

# Tourism in 2022

A report by EIU



## The world leader in global business intelligence

Economist Intelligence offers deep insight and analysis of the economic and political developments in the increasingly complex global environment, identifying opportunities, trends and risks on a global and national scale.

Formed in 1946, EIU has become a valuable commentator, interpreter and forecaster on the accelerating phenomenon of globalisation, enabling businesses, financial firms, education institutions and governments to plan effectively for uncertain futures.

## Actionable insights into the world's markets

The world's leading organisations rely on our subscription services for data, analysis and forecasts that keep them informed of emerging issues around the world.

We specialise in:

- **Country analysis**—access detailed country-specific economic and political forecasts, as well as assessments of the business environments in different markets with EIU Viewpoint;
- **Risk analysis**—our risk services identify actual and potential threats around the world and help our clients to understand the implications for their organisations. Available products include Country Risk Service and Risk Briefing;
- **Industry analysis**—five-year forecasts, analysis of key themes and news analysis for six major industries in 60 economies. These forecasts are based on the latest data and in-depth analysis of industry trends, available via EIU Viewpoint; and
- **Speaker Bureau**—book the experts behind the award-winning economic and political forecasts. Our team is available for presentations and panel moderation, as well as boardroom briefings covering their specialisms. Explore Custom Briefing for more speaker information.

## Contact us

### LONDON

Economist Intelligence  
20 Cabot Square, London E14 4QW,  
United Kingdom  
Tel: +44 (0)20 7576 8000  
e-mail: london@eiu.com

### NEW YORK

Economist Intelligence  
750 Third Ave, 5th Floor,  
New York NY 10017, United States  
Tel: +1 212 541 0500  
e-mail: americas@eiu.com

### HONG KONG

Economist Intelligence  
1301 Cityplaza Four 12 Taikoo Wan Road Taikoo  
Shing, Hong Kong  
Tel: + 852 2585 3888  
e-mail: asia@eiu.com

### GURGAON

Economist Intelligence  
Skootr Spaces, Unit No. 1 12th Floor, Tower B,  
Building No. 9 DLF Cyber City, Phase - III Gurgaon -  
122002 Haryana,  
India  
Tel: +91 124 6409486  
e-mail: asia@eiu.com

### DUBAI

Economist Intelligence  
PO Box No - 450056, Office No - 1301A Aurora  
Tower Dubai Media City Dubai,  
United Arab Emirates  
Tel: +971 4 4463 147  
e-mail: mea@eiu.com

For more information on our solutions and how they can help your organisation, please visit [www.eiu.com/n/](http://www.eiu.com/n/).

# Tourism in 2022: a shaky recovery

## Key forecasts

- International arrivals will recover some ground but fail to return to 2019 levels, with business travel likely to remain depressed.
- Differing levels of border control and variations in vaccine passports will continue to make international travel difficult in 2022, although domestic tourism will fill some gaps.
- Compliance with climate-change regulations, as well as higher fuel prices and wages, will increase air-travel costs in 2022. This will eventually lead to airline mergers, airport closures and higher ticket prices.

## International arrivals will fail to return to 2019 levels

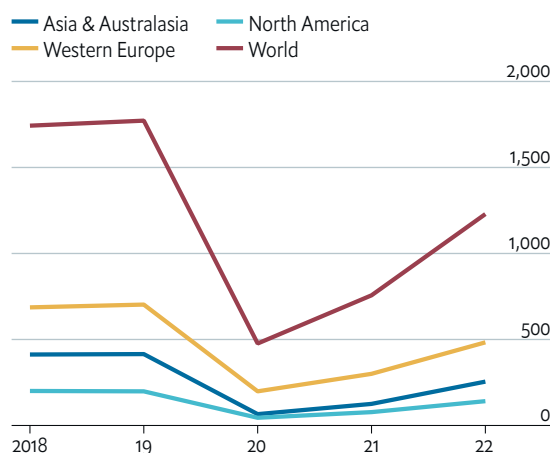
EIU forecasts that global international arrivals in 2022 will remain 30% below 2019 levels. With international arrivals to the region lagging by 39.5% relative to 2019, Asia will be among the slowest to recover in 2022. North America will gain the most, but its international arrivals will nevertheless remain 29% below 2019 levels. Europe and the Middle East and North Africa (MENA) will have similar trajectories of recovery in international arrivals, at 31% and 33% below 2019 levels, respectively. While vaccine roll-outs in the US and other developed countries have opened up some borders, we do not expect international arrivals to return to pre-pandemic levels in 2022.

International tourism in 2022 will be driven by major events such as the Dubai Shopping Festival (DSF) and Expo 2020. However, international business travel will remain particularly depressed as businesses avoid putting their employees at risk. A desire to minimise costs and carbon footprints will also prompt many companies to avoid business travel. However, some travel will be necessary to

bolster relationships with clients and to shore up shaky supply chains.

### Tourism will not recover fully in 2022

(international arrivals; '000)



Sources: World Tourism Organisation; EIU.

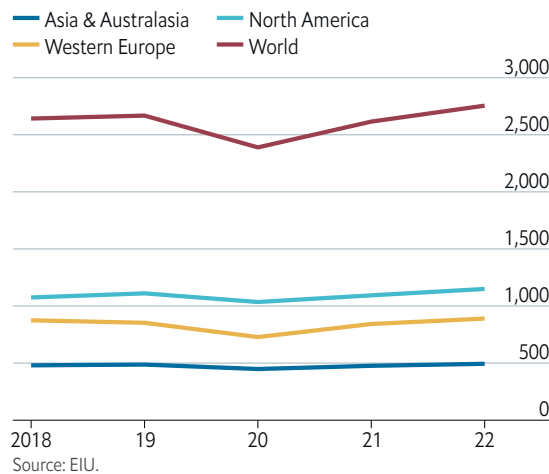
## Differing border rules will complicate international travel

Travelling will remain a very different experience in the post-pandemic world. Coronavirus (Covid-19) testing and some form of quarantine will be necessary and mask-wearing will continue to be commonplace in 2022. Vaccine passports, which are currently being introduced in Australia, China, the EU, France, Israel, the UK and some parts of the US, will become widespread.

The success of vaccine passports, however, depends on the level of interoperability achieved. Most countries will only accept vaccines that have

been approved by their own medical regulator or the World Health Organisation (WHO). In addition, vaccine passports need to be compatible with airline-reservation and management systems, and also with any digital vaccine and test certificates being introduced by governments and healthcare providers across the globe. The lack of harmonised rules will hold back the recovery in international tourism in 2022.

**Domestic tourism will fill some gaps**  
(consumer spending in hotels & restaurants; US\$bn)



**Domestic travel will offer some relief**

Given the slow recovery in international travel, we expect the travel and tourism industry to look to domestic travel for relief in 2022. This has already driven an improvement in airline bookings in larger markets such as China and the US, as well as revenue within the hotel and hospitality industries. EIU expects global consumer spending in hotels and restaurants to grow by 5.3% in 2022, marking a return to pre-pandemic levels. Domestic tourism in China will benefit from the Beijing Winter Olympics, scheduled for February 2022, which will be open to visitors from the mainland. However, the emergence of new coronavirus variants continues to pose a risk to the event.

**Climate regulations will add to travel costs**

In 2022 companies across the tourism industry will come under increased scrutiny from regulators, consumers and investors to eradicate—or at least minimise—their contributions to climate change. Airlines will be required to reduce emissions under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which faces its first triennial review in November 2022.

We expect airline emissions to remain below the baseline in 2022, owing to depressed demand for international travel, which will spare them from incurring carbon-offset costs at a time when carbon-credit prices are surging. Complying with CORSIA will, however, still add to operating costs, especially as fuel prices (which account for around one-quarter of their total costs) continue to rise in 2022. Amid low demand, airlines will need to increase ticket prices in a bid to restore their finances.

Even so, the airline industry will rack up another combined loss, while debt-servicing costs will increase. Cost-cutting measures will intensify. Eventually, airline mergers are likely, with knock-on effects for regional airports (although this is not our core forecast for 2022).

### What to watch for in 2022

#### **The Red Sea Project will open to tourists:**

Phase 1 of Saudi Arabia's Red Sea Project will be operational in 2022, although expansion will continue until it reaches the planned 8,000-room capacity expected by 2030. The Saudi government will bank on this project, along with initiatives such as NEOM (a smart city) and Qiddiya (an entertainment city), to stimulate tourist arrivals as part of its plan to diversify the Saudi economy.

#### **Cruise industry gets out of the doldrums:**

After sinking in 2020-21, cruise bookings for 2022 have picked up as vaccine passports and health passes allow the reopening of international travel, albeit with increased documentation. The industry will expand capacity: 450 ships will carry 31.7m passengers, up from 27.8m in 2019. However, it will be a shaky ride, with the possibility of coronavirus outbreaks on board or at ports posing significant risks.

#### **Tourist taxes will add to higher travel costs:**

Increased focus on sustainability will see some major tourist destinations cap daily visitor numbers (notably in the Italian city of Venice) or impose a tourist tax. Thailand will impose a US\$15 tax in 2022; New Zealand is likely to adopt a similar approach.

#### **Thailand will experiment to win back tourists:**

The South-east Asian country hopes that scrapping quarantine requirements will lead to a strong recovery in international arrivals in 2022. Its success will be good news for the tourism-dependent region, but we expect any recovery to be modest and significantly below pre-pandemic levels. A trial programme launched in July 2021, the Phuket Sandbox scheme, fell woefully short of the 100,000 visitors it had hoped to attract.

#### **New technologies**

**Vaccine passports and digital health** passes will be integral to domestic and international tourism in 2022, as most countries move away from "zero-Covid" strategies. Alongside the EU Digital COVID Certificate, EU countries have also issued digital health passes for local travel. China uses a QR-based tracker. More countries will adopt digital trackers and passes in 2022.

With safety and hygiene measures prioritised as the pandemic continues into 2022, contactless services will increasingly be adopted by airports. These will include **biometric boarding** that will use face-recognition technology; **contactless check-in**; and **automated baggage handling**. Hotel chains will also adopt some of these technologies, especially **contactless services and payments** and **disinfectant robots**.

Understand a country's political, policy and economic outlook with the world's best forward-looking analysis and data. Our award-winning expertise looks at global dynamics that impact your organisation, helping you to operate effectively and plan for the future. Included in our service:

- Global and regional outlook spanning politics, economics and market-moving topics
- Daily insights on the developments that impact the future outlook
- Executive summaries of country forecasts over the medium-term outlook
- Medium-term country forecasts on ~200 countries' political and economic landscape
- Long-term country forecasts on the structural trends shaping ~80 major economies
- Industry analysis on the outlook for 26 sectors in ~70 markets
- Commodity forecasts on supply, demand and prices of 25 critical goods
- Macroeconomic data on forecasts, as well as historic trends
- Industry data on demand and supply of key goods, now and in the future
- Proprietary ratings on the business environment
- Thematic analysis of the cross-cutting issues that our experts expect to shape the global outlook

### How EIU Viewpoint helps you to stay ahead

**Unparalleled coverage** - global, regional and country-level analysis for nearly 200 markets. 20,000 data series every month, led by our worldwide network of expert analysts and on the ground contributors

**360-degree view** - our approach is unique; deliberately designed to intersect politics, policy and the economy, our methodology leads to a more nuanced perspective than simple number crunching

**Beating consensus** - with over 70 years of experience, we have a track record of making bold calls and getting them right

**Evidence-based insights** - our editorial team is fiercely independent and rightly so. This ensures you can trust our analysis and apply the insights it offers with confidence.

Find out more information about our service features, delivery platforms and how EIU Viewpoint could benefit your organisation by visiting:

[eiu.com/viewpoint](https://eiu.com/viewpoint)

### **Copyright**

*© 2021 The Economist Intelligence Unit Limited. All rights reserved. Neither this publication nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of The Economist Intelligence Unit Limited.*

**While every effort has been taken to verify the accuracy of this information, The Economist Intelligence Unit Ltd. cannot accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in this report.**