



Tourism Trends and Outlook Forum

City Tourism: Trends, Opportunities and some Threats in coming Decades

**Professor Bruce Prideaux
James Cook University
Australia**

The History of City Tourism

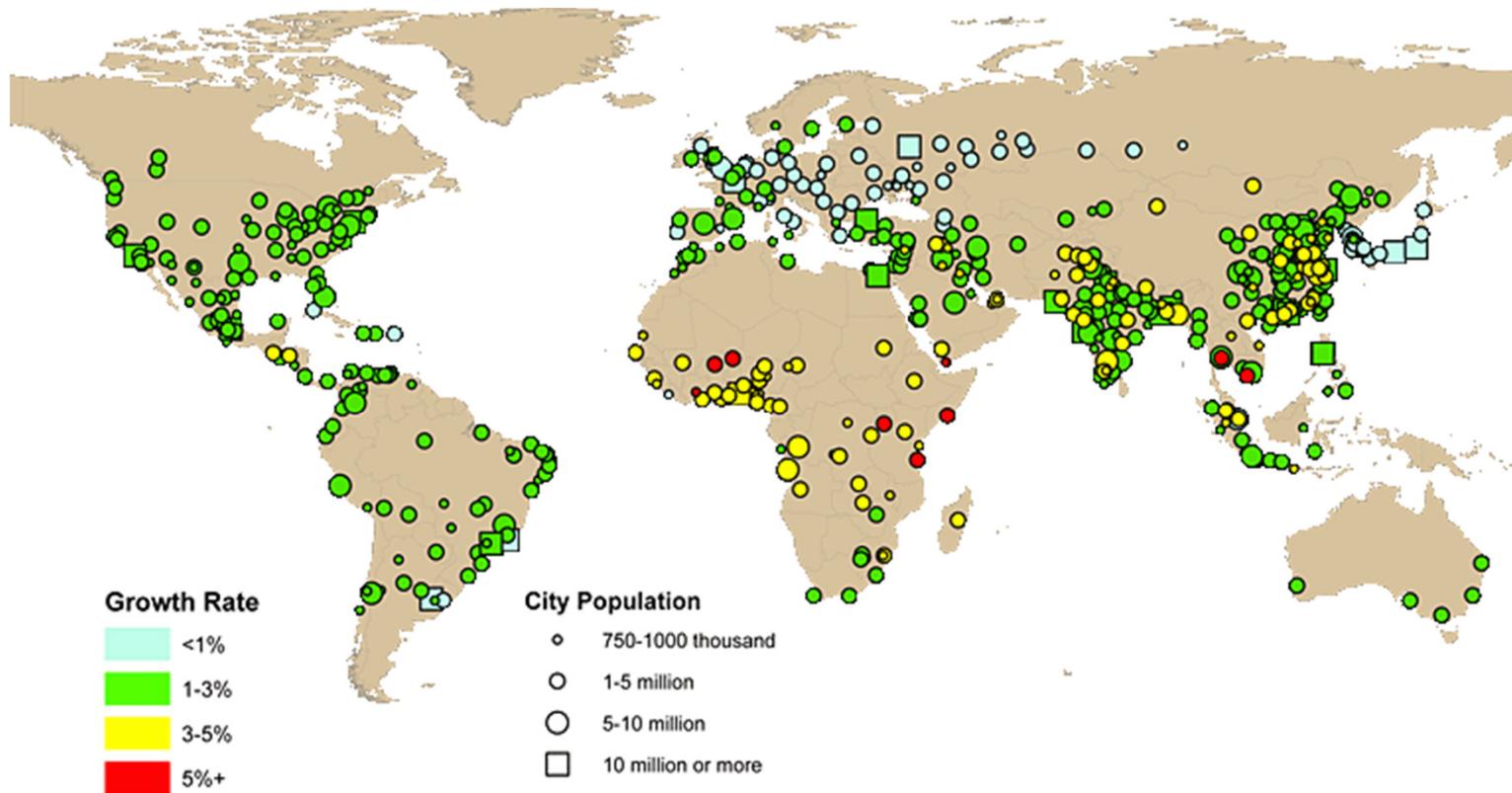
- From the time the first human settlements were established in the Levant (modern day Syria, Lebanon, Jordan, Israel and parts of Turkey) about 11,600 years ago, cities have attracted visitors
- Then, as now trade, religion, education and administration were key drivers for attracting visitors
- Then as now, visitors need accommodation, food and drink, information, transport, security and recommendations on places to see.
- The difference between 11,600 years ago and now is that leisure tourism has emerged as the main driver for visiting cities
- This presentation looks at key challenges posed by increased tourism activity in cities

Present and Future Patterns of City Growth

- Globally, over 1 million people move from rural areas to cities each week
- In developed countries 80% of the population live in cities in contrast to 30% in many developing countries.
- By 2010 China's four largest centrally administrated municipalities (Chongqing, Shanghai, Beijing and Tianjin) had over 85 million residents
- By 2030 the UN predicts that 61% of the world's population will reside in cities.
- Cities in the coastal zone will experience the greatest level of growth

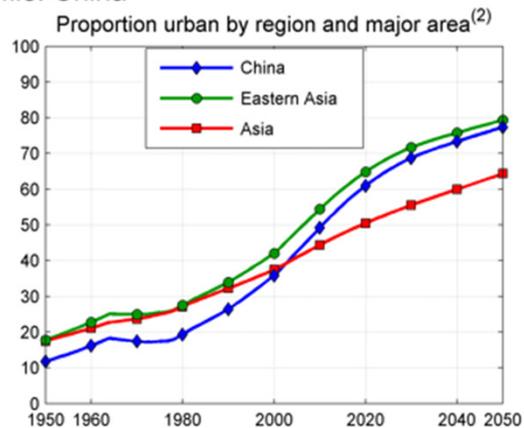
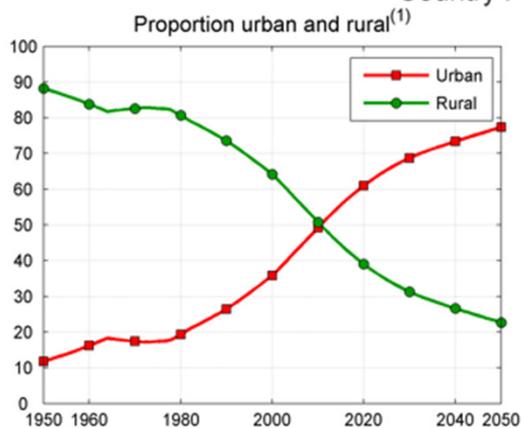


Growth rates of urban agglomerations, 2011-2025

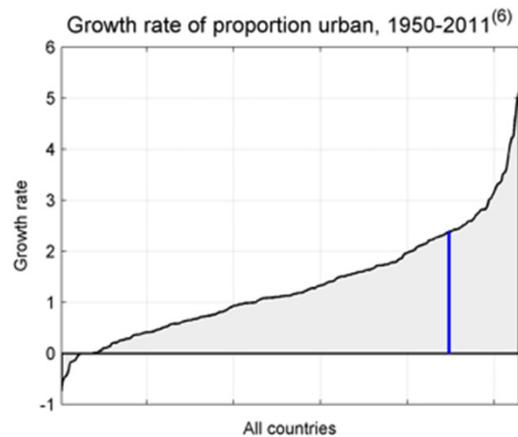
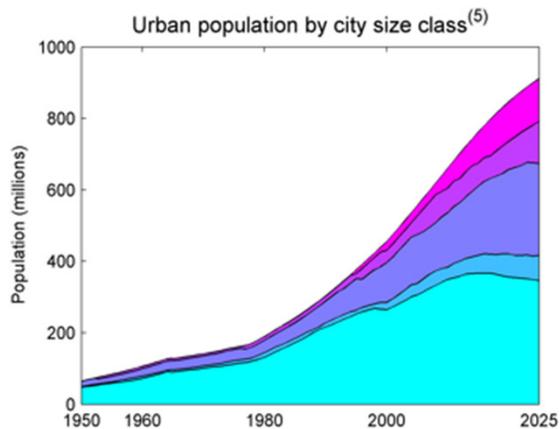
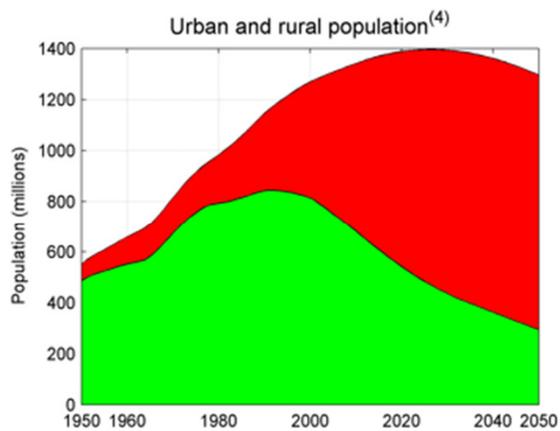
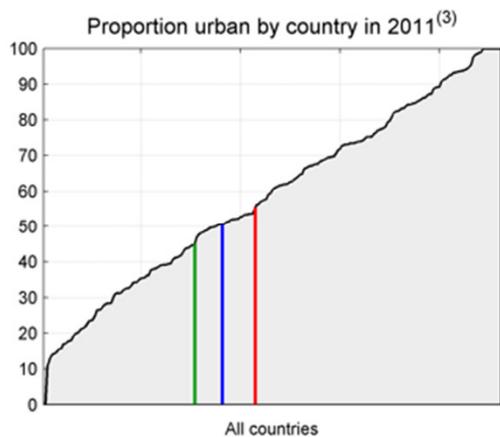


Source: UN Department of Economic and Social Affairs, 2011

Country Profile: China



Source: UN Department of Economic and Social Affairs, 2011



Future Tourism Growth in the Asia Pacific to 2030

- By 2030 the UNWTO estimates that international tourism departures will nearly double to nearly 1.8 billion
- In the Asia Pacific arrivals will increase from 204 million (2010) to 535 million.
- During the same time period departures are forecast to rise from 204.5 million (2010) to 541 million.
- In both cases the majority of international travel will be interregional (83% of arrivals and 82% of departures in 2030).
- Boeing forecasts an increase in commercial airplane numbers in the Asia Pacific region from 4,410 in 2010 to 13,480 in 2030, a 306% increase

Implications for Cities

- Rapid growth in the demand for tourism and the growth of cities pose a range of challenges for the industry, city administrations and policy makers
- *Key challenges:* impact of changing consumer demand, planning for major future disruptions (crisis and disaster events), allocation of scarce urban land between tourism and other competing activities, development of new tourism infrastructure and wise planning

Changing consumer demand

- Younger generations have a growing interest in food and wine experiences, shopping and short breaks and are more career orientated, more focused on conspicuous consumption (famous brands) and less interested in nature than older generations. They follow global rather than national consumption patterns of fashions, entertainment and lifestyle
- These patterns of consumption have significant implications for the design and delivery of tourism experiences and products in cities
- Older generations have more disposable income post-retirement for travel
- The *experience economy* (health and wellness, food and wine, leisure and entertainment, shopping and personal services) is now dictating the demand for tourism activities



Transport and other service infrastructure

- The forecast increase in international tourism arrivals, domestic tourism and personal disposable increases pose challenges for city administrators, planners and investors
- The demand for air travel will create the need for new airports – issues about land acquisition will emerge
- Increasing car ownership will see a dramatic increase in drive tourism – this will create the need for extensive road building and new accommodation and entertainment zones
- In China the rapid construction of new high speed railway networks will to some extent alleviate transport demand for short and in some cases medium haul travel and create new opportunities for tourism dispersal

Planning for major future disruptions (crisis and disaster events)

- Recent events in the US over its budget illustrate yet again the problems that the tourism industry may face from global or regional financial disruption – expect more and plan for new crises!
- Changing weather patterns – the most recent IPCC report forecast increasing global temperatures, change in rainfall patterns and increase in sea levels.
- Changing weather will impact on winter ski resorts and make summers hotter, affect coastal resorts and impact on seasonality - how will tourists cope as summer temperatures in tropical zones increase?
- These changes will also affect many ecosystems increasing their vulnerability and reduce their carrying capacity – how do park managers cope with increased demand but less robust ecosystems – more oceanariums? Inner city forest gardens?
- Cities will also come under pressure to ensure new buildings are environmentally friendly – will this increase the cost to the tourist?

Allocation of scarce urban land

- As tourism demand grows (particularly domestic) the allocation of scarce urban land between tourism and other competing activities will become a major issue
- Planners and investors will need to demonstrate how tourism can generate greater wealth than competing sectors (for example new housing developments, recreation areas, shopping zones) – new tools are required to measure impact on city GDP
- Allocation of land to tourism use (airports for example) is best undertaken decades in advance to reduce costs and ensure supply – this will require long range planning and land banking
- Designation of specific tourism zones or precincts is one solution, another is to create tourism redevelopment zones



Developing new tourism infrastructure

- Increasing demand will provide opportunities for new tourism and leisure zones in cities and generate a significant number of new jobs
- It will also require significant investment in services including transport, energy, water and waste disposal
- New thinking in design will be required for sustainable cities
- Closer attention to quality and service standards will be required posing a challenge to infrastructure providers (both public and private) and investors.
- Consideration will need to be given to how facilities can be shared between the host population and tourists



Wise planning

- To meet this anticipated demand careful, informed, sustainable and innovative planning based on close cooperation between the government, investors and researchers is required
- This may require specific zoning, land-banking and forward investment to ensure future capacity
- *Proactive* planning will produce a conducive tourism business environment, *reactive* planning will increase costs, reduce returns and result in lost opportunities and lower competitiveness
- Planning perimeters should include close attention to the comparative and competitive advantages of individual cities if long term competitiveness is to be maintained
- Careful attention must be given to changing environmental conditions



The Challenge of City Tourism

- To maximize opportunities cities need to be aware of the rapid changes that are occurring in the demand for city tourism experiences
- They must be aware of the latest research
- Long term planning is essential
- Active cooperation between the private and public sectors as well as researchers is critical