders feel engaged in the process. To ensure that residents buy in to the approach taken, it is important to invite them to take part and contribute to any consultations. Similarly, city councils and tourism authorities should include neighbourhood representatives on committees to discuss problems and help devise solutions, as well as offering online forums for citizens to give suggestions and provide feedback. Communicate to the community the value and contribution of Travel & Tourism to the city and they are far more likely to support it.

### City in Action: Sydney (Mature Performer)

Sydney has active citizen and community engagement – through online platforms or meetings – which continues to help shape the strategic direction of the city. When developing its 2030 Tourism Action Plan[6], the city referred to the most comprehensive community consultation in its history, where residents, workers, visitors, industry associations and community organisations spoke about their vision, goals and aspiration for the future of the city.

### City in Action: Paris (Managing Momentum)

The Parisian government regularly encourages the participation of the city's community in strategic decisions. In fact, the 2022 Tourism Strategy[7] was drawn up in close collaboration with nearly 400 stakeholders from across the Travel & Tourism sector. The government's website paris.fr prominently invites residents to participate in many communal areas of city life, such as joining consultations on plans to develop public spaces.

MATURE PERFORMER: **NEW YORK**

## B) ECONOMIC DEVELOPMENT PLAN

*Does the city's economic development plan reference tourism?*

Travel & Tourism directly contributes, on average, 7% of a city's total GDP[8]. Given the continued growth in the number of travellers to cities, it is essential for city-level authorities to consider the potential impacts of this growth when designing the economic Masterplan. Incorporating strategy objectives that specifically support managed tourism growth should also lead to success in other areas of the development plan. In particular, investing in infrastructure improvements will support growth. At the same time, it is important for joined-up thinking and collaboration not just between the public and private sectors and local communities, but also between city government departments.

### City in Action: Osaka (Balanced Dynamics)

Tourism is one of the key priority areas in Osaka's economic development strategy. It plans to boost urban appeal by coordinating with local businesses to provide unified language on signage around the stations; promoting a 'city of water' identity, with efforts to revitalise waterways transportation; and transforming the Osaka Castle Park Area into a tourism hub[9].

### City in Action: Chicago (Balanced Dynamics)

One of Chicago's ten strategies in the Plan for Economic Growth and Jobs[10], specifically addresses Travel & Tourism. Entitled 'Make Chicago a Premier Destination for Tourism and Entertainment', the strategy focuses on increasing coordination of investments in tourism promotion, governance and marketing; enhancing transportation systems, including their appearance and overall 'visitor-friendliness'; and improving the convention and business travel experience with more competitive and improved services.

BALANCED DYNAMICS: **CHICAGO**

### C) SUSTAINABLE TOURISM GROWTH PLAN

*Does the city government or tourism body have a policy on fostering sustainable growth levels?*

The continued growth of urban populations, both in terms of residents and visitors, is not only leading to traffic congestion and pressure on infrastructure and services in many cities, but is also creating problems with carbon emissions, waste, water supply and other social or environmental degradation.

Forward-thinking city authorities have initiated sustainable growth plans with an enduring, balanced approach, considering not only the needs of the city's economy but of its ecology, its residents and of the people who visit, now and in the future. Tourists help to protect the city's assets in destinations when they are included in the plans and kept informed.

#### City in Action: Berlin (Mature Performer)

Berlin has issued a tourism plan (2018) focusing on sustainable levels of growth, with an objective for tourism to develop moderately in a long-term way that is compatible for the city economically, ecologically and socially. Implemented measures include planning for added infrastructure to support cycle tourism; regular cleaning of parks and advertising waste prevention projects; and further developing the 'Experience Your City' (Erlebe Deine Stadt) project, which gives Berlin residents favourable rates at hotels in the city on a fixed date.

#### City in Action: Vancouver (Managing Momentum)

The mission of the Vancouver Tourism Master Plan[11] is to 'ensure that the tourism industry grows in a manner that is economically, socially and environmentally sustainable and thus able to meet the future needs of residents, visitors, investors and other stakeholders'. In this context, one of its key goals is for the tourism industry to make its own operations sustainable, and develop and promote Vancouver as a world-leading sustainable community and tourism destination. It pledges to embrace the vision of the city's Greenest City 2020 Action Plan[12] which has the ambition of becoming the most ecologically sustainable city in the world by 2020 and that it is powered completely by renewable energy before 2050.

## D) TOURISM FLOWS MANAGEMENT POLICY

*Does the city have a policy to manage visitor flows in response to increased strains on the city?*

With the world getting richer and travel becoming increasingly accessible, it is expected that the Travel & Tourism sector will continue to flourish. However, without proper management, destinations and cities alike could be increasingly threatened by their own popularity in environmental, social, or aesthetic terms.

While there is no easy fix to overcrowding, authorities and destination marketing offices should identify hotspots and consider implementing strategies to mitigate bottlenecks, such as offering incentives to come at 'off-peak' days, weeks or months, online advance bookings, promoting stays in or visits to outer districts, and other product developments and new experiences in keeping with the DNA of the city[13].

### City in Action: Auckland (Mature Performer)

The main emphasis of Auckland's Destination AKL 2025[14] plan is to address issues of destination management. One of the six key focus areas under this is 'Connectivity and dispersal'. The objectives are to help smooth flows of visitors by improving connectivity in and around the city with effective public transport, and by reducing seasonality with a calendar of events spread evenly across the year and a new, and compelling 'off peak' domestic marketing programme.

### City in Action: New York (Mature Performer)

NYC & Company[15] and other travel businesses have introduced several measures aimed at dispersing visitors. These include creating the 'True York City' marketing campaign – the predecessor to the current 'Famous Original New York City' campaign – to entice visitors to stay longer and explore beyond the centre, across the city's 'real' five boroughs and their small businesses and arts communities. NYC & Company's 'Tourism Ready' programme provides education to businesses throughout the five boroughs, equipping them with the necessary tools to accelerate successful engagement with the Travel & Tourism sector.

A 'See your city' campaign was also developed to encourage New Yorkers across the five boroughs to share experiences in their local neighbourhood on social media, so attracting visitors to explore other districts. New York City also worked to entice visitors to discover the city in the quieter winter season of 2019 with a series of 'Winter Outing' promotions such as 2-for-1 admission to New York's top attractions and Broadway shows.
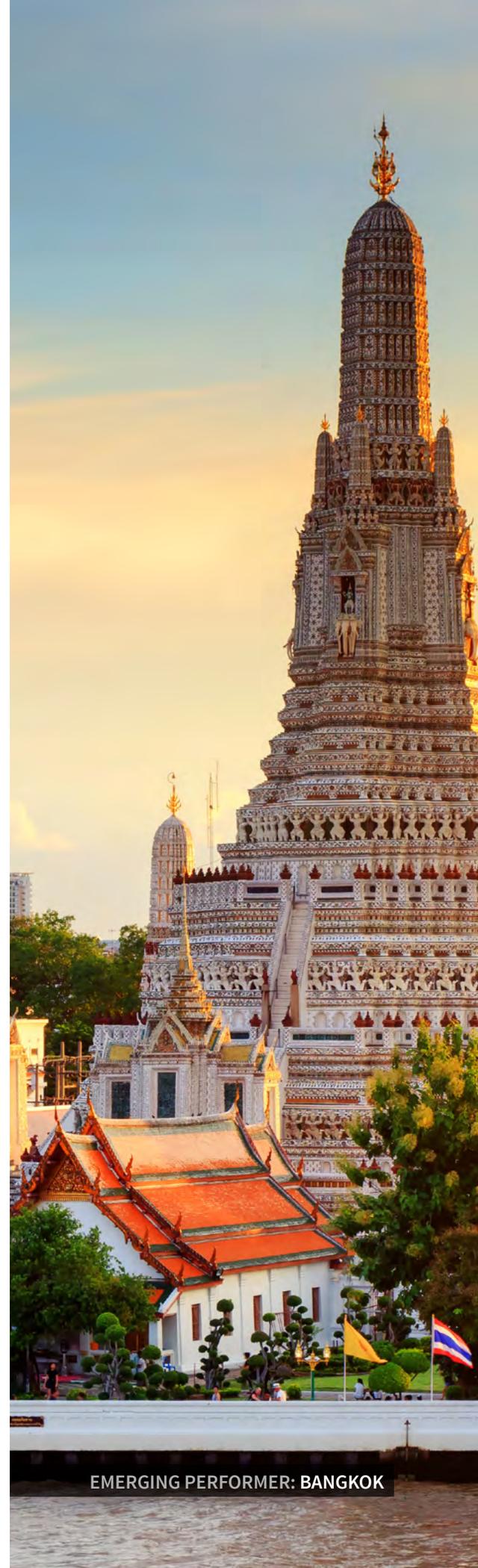
EMERGING PERFORMER: **BANGKOK**

### E) SHARING ECONOMY POLICIES

## *Has the city government passed legislation to regulate home sharing?*

An increasing number of residents are taking advantage of high tourist demand for city accommodation and the easy access of online home-sharing platforms to rent their properties. In addition to providing residents with increased income and maximising under utilised resources, home sharing can be beneficial if there is a shortage of hotel rooms and can encourage more visitors to stay in residential areas, in turn reducing pressure on numbers in the city centre. The challenges for residents lie when rooms or entire properties are taken off the market to cater mainly for tourists, resulting in less choice and/or increased rental rates for residents.

Established hoteliers also indicate that they have to operate under stricter regulations, particularly around health and safety. Fair and proactive regulation, based on data and an understanding of the issues in the market, can help Travel & Tourism grow in a balanced way. Each destination needs its own solution, whether that means a more relaxed or restrictive policy on rentals, but it is important that authorities consult with neighbourhood residents, home-sharing platforms and other stakeholders before determining the most appropriate measures.

### City in Action: Los Angeles (Mature Performer)

The City of Los Angeles council passed an ordinance[16] in December 2018 to legalise home sharing. This means that from 1 July 2019, locals can legally rent their primary residence to short-term visitors, albeit with restrictions. The regulations are 'intended to curb the negative effects of short-term rentals on neighbourhoods and the housing stock, while establishing a legal framework for responsible home sharing. Hosts can rent out their entire home while they are out of town for up to 120 nights per year, or for longer via a more detailed approval process. Accommodation-sharing company Airbnb, which has voluntarily collected the city's 14% lodging tax from guests on behalf of hosts since 2016, has welcomed the legalisation.

### City in Action: Singapore (Balanced Dynamics)

For several years, the city-state has permitted use of private residential properties for short-term accommodation of up to three consecutive months. After extensive consultations with the public, neighbourhood committees, the industry and home-sharing platform operators on a new regulatory framework for short-term accommodation, the government in May 2019 decided to retain the current law.

## F) TOURISM DEVELOPMENT TAX LEGISLATION AND PROMOTION

### *Has the city passed legislation for a tourism development tax (or similar)?*

Taxes should be used to stimulate and promote, not hinder, economic growth and job creation. As a labour-intensive sector, Travel & Tourism has a large, indirect impact on the wider economy. Taxes on the sector should be hypothecated, with revenues put back into tourism promotion and development linked to the goals and essence of the destination. Relevant infrastructure projects could also be given funding from Travel & Tourism revenue and ultimately enhance growth potential, attracting investment and subsequent employment.

**City in Action: Barcelona (Managing Momentum)**

In Barcelona, a tax is charged on all overnight stays in the city's tourist accommodation. The local government, which directly administers 50% of the funds raised, reinvests this amount into many tourism-related projects. A badge has been created so residents and visitors can see which projects are funded by the tourist tax. In addition, €4.5 million raised from the tourist tax was given to the Barcelona Tourism Consortium in 2017 to help set up a joint work plan for Barcelona as a sustainable destination. Meanwhile, in 2018, €9.6 million was spent on projects such as remodelling pedestrian areas and other infrastructure upgrades, the promotion of culture and the fight against illegal accommodation.

**City in Action: Dubai (Balanced Dynamics)**

Dubai started levying a tax, named the 'Tourism Dirham', on all tourist accommodation in 2014. The fee varies depending on the type of lodging, the maximum is Dh20 (just over US$5) and the revenue raised will support international promotion of the emirate, fund Expo 2020 projects and help to drive growth of tourism and trade.

BALANCED DYNAMICS: **DUBAI**

EMERGING PERFORMER: **JAKARTA**

## *Step 4: Implement, monitor, evaluate and communicate*

Once the strategic direction of the city and its policies for the sustainable growth of the Travel & Tourism sector have been decided and implemented, it is essential for the government and tourism bodies to monitor and evaluate the impact on the sector. This can be done from both a qualitative and quantitative perspective.

On the qualitative side, a satisfaction survey of tourists and local residents can reveal the general sentiment towards the Travel & Tourism sector. On the other hand, a comparison of indicators such as visitor density and size of the tourism economy can provide supporting and measurable data on the status of the sector. To guarantee long-term success, it is key to create a local committee with representation from all stakeholders (public and private sectors and the community). This relatively small group (maximum 15 people) should hold joint responsibility to execute the plan, monitor progress and communicate this regularly. Including representation from all stakeholders in these groups has empowered communities and been a recipe for success in many destinations.

# In Conclusion

Determining a city's future readiness for tourism growth requires a holistic view that accounts not only for its current physical and natural assets, but also for its social capital and the impact of its policies. Whether a city is looking to grow its Travel & Tourism sector or manage rising visitor numbers, business and city leaders must balance all the dynamics that make up a city's fabric.

Tourism has to be good for tourists and residents alike, and its growth must be organised and well planned. Tourism has a positive social impact, helping to pay for infrastructure, schools, hospitals and public transportation. If leaders manage this well and consider this sector as part of their plans, they can maximise the opportunity. The Travel & Tourism sector is an increasingly important contributor to the economy of cities. In the past decade, travel to city destinations has grown more rapidly than to countries as a whole, and 45% of all international travel today is to cities. The sector creates one in five jobs globally; jobs that can't be outsourced and transferred to other countries.

With this comes the opportunity for greater investment at the urban level, along with supporting the tourism sector's role in preserving cultures, protecting monuments and heritage attractions, and building local pride.

The current pace of growth makes proactive tourism destination management critically important for cities today. To most effectively harness the positive impact from tourism activity, and to manage potential pressure points, Travel & Tourism should be integrated into government urban planning.

This requires engagement from the government to recognize the importance of Travel & Tourism in its overall economic planning and to provide and promote a supportive, physical, regulatory and social environment. There are already powerful examples and case studies of cities excelling in these areas today, and these cities are setting new standards for other cities to follow.

The dataset created for this research initiative and the definition of the various city typologies gives Travel & Tourism stakeholders a new framework to assess where their cities are positioned, and what opportunities and best practices can be pursued for the future. Solutions abound as to how to manage and continue to benefit from tourism growth expected over the next ten years alongside city growth.

**DAWNING DEVELOPER: RIO DE JANEIRO**

# Examples of Policies for the City Typologies

## 1) Managing Momentum

**AMSTERDAM, BARCELONA, PARIS, PRAGUE, ROME, SAN FRANCISCO, STOCKHOLM, TORONTO, VANCOUVER**

| Description | Policy Response | Examples of policies |
|---|---|---|
| • Established urban readiness and tourism infrastructure <br><br> • High growth momentum driven by leisure travel <br><br> • Visitor volumes and activities with potential to cause strain on the city | Important to focus on policies that drive sustainable tourism growth, including managing tourism flows, home-sharing policies and citizen engagement. | **Amsterdam** – "City in balance" which aims to achieve a balance between visitors and residents. Key initiatives include apps and projects promoting less-visited areas, widening the target market, and managing access to the city centre. |

## 2) Mature Performers

**AUCKLAND, BERLIN, DUBLIN, LAS VEGAS, LISBON, LONDON, LOS ANGELES, MADRID, MIAMI, NEW YORK, SEOUL, SEVILLE, SYDNEY**

| Description | Policy Response | Examples of policies |
|---|---|---|
| • Established urban readiness and tourism infrastructure <br><br> • Strong leisure and/or business travel <br><br> • Visitor volumes and activity increasingly testing cities' readiness for additional growth | Focus on monitoring growing pressure points and embracing policies to ensure citizen engagement and managing potential growth. | **Sydney** – The city has an active citizen and community engagement plan – through online platforms or meetings, to help shape tourism strategy. <br><br> **Berlin** – issued a sustainable and city-compatible tourism plan. Actions include planning for added infrastructure to support cycle tourism. <br><br> **New York** – A "True York City" – marketing campaign to encourage visitors to explore beyond the city centre and community engagement. |

## *3) Balanced Dynamics*

**BEIJING, CHICAGO, DUBAI, HONG KONG, MUNICH, OSAKA, SHANGHAI, SINGAPORE, TOKYO, WASHINGTON, DC.**

| Description | Policy Response | Examples of policies |
|---|---|---|
| • Established urban readiness and tourism infrastructure<br><br>• Cities often are financial hubs with higher share of business travel than average<br><br>• Additional runway for visitor growth without straining cities' urban landscape | Take advantage of the relative balance between volume of visitors and lesser strain on the city; develop policies to promote sustainable growth; seek opportunities to attract a greater proportion of leisure travel by investing in leisure attractions. | **Singapore –** As part of the government's strategy to spread tourism offerings across different areas of the city, it announced in April 2019 plans to transform the Jurong district into a major tourist destination.<br><br>**Dubai –** Dubai Department of Tourism and Commerce Marketing has developed a sustainability strategy to ensure the continual development of sustainable tourism, along with a Dubai Green Tourism Awards scheme. |

## *4) Emerging Performers*

**BANGKOK, CAPE TOWN, DELHI, HO CHI MINH CITY, ISTANBUL, JAKARTA, MEXICO CITY**

| Description | Policy Response | Examples of policies |
|---|---|---|
| • Emerging urban readiness and tourism infrastructure<br><br>• Growing tourism momentum and increased pressures | Invest in infrastructure development to support sustainable tourism growth; monitor potential crunch points and implement progressive policies as needed. | **Istanbul –** improvement in infrastructure and air connectivity with the construction of one of the world's biggest airports. |

## *5) Dawning Developers*

**BOGOTA, BUENOS AIRES, CAIRO, CHENGDU, KUALA LUMPUR, LIMA, MANILA, MOSCOW, MUMBAI, RIO DE JANEIRO, RIYADH**

| Description | Policy Response | Examples of policies |
|---|---|---|
| • Emerging urban readiness and tourism infrastructure<br><br>• Slower tourism growth, and lower visitor concentration—for now | Address areas for development to further enhance urban readiness, achieve incremental wins by focusing on and evolving tourism policies that enable tourism growth at a pace that the city can support. | **Buenos Aires –** improvement in air connectivity, with more direct flights to the city after the government liberalised the aviation industry.<br><br>**Cairo –** planning to make greater use of the River Nile by creating landing and docking areas and water-borne public and tourist transport. |

# Appendix

*Performance of 50 cities across key tourism readiness indicators*

The table that follows presents the positioning of each of the 50 cities across seven of the key focus areas analysed in quartiles.

| CATEGORY | SCALE | CONCENTRATION | LEISURE | BUSINESS | URBAN READINESS | POLICY ENGAGEMENT | CRUNCH |
|---|---|---|---|---|---|---|---|
| Description | Scale of Travel & Tourism market | Concentration and density of tourist and visitor activity | Scale of leisure drivers | Scale of business drivers | Overall urban readiness for tourism growth | Supportiveness of policies in terms of fostering a sustainable pace of tourism growth | Level of strain/ pressure that tourism economy places on city overall |
| Amsterdam | | | | | | | |
| Auckland | | | | | | | |
| Bangkok | | | | | | | |
| Barcelona | | | | | | | |
| Beijing | | | | | | | |
| Berlin | | | | | | | |
| Bogota | | | | | | | |
| Buenos Aires | | | | | | | |
| Cairo | | | | | | | |
| Cape Town | | | | | | | |
| Chengdu | | | | | | | |
| Chicago | | | | | | | |
| Dubai | | | | | | | |
| Dublin | | | | | | | |
| Delhi | | | | | | | |
| Ho Chi Minh City | | | | | | | |
| Hong Kong | | | | | | | |
| Istanbul | | | | | | | |
| Jakarta | | | | | | | |
| Kuala Lumpur | | | | | | | |
| Las Vegas | | | | | | | |
| Lima | | | | | | | |
| Lisbon | | | | | | | |
| London | | | | | | | |
| Los Angeles | | | | | | | |
| Madrid | | | | | | | |
| Manila | | | | | | | |
| Mexico City | | | | | | | |
| Miami | | | | | | | |
| Moscow | | | | | | | |
| Munbai | | | | | | | |
| Munich | | | | | | | |
| New York | | | | | | | |
| Osaka | | | | | | | |
| Paris | | | | | | | |
| Prague | | | | | | | |
| Rio De Janeiro | | | | | | | |
| Riyadh | | | | | | | |
| Rome | | | | | | | |
| San Francisco | | | | | | | |
| Seoul | | | | | | | |
| Seville | | | | | | | |
| Shanghai | | | | | | | |
| Singapore | | | | | | | |
| Stockholm | | | | | | | |
| Sydney | | | | | | | |
| Tokyo | | | | | | | |
| Toronto | | | | | | | |
| Washington D.C. | | | | | | | |
| Vancouver | | | | | | | |

Lowest Quartile — Highest Quartile

## *Indicators indexed*

The table that follows depicts the indicators included in each of the seven categories indexed on the previous page.

| SCALE | CONCENTRATION | LEISURE | BUSINESS |
|---|---|---|---|
| Total Visitor Arrivals | Visitor Arrivals / Population | Leisure Travel Spend (% of total spend) | Business Travel Spend (% of total spend) |
| Total Air Passengers | Volume of Visitor Attractions | Volume of Visitor Attraction Ratings | GDP per Capita |
| Airline Seat Capacity | Ratings / Visitor Arrivals | Status as Heritage City | Size of Workforce |
| Number of Destinations Served by Airport | Seasonality of Airline Seats | Seasonality of Airport Arrivals | Corporate Presence Score |
| Volume of Visitor Attraction Ratings | Importance of Tourism | Cruise Passenger Arrivals | Office Space |
| Convention Center Exhibit Space | Concentration of Tourists Throughout City | Number of Airbnb Listings | Convention Center Exhibit Space |
| Total Hotel Meeting Space | Visitors per Square km | | |
| Number of Hotel Rooms | Hotel Occupancy | | |
| Number of Airbnb Listings | Airbnb Listings as % of Hotel Rooms | | |

| URBAN READINESS | POLICY ENGAGEMENT | CRUNCH |
|---|---|---|
| Size of Workforce | Citizen Engagement | Growth in Visitor Arrivals vs. Hotel Accommodations Stock |
| Cost of Living | Economic Development Plan | Concentration of Tourist Activity |
| Healthcare Index | Sustainable Tourism Growth Plan | Hotel Occupancy |
| Infrastructure Index | Tourism Flows Management Policy | Rhetoric Surrounding Home Sharing |
| Airline Seat Capacity | Home Sharing Policy | Share of Negative Visitor Attractions Reviews |
| Traffic Congestion | Tourism Development Tax Legislation | |
| Disability Readiness | | |
| Temperature Extremes | | |
| Air Quality Index | | |
| Water Availabiltiy and Quality | | |
| Risk Level of a Natural Disaster | | |
| Stability | | |

## *Sources for key indicators*

The table that follows lists the key indicators which were tabulated for this analysis and which formed the foundation of the 75+ indicators utilized in the report.

| Category | Indicators | Source(s) |
| --- | --- | --- |
| Economic Indicators | City GDP | Oxford Economics |
| Economic Indicators | GDP per Capita | Oxford Economics |
| Economic Indicators | City Population | Oxford Economics |
| Economic Indicators | Size of Workforce | Oxford Economics |
| Economic Indicators | Employment Rate | Oxford Economics |
| Economic Indicators | Tourism GDP | WTTC / Oxford Economics |
| Economic Indicators | Tourism Employment | WTTC / Oxford Economics |
| Economic Indicators | Cost of Living | Cost of Living Ranking, Mercer |
| Travel and Tourism Indicators | Total Air Passengers | CAPA - Centre for Aviation |
| Travel and Tourism Indicators | Airline Seat Capacity | CAPA - Centre for Aviation |
| Travel and Tourism Indicators | Number of Destinations Served by Airport | CAPA - Centre for Aviation |
| Travel and Tourism Indicators | Seasonality of Airline Seats | CAPA - Centre for Aviation |
| Travel and Tourism Indicators | Arrivals as a % of Population | WTTC / Oxford Economics |
| Travel and Tourism Indicators | Total Visitor Arrivals (International and Domestic) | WTTC / Oxford Economics |
| Travel and Tourism Indicators | Cruise Passenger Arrivals | WTTC / Oxford Economics |
| Travel and Tourism Indicators | Business Travel Spend | WTTC / Oxford Economics |
| Travel and Tourism Indicators | Leisure Travel Spend | WTTC / Oxford Economics |
| Travel and Tourism Indicators | Number of Hotel Rooms | STR |
| Travel and Tourism Indicators | Hotel Occupancy | STR |
| Travel and Tourism Indicators | Convention Centre Exhibit Space | Convention centre websites |
| Travel and Tourism Indicators | Total Hotel Meeting Space | STR |
| Travel and Tourism Indicators | Number of Airbnb Listings | Airdna |
| Travel and Tourism Indicators | Status as Heritage City | WTTC |
| Travel and Tourism Indicators | Tourist Attractions | JLL |
| Travel and Tourism Indicators | Visitors per Square km | WTTC / McKinsey & Company |
| Travel and Tourism Indicators | Concentration of Tourists throughout the City | WTTC / McKinsey & Company |
| Travel and Tourism Indicators | Volume of Visitor Attractions Ratings | TripAdvisor |
| Travel and Tourism Indicators | Share of Negative Visitor Attractions Reviews | WTTC / McKinsey & Company; TripAdvisor |
| Urban Indicators | Corporate Presence Score | Globalization and World Cities Research Network |
| Urban Indicators | Number of Company Headquarters | Forbes |
| Urban Indicators | Office Space in Square Feet | JLL |
| Urban Indicators | Traffic Congestion | TomTom Traffic Index |
| Urban Indicators | Infrastructure (Liveability Survey) | Economic Intelligence Unit |
| Urban Indicators | Healthcare (Liveability Survey) | Economic Intelligence Unit |
| Urban Indicators | Disability Readiness (Wheelchair accessibility) | Arcadis Sustainable Cities Mobility Index |
| Urban Indicators | Air Quality Index | World Health Organization |
| Urban Indicators | Risk Level of a Natural Disaster | World Bank |
| Urban Indicators | Temperature Extremes | World Meteorological Organization |
| Urban Indicators | Water Availability and Quality | Aqueduct from World Resources Institute |
| Urban Indicators | Stability (Liveability Survey) | Economic Intelligence Unit |
| Policy Indicators | Citizen Engagement | WTTC and JLL online research |
| Policy Indicators | Economic Development Plan | WTTC and JLL online research |
| Policy Indicators | Sustainable Tourism Growth Plan | WTTC and JLL online research |
| Policy Indicators | Tourism Flows Management Policy | WTTC and JLL online research |
| Policy Indicators | Home Sharing Policy | WTTC and JLL online research |
| Policy Indicators | Tourism Development Tax Legislation | WTTC and JLL online research |

*Endnotes*

1.   United Nations Department of Economic and Social Affairs. 2018 Revision of World Urbanization Prospects, May 2018.

2.   50 of the 72 cities studied in WTTC's report "City Travel & Tourism Economic Impact 2018" boasted larger contribution to GDP from Travel & Tourism than the global average. When combined, an estimated US$625 billion was directly generated by the sector across the 72 cities, amounting to 6.7% of their total GDP.

3.   Oxford Economics' Global City Travel (GCT)

4.   https://www.munich.travel/en-gb/topics/about-us/tourism-strategy

5.   Plan for Economic Growth and Jobs, World Business Chicago, 2012

6.   'Sydney 2030 Tourism Action Plan', 2013

7.   Paris 2022 Tourism Strategy Development Plan, 2016

8.   WTTC 'City Travel & Tourism Impact 2018' report

9.   Osaka City Government Economic Strategy

10.  Plan for Economic Growth and Jobs, World Business Chicago, 2012

11.  Vancouver Tourism Master Plan, 2013

12.  City of Vancouver Greenest City 2020 Action Plan, 2015-2020

13.  'Coping With Success: Managing Overcrowding in Tourism Destinations', WTTC/ McKinsey & Company, 2017

14.  Destination AKL 2025 report, Auckland Council

15.  NYC & Company 2017-2018 annual summary

16.  Department of City Planning, City of Los Angeles

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