



Travel & Tourism: Economic Impact

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Co-Founder, Co-Chair & Chief
Executive Officer

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FOREWORD

THE WORLD TRAVEL & TOURISM COUNCIL (WTTC) HAS SPENT 20 YEARS DEVELOPING ITS ECONOMIC IMPACT RESEARCH FOR THE BENEFIT OF BOTH PRIVATE AND PUBLIC SECTOR DECISION-MAKERS. THIS COMPREHENSIVE RESEARCH USES THE FRAMEWORK OF TOURISM SATELLITE ACCOUNTS.

Since full Tourism Satellite Accounts (TSAs) take considerable time and resources to develop, WTTC's prime objective is to access the best and most reliable information available in order to assess as quickly as possible Travel & Tourism's current and likely future contribution to national economic activity, employment, exports and investment. One of the main strengths of our research is that it is timely – so it can inform and help drive urgent policy-making, investment and marketing decisions.

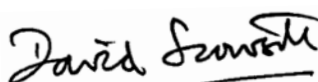
The last few years provided a clear demonstration of the complex environment in which Travel & Tourism operates, confirming the critical importance of timely information for policy- and decision-makers. And developments so far in 2011 have reinforced this argument. This explains why the economic impact research developed by WTTC and its partner Oxford Economics – designed to adapt to the fast-changing operating environment – is increasingly seen as an essential tool for industry and government leaders.

According to WTTC's latest research, the direct contribution of Travel & Tourism to Montenegro's economy is expected to be €278.3 million in 2011 – 8.1% of total gross domestic product (GDP – generating around 12,000 jobs, or 6.9% of employment directly in Travel & Tourism. The rate of expansion has, not surprisingly, slowed since 2008 but 2011 should see a return to double-digit growth, which is forecast to be sustained through the coming decade.

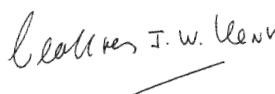
If the indirect and induced impacts are taken into account, Travel & Tourism's contribution to GDP and employment will be even more impressive. The total contribution is forecast to rise by 12.4% per annum to €1,915 million in 2021, or 36.3% of GDP. Over the same period, Travel & Tourism will support an additional 36,000 jobs, or a total of 62,000 by 2021 – 33.2% of total employment.

Rapid growth is also expected with regard to visitor exports and investment, as the statistics show. This will help ensure that Montenegro remains one of the fastest growing Travel & Tourism economies in the world, not just in Europe. Indeed, the latest WTTC/Oxford Economics forecasts suggest that the country will rank in second place in terms of real annual growth in visitor exports, and in first place in terms of Travel & Tourism capital investment.

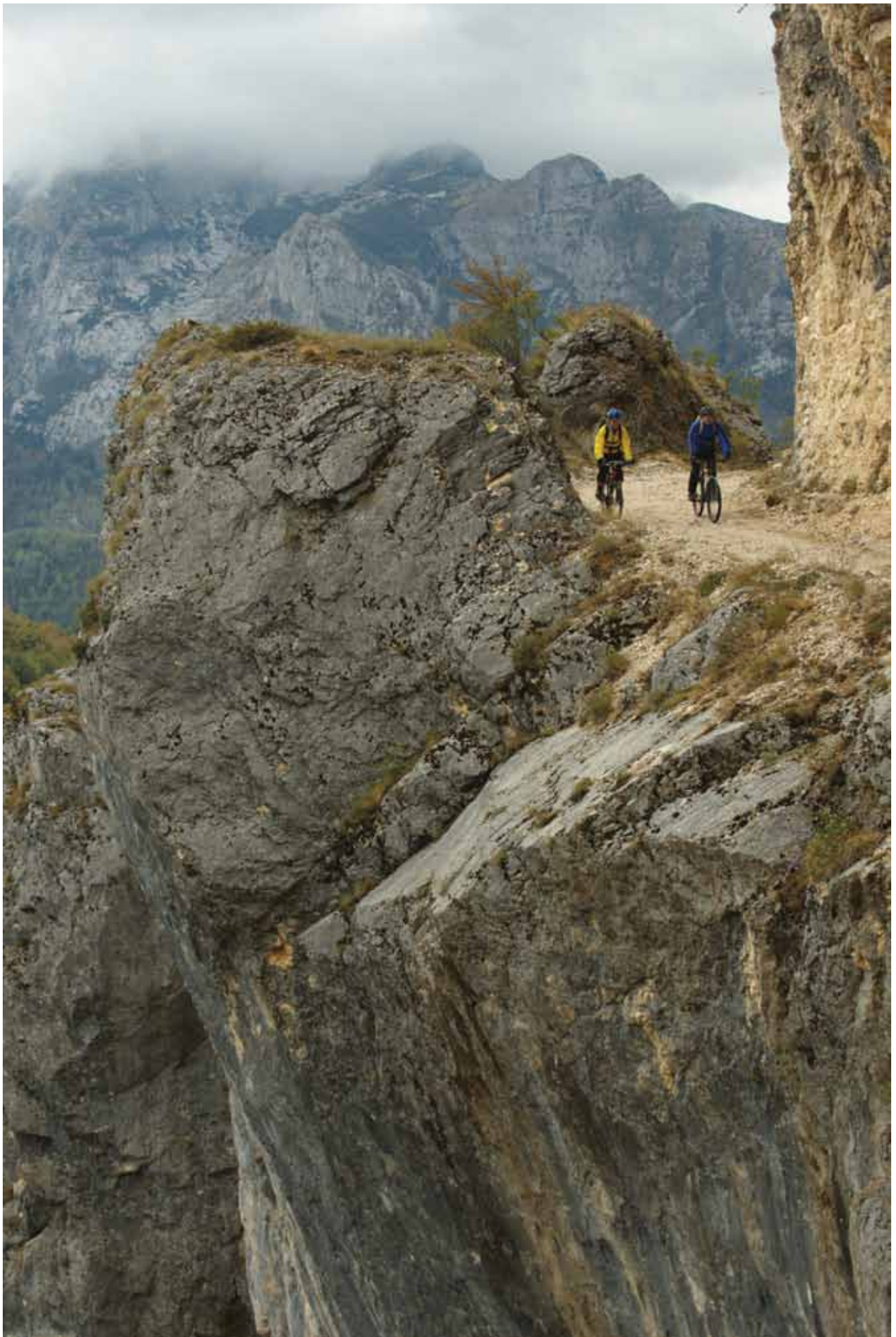
On this positive note, we would like to reiterate WTTC's support of the Montenegrin Government's efforts to maximise the economic, social and environmental benefits of tourism through medium- and long-term strategies for sustainable development. And we hope that this study of Travel & Tourism's *Economic Impact* on Montenegro will provide a useful and meaningful statistical background for the three accompanying WTTC reports on Montenegro's Travel & Tourism: *Trends and Prospects*, *Economic and Policy Environment*, and *Investment Potential*.



David Scowsill
President & CEO
World Travel & Tourism Council



Geoffrey J W Kent
Chairman, World Travel & Tourism Council and
Chairman & CEO, Abercrombie & Kent



KEY FACTS, 2011 – 2021

Average real
growth pa 2011-21

10.9%

GDP: Direct Contribution

The direct contribution of Travel & Tourism to GDP is expected to be €278.3mn (8.1% of total GDP) in 2011, rising by 10.9% pa to €782.1mn (14.8%) in 2021 (in constant 2011 prices).



12.4%

GDP: Total Contribution

The total contribution of Travel & Tourism to GDP, including its wider economic impacts, is forecast to rise by 12.4% pa from €593.8mn (17.2% of GDP) in 2011 to €1,915.1mn (36.3%) by 2021.



8.0%

Employment: Direct Contribution

Travel & Tourism is expected to support directly 12,000 jobs (6.9% of total employment) in 2011, rising by 8.0% pa to 25,000 jobs (13.3%) by 2021.



9.4%

Employment: Total Contribution

The total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, is forecast to rise by 9.4% pa from 26,000 jobs (15.1% of total employment) in 2011 to 62,000 jobs (33.2%) by 2021.



9.4%

Visitor Exports

Travel & Tourism visitor exports are expected to generate €633.8mn (44.8% of total exports) in 2011, growing by 12.4% pa (in nominal terms) to €1,558.8mn (46.3%) in 2021.



16.4%

Investment

Travel & Tourism investment is estimated at €192.1mn or 33.4% of total investment in 2011. It should rise by 16.4% pa to reach €876.4mn (or 50.8%) of total investment in 2021.



World Ranking (out of 181 countries)

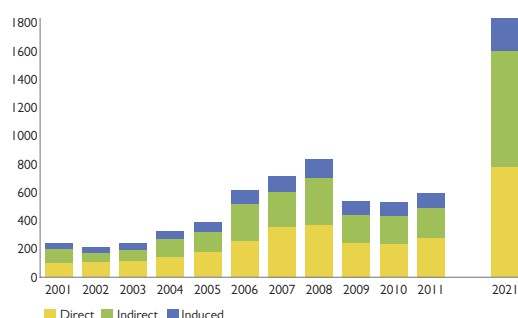
Relative importance of Travel & Tourism's total contribution to GDP

133
ABSOLUTE
size

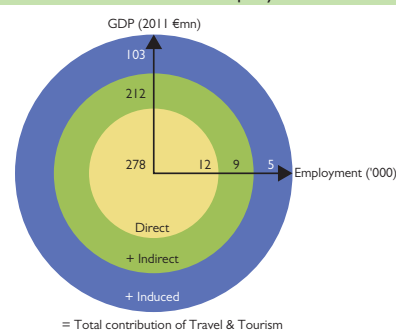
36
RELATIVE
contribution to national economy

1
GROWTH
forecast

MONTENEGRO
Total Contribution of Travel & Tourism to GDP
(2011 €mn)



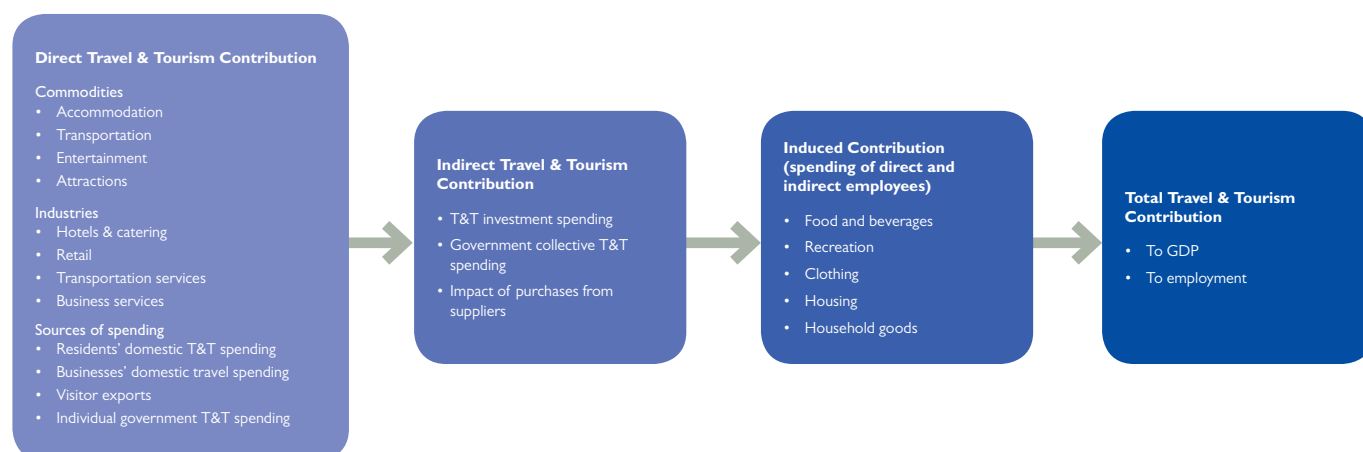
MONTENEGRO
Breakdown of Travel & Tourism's Total
Contribution to GDP and Employment 2011





DEFINING THE ECONOMIC CONTRIBUTION OF TRAVEL & TOURISM

Travel & Tourism is an important economic activity in most countries around the world. As well as its direct economic impact, the industry has significant indirect and induced impacts. The UN Statistics Division-approved Tourism Satellite Accounting methodology (TSA:RMF 2008) quantifies only the direct contribution of Travel & Tourism. But WTTC recognises that Travel & Tourism's total contribution is much greater, and aims to capture its indirect and induced impacts through its annual research.



Direct Contribution

The direct contribution of Travel & Tourism to GDP reflects the 'internal' spending on Travel & Tourism (total spending within a particular country on Travel & Tourism by residents and non-residents for business and leisure purposes) as well as government 'individual' spending – spending by government on Travel & Tourism services directly linked to visitors, such as cultural (eg museums) or recreational (eg national parks).

The direct contribution of Travel & Tourism to GDP is calculated to be consistent with the output, as expressed in National Accounting, of tourism-characteristic sectors such as hotels, airlines, airports, travel agents and leisure and recreation services that deal directly with tourists.

The direct contribution of Travel & Tourism to GDP is calculated from total internal spending by 'netting out' the purchases made by the different tourism sectors. This measure is consistent with the definition of Tourism GDP, specified in the *2008 Tourism Satellite Account: Recommended Methodological Framework* (TSA:RMF 2008).

Total Contribution

The total contribution of Travel & Tourism includes its 'wider impacts' (ie the indirect and induced impacts) on the economy. The 'indirect' contribution includes the GDP and jobs supported by:

- Travel & Tourism investment spending – an important aspect of both current and future activity that includes investment activity such as the purchase of new aircraft and construction of new hotels;
- Government 'collective' spending, which helps Travel & Tourism activity in many different ways as it is made on behalf of the 'community at large' – eg tourism marketing and promotion, aviation, administration, security services, resort area security services, resort area sanitation services, etc;
- Domestic purchases of goods and services by the sectors dealing directly with tourists – including, for example, purchases of food and cleaning services by hotels, of fuel and catering services by airlines, and IT services by travel agents.

The 'induced' contribution measures the GDP and jobs supported by the spending of those who are directly or indirectly employed by the Travel & Tourism industry.

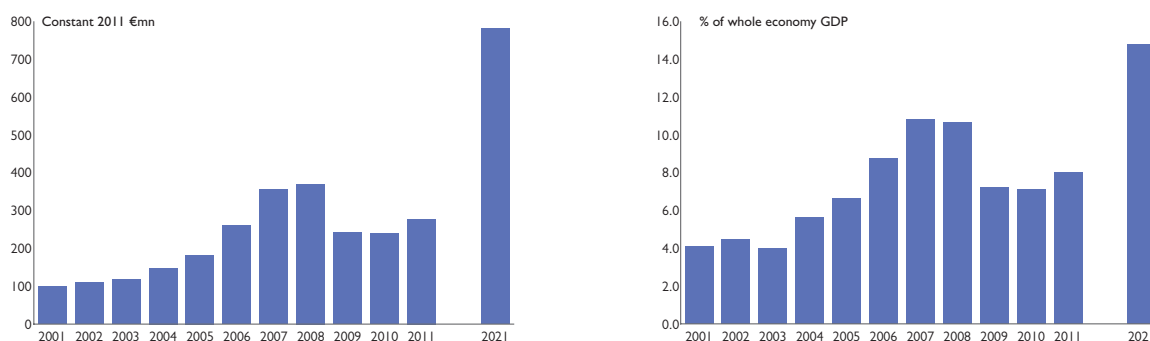
Please note that due to changes in methodology between 2010 and 2011, it is not possible to compare figures published by WTTC in 2011 with the series published in previous years

TRAVEL & TOURISM'S CONTRIBUTION TO GDP^a

The direct contribution of Travel & Tourism to GDP is expected to be €278.3mn in 2011 (8.1% of GDP). This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists.

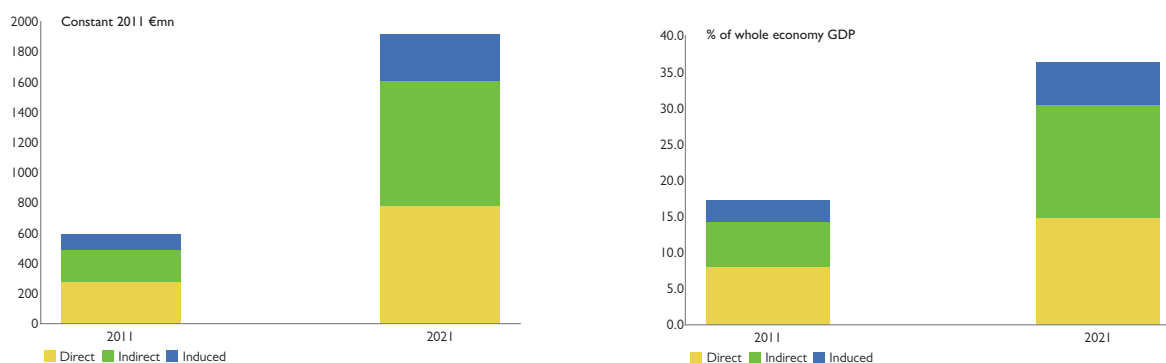
The direct contribution of Travel & Tourism to GDP is expected to grow by 10.9% per annum (pa) to €782.1mn (14.8% of GDP) by 2021.

Direct Contribution of Travel & Tourism to GDP



The total contribution of Travel & Tourism to GDP (including wider effects from investment, the supply chain and induced income impacts, see page 7) is expected to be €593.8mn in 2011 (17.2% of GDP). It is forecast to rise by 12.4% pa from €1,915.1mn by 2021 (36.3% of GDP).

Total Contribution of Travel & Tourism to GDP



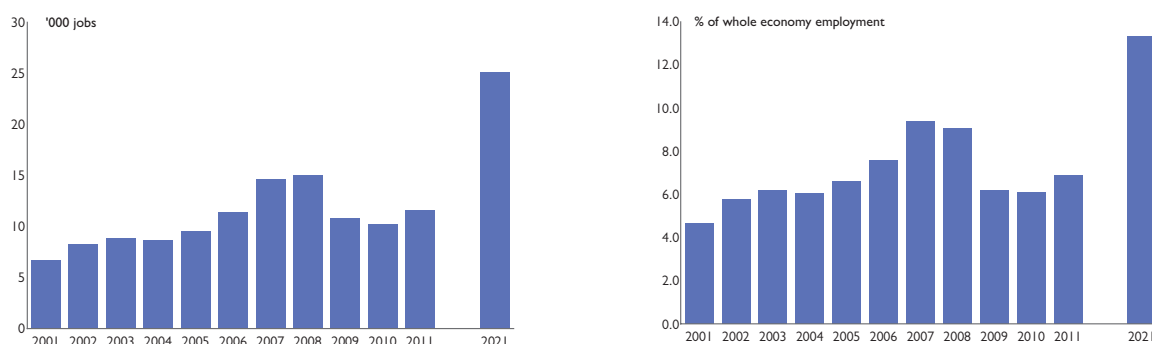
^a All values are in constant 2011 prices and exchange rates

TRAVEL & TOURISM'S CONTRIBUTION TO EMPLOYMENT

Travel & Tourism is expected to generate 12,000 jobs directly in 2011 (6.9% of total employment). This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). It also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists.

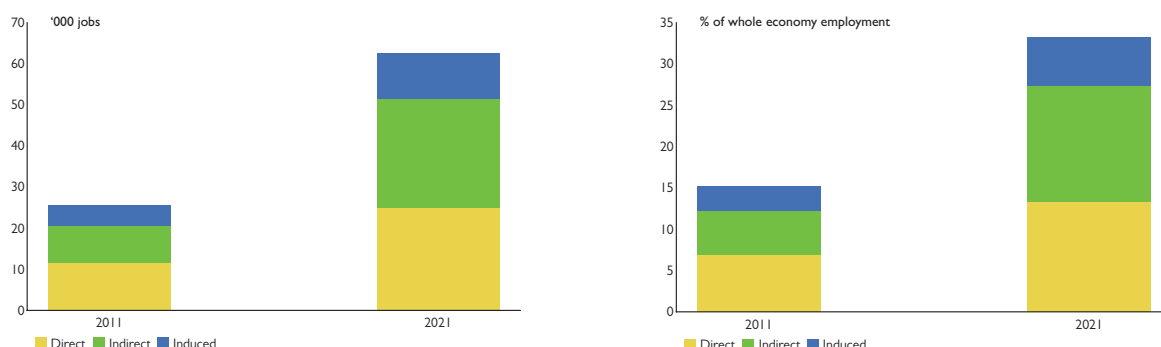
By 2021, Travel & Tourism will account for 25,000 jobs directly, an increase of 13,000 (115.4%) over the next ten years.

Direct Contribution of Travel & Tourism to Employment



The total contribution of Travel & Tourism to GDP (including wider effects from investment, the supply chain and induced income impacts, see page 2) is expected to be €593.8mn in 2011 (17.2% of GDP). It is forecast to rise by 12.4% pa from €1,915.1mn by 2021 (36.3% of GDP).

Total Contribution of Travel & Tourism to Employment

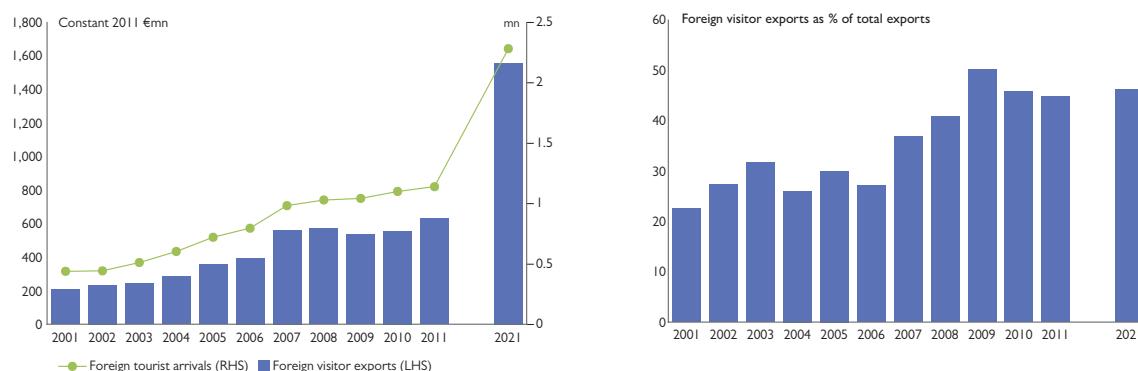


VISITOR EXPORTS^a

Visitor exports are a key component of the direct contribution of Travel & Tourism. Montenegro is expected to attract 1,141,000 international tourist (overnight visitor) arrivals in 2011, generating €633.8mn in visitor exports (foreign visitor spending, including spending on transportation).

By 2021, international tourist arrivals are forecast to total 2,283,000, an increase of 7.2% pa, generating expenditure of €1,558.8mn.

Visitor Exports and International Tourist Arrivals

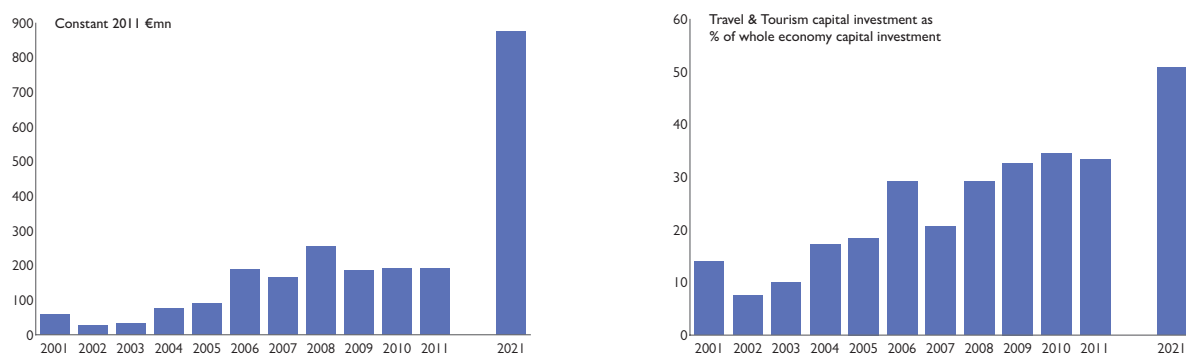


INVESTMENT

Travel & Tourism is expected to attract capital investment of €192.1mn in 2011, rising by 16.4% pa to €876.4mn in 2021.

This means that Travel & Tourism's share of total national investment will rise from 33.4% in 2011 to 50.8% in 2021.

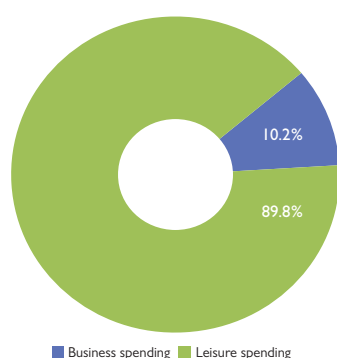
Capital Investment in Travel & Tourism



^a All values are in constant 2011 prices and exchange rates

DIFFERENT COMPONENTS OF TRAVEL & TOURISM^a

Travel & Tourism's Direct Contribution to GDP
Business vs Leisure, 2011

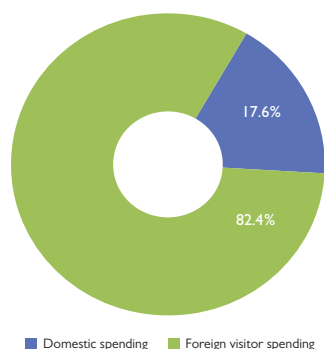


Leisure travel spending (inbound and domestic) is expected to generate 89.8% of direct Travel & Tourism GDP in 2011 compared with 10.2% for business travel spending.

Leisure travel spending is expected to total €682.8mn in 2011, rising to €1,523.7mn in 2021.

Business travel spending is expected to total €77.4mn in 2011, rising to €212.7mn in 2021.

Travel & Tourism's Direct Contribution to GDP
Domestic vs Foreign, 2011

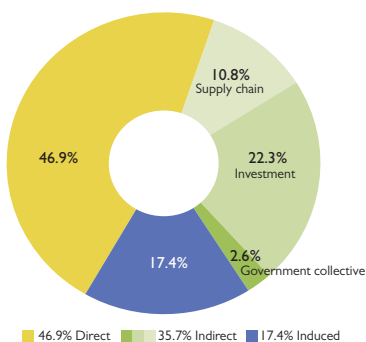


Domestic travel spending is expected to generate 17.6% of direct Travel & Tourism GDP in 2011 compared with 82.4% for visitor exports. (ie foreign visitor spending or international tourism receipts).

Domestic travel spending is expected to total €135.6mn in 2011, rising to €200.5mn in 2021.

Visitor exports are expected to total €633.8mn in 2011, rising to €1,558.8mn in 2021.

Breakdown of Travel & Tourism's
Total Contribution to GDP, 2011



The Travel & Tourism industry contributes to GDP and employment in many ways as detailed on page 7.

The total contribution of Travel & Tourism to GDP is twice as large as its direct contribution.

^a All values are in constant 2011 prices and exchange rates

COUNTRY RANKINGS, 2011

WTTC League Table Extract: Absolute Contribution

Travel & Tourism's Direct Contribution to GDP

		2011 (US\$bn)
8	Italy	64.29
15	Russian Federation	25.24
	World Average	15.68
33	Poland	9.88
45	Croatia	5.80
50	Czech Republic	4.80
69	Slovakia	2.05
75	Slovenia	1.61
127	Montenegro	0.40
129	Bosnia Herzegovina	0.38
153	Macedonia	0.13

Travel & Tourism's Total Contribution to GDP

		2011 (US\$bn)
8	Italy	170.49
12	Russian Federation	103.38
	World Average	47.43
33	Poland	25.38
47	Czech Republic	15.26
49	Croatia	13.74
70	Slovenia	5.77
73	Slovakia	5.22
118	Bosnia Herzegovina	1.37
133	Montenegro	0.85
147	Macedonia	0.48

Travel & Tourism's Direct Contribution to Employment

		2011 ('000 jobs)
14	Russian Federation	960.0
18	Italy	853.4
	World Average	795.6
41	Poland	323.3
56	Czech Republic	207.5
65	Croatia	139.9
101	Slovakia	57.0
119	Slovenia	32.0
133	Bosnia Herzegovina	22.1
148	Montenegro	11.6
155	Macedonia	8.2

Travel & Tourism's Total Contribution to Employment

		2011 ('000 jobs)
10	Russian Federation	3878.0
18	Italy	2209.7
	World Average	2002.3
39	Poland	800.9
57	Czech Republic	458.9
70	Croatia	326.3
100	Slovakia	137.8
114	Slovenia	105.5
120	Bosnia Herzegovina	80.8
151	Macedonia	30.0
155	Montenegro	25.5

Travel & Tourism's Investment

		2011 (US\$bn)
8	Italy	15.75
19	Russian Federation	8.10
	World Average	3.60
36	Poland	3.32
47	Czech Republic	1.84
56	Croatia	1.41
67	Slovenia	0.74
83	Slovakia	0.45
98	Montenegro	0.27
124	Bosnia Herzegovina	0.14
156	Macedonia	0.05

Visitor Exports

		2011 (US\$bn)
6	Italy	42.84
21	Russian Federation	14.96
28	Poland	11.75
32	Croatia	10.56
40	Czech Republic	7.41
	World Average	6.44
61	Slovenia	2.75
68	Slovakia	2.24
99	Montenegro	0.90
104	Bosnia Herzegovina	0.72
144	Macedonia	0.25

The tables on pages 12-14 provide brief extracts from the full WTTC Country League Table Rankings, highlighting comparisons with competing destinations as well as with the world average. The competing destinations selected are those that offer a similar tourism product and compete for tourists from the same set of origin markets. These tend to be, but are not exclusively, geographical neighbours.

COUNTRY RANKINGS, 2011

WTTC League Table Extract: Relative Contribution

Travel & Tourism's Direct Contribution to GDP

2011 (% share)		
18	Croatia	11.64
26	Montenegro	8.05
	World Average	5.12
87	Slovenia	3.39
91	Italy	3.24
116	Czech Republic	2.51
120	Slovakia	2.40
126	Bosnia Herzegovina	2.31
140	Poland	2.02
168	Macedonia	1.45
169	Russian Federation	1.43

Travel & Tourism's Total Contribution to GDP

2011 (% share)		
21	Croatia	27.58
36	Montenegro	17.18
	World Average	13.87
64	Slovenia	12.14
90	Italy	8.59
94	Bosnia Herzegovina	8.40
101	Czech Republic	7.97
129	Slovakia	6.11
135	Russian Federation	5.85
142	Macedonia	5.29
145	Poland	5.19

Travel & Tourism's Direct Contribution to Employment

2011 (% share)		
19	Croatia	12.7
37	Montenegro	6.9
	World Average	5.2
65	Czech Republic	4.3
75	Slovenia	3.8
77	Italy	3.7
122	Slovakia	2.4
135	Bosnia Herzegovina	2.1
139	Poland	2.0
164	Russian Federation	1.4
165	Macedonia	1.3

Travel & Tourism's Total Contribution to Employment

2011 (% share)		
19	Croatia	29.6
44	Montenegro	15.1
	World Average	13.6
55	Slovenia	12.4
80	Italy	9.7
81	Czech Republic	9.5
101	Bosnia Herzegovina	7.6
127	Slovakia	5.9
137	Russian Federation	5.5
148	Poland	5.0
152	Macedonia	4.8

Travel & Tourism's Investment Contribution to Capital Investment

2011 (% share)		
5	Montenegro	33.41
34	Croatia	10.77
	World Average	8.27
72	Slovenia	6.96
116	Czech Republic	4.34
121	Italy	4.08
130	Bosnia Herzegovina	3.68
135	Poland	3.41
158	Slovakia	2.54
163	Macedonia	2.32
171	Russian Federation	2.13

Visitor Exports Contribution to Exports

2011 (% share)		
10	Montenegro	56.10
18	Croatia	44.06
82	Bosnia Herzegovina	10.30
92	Slovenia	9.19
98	Italy	8.08
	World Average	5.75
112	Poland	5.57
113	Macedonia	5.56
123	Czech Republic	4.52
140	Russian Federation	3.18
143	Slovakia	3.11

COUNTRY RANKINGS, 2011-2021

WTTC League Table Extract: 10-year Real Growth per annum

Travel & Tourism's Direct Contribution to GDP		
2011 - 2021 (10-year real growth % pa)		
1	Montenegro	10.9
45	Bosnia Herzegovina	5.7
53	Poland	5.5
83	Macedonia	4.9
	World Average	4.4
110	Croatia	4.4
124	Russian Federation	3.9
130	Slovenia	3.7
149	Slovakia	3.2
161	Italy	2.6
167	Czech Republic	2.3

Travel & Tourism's Total Contribution to GDP		
2011 - 2021 (10-year real growth % pa)		
1	Montenegro	12.4
44	Bosnia Herzegovina	5.7
60	Poland	5.4
82	Macedonia	4.8
108	Croatia	4.3
	World Average	4.1
118	Russian Federation	4.0
128	Slovenia	3.7
152	Slovakia	2.8
169	Italy	2.0
174	Czech Republic	1.7

Travel & Tourism's Direct Contribution to Employment		
2011 - 2021 (10-year real growth % pa)		
1	Montenegro	8.0
74	Poland	2.7
	World Average	1.9
122	Macedonia	1.7
127	Italy	1.6
131	Bosnia Herzegovina	1.5
134	Slovenia	1.5
149	Slovakia	1.0
150	Croatia	1.0
161	Russian Federation	0.2
172	Czech Republic	-0.2

Travel & Tourism's Total Contribution to Employment		
2011 - 2021 (10-year real growth % pa)		
1	Montenegro	9.4
87	Poland	2.3
	World Average	2.2
122	Macedonia	1.6
126	Bosnia Herzegovina	1.5
134	Slovenia	1.3
142	Croatia	1.1
144	Italy	1.0
153	Slovakia	0.4
158	Russian Federation	0.0
173	Czech Republic	-0.9

Travel & Tourism's Investment		
2011 - 2021 (10-year real growth % pa)		
1	Montenegro	16.4
15	Poland	7.3
30	Russian Federation	6.4
31	Macedonia	6.4
58	Croatia	5.6
	World Average	5.4
80	Bosnia Herzegovina	5.0
85	Slovakia	4.8
100	Slovenia	4.4
151	Czech Republic	2.6
168	Italy	1.7

Visitor Exports		
2011 - 2021 (10-year real growth % pa)		
2	Montenegro	9.4
34	Poland	6.3
50	Bosnia Herzegovina	5.9
78	Macedonia	5.2
99	Croatia	4.6
	World Average	4.3
118	Slovenia	4.0
140	Slovakia	3.3
144	Russian Federation	3.3
156	Italy	2.5
171	Czech Republic	1.7

SUMMARY TABLES

ESTIMATES AND FORECASTS

MONTENEGRO	2011			2021		
	€mn ^a	% of total	Growth ^b	€mn ^a	% of total	Growth ^c
Direct contribution to GDP	278.3	8.1	16.2	782.1	14.8	10.9
Total contribution to GDP	593.8	17.2	12.1	1,915.1	36.3	12.4
Direct contribution to employment ^d	12	6.9	13.9	25	13.3	8.0
Total contribution to employment ^d	26	15.1	9.9	62	33.2	9.4
Visitor exports	633.8	44.8	14.0	1,558.8	46.3	9.4
Domestic spending	134.0	3.9	3.0	197.9	3.7	4.0
Leisure spending	682.8	19.8	12.1	1,523.7	28.9	8.4
Business spending	77.4	2.2	10.5	212.7	4.0	10.6
Capital investment	192.1	33.4	0.2	876.4	50.8	16.4

EUROPE	2011			2021		
	US\$bn ^a	% of total	Growth ^b	US\$bn ^a	% of total	Growth ^c
Direct contribution to GDP	554.5	2.8	2.7	748.2	2.9	3.0
Total contribution to GDP	1,535.3	7.7	1.8	1,999.9	7.8	2.6
Direct contribution to employment ^d	9,709	2.6	1.3	11,153	3.0	1.4
Total contribution to employment ^d	28,058	7.7	0.3	30,338	8.1	0.8
Visitor exports	487.2	6.0	5.9	683.1	5.0	3.4
Domestic spending	654.2	3.3	0.7	879.8	3.4	2.9
Leisure spending	914.1	4.6	2.6	1,246.0	4.8	3.1
Business spending	249.0	1.2	3.8	342.6	1.3	3.2
Capital investment	144.1	3.8	4.6	214.2	3.9	3.9

WORLDWIDE	2011			2021		
	US\$bn ^a	% of total	Growth ^b	US\$bn ^a	% of total	Growth ^c
Direct contribution to GDP	1,850	2.8	4.5	2,861	2.9	4.2
Total contribution to GDP	5,991.9	9.1	3.9	9,226.9	9.6	4.2
Direct contribution to employment ^d	99,048	3.4	3.0	120,427	3.6	2.0
Total contribution to employment ^d	258,592	8.8	3.2	323,826	9.7	2.3
Visitor exports	1,163	5.7	5.5	1,789	4.7	4.3
Domestic spending	2,637	4.0	3.8	4,128	4.3	4.3
Leisure spending	2,963	4.5	3.8	4,604	4.7	4.3
Business spending	899	1.4	6.1	1,402	1.5	4.3
Capital investment	651	4.5	4.6	1,124	4.6	5.4

^a 2011 constant prices & exchange rates

^b 2011 real growth adjusted for inflation (%)

^c 2011-2021 annualised real growth adjusted for inflation (%)

^d '000 jobs

THE ECONOMIC CONTRIBUTION OF TRAVEL & TOURISM

MONTENEGRO

(€mn, nominal prices) ^a	2005	2006	2007	2008	2009	2010	2011E	2011F
1. Visitor exports	237.3	287.7	481.8	539.2	521.6	545.0	633.8	2,033.9
2. Domestic expenditure	15.4	79.8	112.6	136.9	129.1	127.5	134.0	258.2
3. Internal tourism consumption (= 1 + 2 + government individual spending)	254.1	368.8	596.5	677.9	652.2	674.0	769.4	2,295.4
4. Purchases by tourism providers, including imported goods (supply chain)	-131.5	-177.3	-287.5	-322.9	-412.0	-435.4	-486.6	-1,257.0
5. Direct contribution of Travel & Tourism to GDP (= 3 + 4)	121.0	188.2	303.6	349.4	236.5	234.8	278.3	1,020.5
Other final impacts (indirect & induced)								
6. Domestic supply chain	40.3	62.7	101.2	116.5	78.8	78.3	92.8	340.2
7. Capital investment	60.3	137.5	141.5	240.1	182.1	187.9	192.1	1,143.5
8. Government collective spending	20.3	18.7	21.8	22.7	21.6	21.7	22.8	48.6
9. Imported goods from indirect spending	-26.1	-33.5	-55.3	-64.4	-88.5	-96.0	-95.6	-457.9
10. Induced	44.2	68.8	94.6	123.8	93.6	92.5	103.3	404.0
11. Total contribution of Travel & Tourism to GDP (= 5 + 6 + 7 + 8 + 9 + 10)	260.2	442.5	607.4	788.0	524.1	519.2	593.8	2,498.8
Employment impacts ('000)								
12. Direct contribution of Travel & Tourism to employment	9.6	11.4	14.7	15.1	10.8	10.2	11.6	25.1
13. Total contribution of Travel & Tourism to employment	20.6	27.5	30.0	34.9	24.6	23.3	25.5	62.5
Other indicators								
14. Expenditure on outbound travel	22.3	38.4	46.5	59.3	46.8	48.2	51.7	110.0

^a The data in this table is expressed in nominal prices, which differs from that shown in the tables on pages 3, 8, 10, 11 and 15 (where constant 2011 prices and exchange rates are used)

Note: Concepts shown in this table align with the standard table totals as described in the 2008 *Tourism Satellite Account: Recommended Methodological Framework* (TSA: RMF 2008) developed by the United Nations Statistical Division (UNSD), the Statistical Office of the European Communities (EUROSTAT), the Organisation for Economic Co-operation and Development (OECD) and the World Tourism Organization (UNWTO).

Historical data for concepts has been benchmarked to match reported TSA data where available.

Growth ^a (%)	2005	2006	2007	2008	2009	2010	2011E	2021F ^b
1. Visitor exports	24.6	11.2	41.9	1.4	-6.5	3.9	14.0	9.4
2. Domestic expenditure	9.4	373.7	19.6	10.0	-8.8	-1.8	3.0	4.0
3. Internal tourism consumption (= 1 + 2 + government individual spending)	23.6	33.1	37.0	2.9	-7.0	2.7	11.9	8.6
4. Purchases by tourism providers, including imported goods (supply chain)	24.2	24.4	45.5	6.6	21.2	10.5	6.1	6.2
5. Direct contribution of Travel & Tourism to GDP (= 3 + 4)	22.9	42.6	36.7	4.2	-34.6	-1.3	16.2	10.9
Other final impacts (indirect & induced)								
6. Domestic supply chain	22.9	42.6	36.7	4.2	-34.6	-1.3	16.2	10.9
7. Capital investment	16.8	109.0	-12.8	53.6	-26.7	2.6	0.2	16.4
8. Government collective spending	27.5	-15.5	-1.2	-5.7	-8.0	-0.2	3.0	5.0
9. Imported goods from indirect spending	27.8	17.7	40.1	5.5	32.7	7.8	-2.4	13.9
10. Induced	18.8	42.7	16.4	18.6	-26.9	-1.8	9.6	11.6
11. Total contribution of Travel & Tourism to GDP (= 5 + 6 + 7 + 8 + 9 + 10)	20.6	56.0	16.3	17.5	-35.7	-1.5	12.1	12.4
Employment impacts								
12. Direct contribution of Travel & Tourism to employment	9.9	19.4	28.7	2.6	-28.3	-5.3	13.9	8.0
13. Total contribution of Travel & Tourism to employment	9.2	33.6	9.4	16.2	-29.5	-5.5	9.9	9.4
Other indicators								
14. Expenditure on outbound travel	30.1	58.3	2.4	15.7	-23.7	2.4	5.1	5.0

^a2005-2011 real annual growth adjusted for inflation (%); ^b2011-2021 annualised real growth adjusted for inflation (%)

GLOSSARY

KEY DEFINITIONS

Travel & Tourism – relates to the activity of travellers on trips outside their usual environment with a duration of less than one year. Economic activity related to all aspects of such trips is measured within the research.

Direct contribution to GDP – GDP generated by industries that deal directly with tourists, including hotels, travel agents, airlines and other passenger transport services, as well as the activities of restaurant and leisure industries that deal directly with tourists. It is equivalent to total internal Travel & Tourism spending (see below) within a country less the purchases made by those industries (including imports). In terms of the UN's Tourism Satellite Account methodology it is consistent with total GDP calculated in table 6 of the TSA: RMF 2008.

Direct contribution to employment – the number of direct jobs within the Travel & Tourism industry. This is consistent with total employment calculated in table 7 of the TSA: RMF 2008.

Total contribution to GDP – GDP generated directly by the Travel & Tourism industry plus its indirect and induced impacts (see below).

Total contribution to employment – the number of jobs generated directly in the Travel & Tourism industry plus the indirect and induced contributions (see below).



DIRECT SPENDING IMPACTS

Visitor exports – spending within the country by international tourists for both business and leisure trips, including spending on transport. This is consistent with total inbound tourism expenditure in table 1 of the TSA: RMF 2008.

Domestic Travel & Tourism spending – spending within a country by that country's residents for both business and leisure trips. Multi-use consumer durables are not included since they are not purchased solely for tourism purposes. This is consistent with total domestic tourism expenditure in table 2 of the TSA: RMF 2008. Outbound spending by residents abroad is not included here, but is separately identified according to the TSA: RMF 2008 (see below).

Government individual spending – government spending on individual non-market services for which beneficiaries can be separately identified. These social transfers are directly comparable to consumer spending and, in certain cases, may represent public provision of consumer services. For example, it includes provision of services in national parks and museums.

Internal tourism consumption – total revenue generated within a country by industries that deal directly with tourists including visitor exports, domestic spending and government individual spending. This does not include spending abroad by residents. This is consistent with total internal tourism expenditure in table 4 of the TSA: RMF 2008.

Business Travel & Tourism spending – spending on business travel within a country by residents and international visitors.

Leisure Travel & Tourism spending – spending on leisure travel within a country by residents and international visitors.

INDIRECT AND INDUCED IMPACTS

Indirect contribution – the contribution to GDP and jobs of the following three factors:

Capital investment – includes capital investment spending by all sectors directly involved in the Travel & Tourism industry. This also constitutes investment spending by other industries on specific tourism assets such as new visitor accommodation and passenger transport equipment, as well as restaurants and leisure facilities for specific tourism use. This is consistent with total tourism gross fixed capital formation in table 8 of the TSA: RMF 2008.

Government collective spending – general government spending in support of general tourism activity. This can include national as well as regional and local government spending. For example, it includes tourism promotion, visitor information services, administrative services and other public services. This is consistent with total collective tourism consumption in table 9 of TSA: RMF 2008.

Supply-chain effects – purchases of domestic goods and services directly by different sectors of the Travel & Tourism industry as inputs to their final tourism output.

Induced contribution – the broader contribution to GDP and employment of spending by those who are directly or indirectly employed by Travel & Tourism.

OTHER INDICATORS

Outbound expenditure – spending outside the country by residents on all trips abroad. This is fully aligned with total outbound tourism expenditure in table 3 of the TSA: RMF 2008.

Foreign visitor arrivals – the number of arrivals of foreign visitors to the country, including same-day and overnight visitors (tourists).



WTTC would like to express its appreciation to the following organisations and agencies that contributed to this report:

Agency of Montenegro for Economic Restructuring and Foreign Investments

Airports of Montenegro

Central Bank of Montenegro

Employment Agency of Montenegro

Ministry of Maritime Affairs and Transport

Ministry of Sustainable Development and Tourism (former Ministry of Tourism)

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