



Olympics is a Tourism Problem

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One of the benefits claimed for the Olympic Games is a boost in tourism to the host city. This boost, according to data obtained by the European Tour Operators Association (ETOA), is wholly illusory. Indeed there are indications that the impact of the Olympic Games is detrimental.

ETOA has looked at visitor arrival statistics for the past Olympics in Beijing ('08), Athens ('04), Sydney (2000), Atlanta ('96), Barcelona ('92) and Seoul ('88). Whilst some of these games saw a peak in demand during the games, all saw a major disruption to their normal tourism market and none revealed any conspicuous tourism growth.

The latest data from Beijing is particularly striking. From the spring of 2008 international visitor arrivals to Beijing plummeted and in the month before the Games, they were 30% down on the previous year. In the months after the Games, the tourism slump continued with international arrivals more than 20% down.



Figure 1 Yearly change in overseas visitor numbers 2007-8¹

¹ Source CNTA and Singapore Tourist Board <http://app.stb.gov.sg/asp/tou/tou0201.asp>

The data needs to be seen in context. 2008 was not a strong year for tourism in the whole Asia Pacific region but Beijing fared considerably worse than the rest of China: demand for mainland China may have fallen by 2%, Beijing lost 18% of its prior years total.

Over the past two decades tourism has grown consistently on a worldwide basis. As a consequence, one would expect most cities to show tourism growth year on year. For the Olympic cities, tourism growth tends to be stalled and the stall becomes most apparent when a comparison is made with competitor destinations.

For example, in the five years prior to the Olympics, Australia's and New Zealand's tourism was growing at the same rate but Australia's growth lost ground significantly straight after the Olympics.

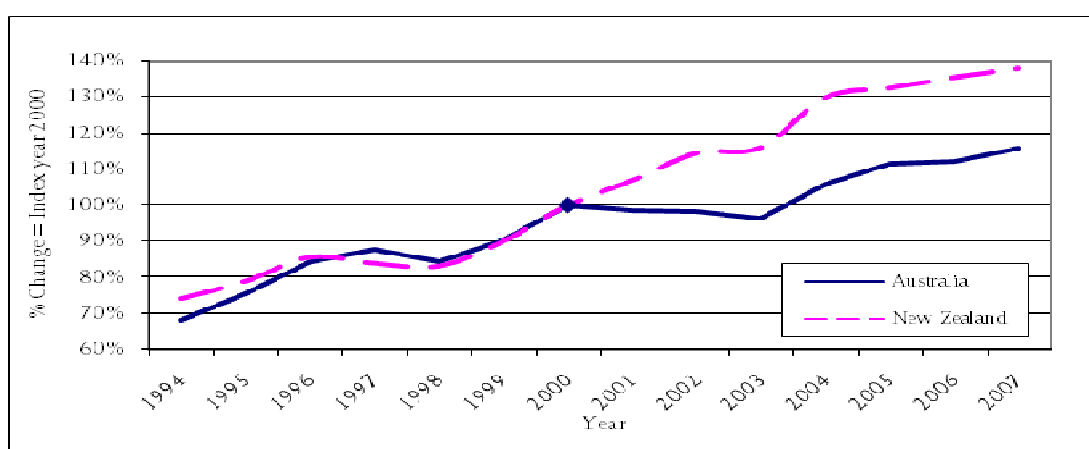


Figure 2 Yearly change in visitor arrivals 1994-2007²

It is clear that the Olympics did not materially help Australian tourism, or if it did, it made very little difference. Sydney's even underperformed against the rest of Australia. The situation became so pronounced that Australia ran an advertising campaign to promote itself as a destination with the now infamous slogan "Where the bloody hell are you?".

Tom Jenkins, Executive Director, ETOA said: "Every city is unique, and each city handles the Olympics in its own way. But we have yet to have a games where tourism has not been disrupted, and disrupted in a way that causes real harm. Even in the case of Athens, where they carefully restricted new capacity, there were considerable losses before and after the games both in the Capital and throughout Greece."

For London, the news from Beijing is concerning. Last year London had nearly 15 million visitors, bringing in over £8 billion. ³ It is already bracing itself for an influx of atypical visitors during the

² Australian Bureau of Statistics, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Previousproducts/0A41C3D685211114CA256F7200832F02?opendocument;Tourism>
 Research Council New Zealand, <http://www.trcnz.govt.nz/Surveys/International+Visitor+Arrivals/Data+and+Analysis/>

³ IPS, Office for National Statistics, 2009

games, whose spending habits are not those of usual tourists. If London followed the pattern of Beijing, it could see over 2.5 million fewer visitors at a loss of £1.5 billion.

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About ETOA

ETOA provides representation at European government level for companies involved in bringing tourists to Europe. The Association promotes greater awareness of the benefits provided by the group travel industry in Europe – particularly increased income and employment. ETOA also influences European tourism policy and legislation and runs a number of industry events throughout the year, including conferences, seminars and networking events.

Areas of specific activity include:

- Promoting Europe as a tourism destination
- Establishing commercial opportunities between buyers and sellers
- Establishing codes of conduct and guidelines for its members
- Working with other travel & tourism associations to raise the industry's profile