

WORLD
TRAVEL &
TOURISM
COUNCIL

TRAVEL & TOURISM ECONOMIC IMPACT 2011

Montenegro

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David Scowsill

14 February 2011



THE WORLD TRAVEL & TOURISM COUNCIL (WTTC), WHICH IS THE BUSINESS LEADERS' FORUM FOR TRAVEL & TOURISM, HAS SPENT MORE THAN 20 YEARS DEVELOPING ITS ECONOMIC IMPACT RESEARCH FOR THE BENEFIT OF 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 produces its economic impact research annually for 181 countries to provide, on a consistent basis, reliable and comparable information to assess Travel & Tourism's current and likely future contribution to economic activity and employment. Timeliness is one of the main strengths of our research – so it can inform and help drive urgent policy and investment decisions to support ongoing economic recovery and renewed job creation.

WTTC, in conjunction with its research partner Oxford Economics, has this year significantly enhanced its research in order to make it of even greater value to Travel & Tourism decision-makers. We have refined our methodology for estimating the direct economic contribution of Travel & Tourism to be fully consistent with the UN Statistics Division-approved *2008 Tourism Satellite Account: Recommended Methodological Framework* (TSA:RMF 2008).

While this has led to some changes in WTTC's estimates of the size of the Travel & Tourism industry from those in previous years' reports, these changes mean that our findings are also consistent with the increasing number of detailed TSAs being published by national statistical offices – and therefore even more useful in facilitating benchmarking and comparisons of the economic contribution of Travel & Tourism across countries.

Our latest research confirms the recovery in Travel & Tourism in 2010, with the industry's direct contribution to global GDP increasing by 3.3%, to US\$1,770 billion. During 2011, this recovery is forecast to strengthen further – by 4.5% to US\$1,850 billion, creating an additional 3 million direct industry jobs. Taking into account its wider economic impacts, Travel & Tourism's total economic contribution this year is expected to account for US\$5,987 billion, 9.1% of global GDP and 258 million jobs.

While economic growth going forward faces many challenges – as both governments and the private sector in many developed economies seek to reduce their debts, and as the prices of oil and other commodities rise – the Travel & Tourism industry is still expected to be one of the world's fastest growing sectors. Emerging economies, in particular, are expected to be increasingly important engines of such growth, boosting both international travel and also generating increasingly vibrant domestic tourism sectors.

We are delighted that Travel & Tourism's role as a key pillar of economic growth is being increasingly recognised by governments in all regions of the world. This research clearly demonstrates the potential of Travel & Tourism to drive global economic recovery and generate employment, helping to ensure sustainable development and the alleviation of poverty by spreading the benefits more equitably across populations.

A handwritten signature in black ink that reads "David Scowsill".

David Scowsill
President & CEO
World Travel & Tourism Council

A handwritten signature in black ink that reads "Geoffrey J.W. Kent".

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

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2011 KEY FACTS

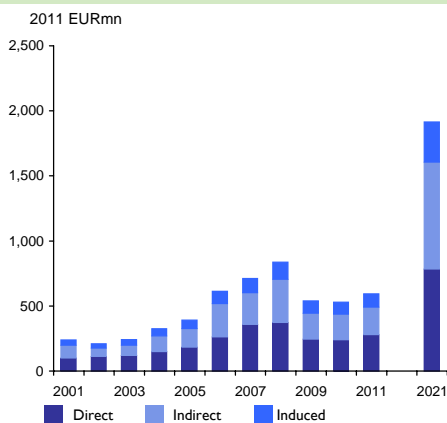
	Average real growth pa 2011-21
<p>GDP: Direct Contribution The direct contribution of Travel & Tourism to GDP is expected to be EUR278.3mn (8.1% of total GDP) in 2011, rising by 10.9% pa to EUR782.1mn (14.8%) in 2021 (in constant 2011 prices).</p>	<p>10.9% ▲</p>
<p>GDP: Total Contribution The total contribution of Travel & Tourism to GDP, including its wider economic impacts, is forecast to rise by 12.4% pa from EUR593.8mn (17.2% of GDP) in 2011 to EUR1,915.1mn (36.3%) by 2021.</p>	<p>12.4% ▲</p>
<p>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.</p>	<p>8.0% ▲</p>
<p>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.</p>	<p>9.4% ▲</p>
<p>Visitor Exports Travel & Tourism visitor exports are expected to generate EUR633.8mn (44.8% of total exports) in 2011, growing by 12.4% pa (in nominal terms) to EUR1,558.8mn (46.3%) in 2021.</p>	<p>9.4% ▲</p>
<p>Investment Travel & Tourism investment is estimated at EUR192.1mn or 33.4% of total investment in 2011. It should rise by 16.4% pa to reach EUR876.4mn (or 50.8%) of total investment in 2021.</p>	<p>16.4% ▲</p>

World ranking (out of 181 countries):

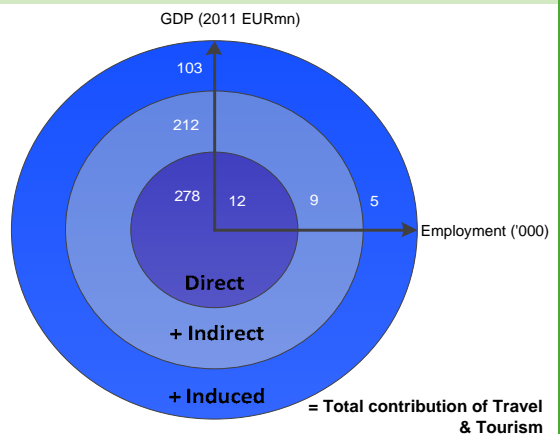
Relative importance of Travel & Tourism's total contribution to GDP

133	36	1
ABSOLUTE	RELATIVE	GROWTH
size	contribution to national economy	forecast

Total Contribution of Travel & Tourism to GDP

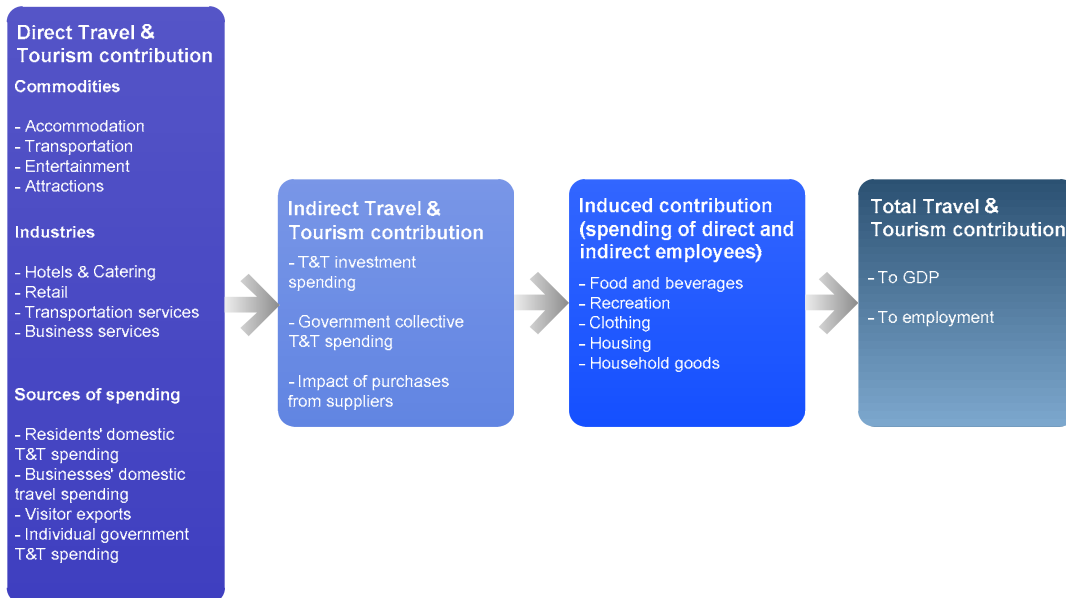


Breakdown of Travel & Tourism's Total Contribution to GDP and Employment 2011



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.

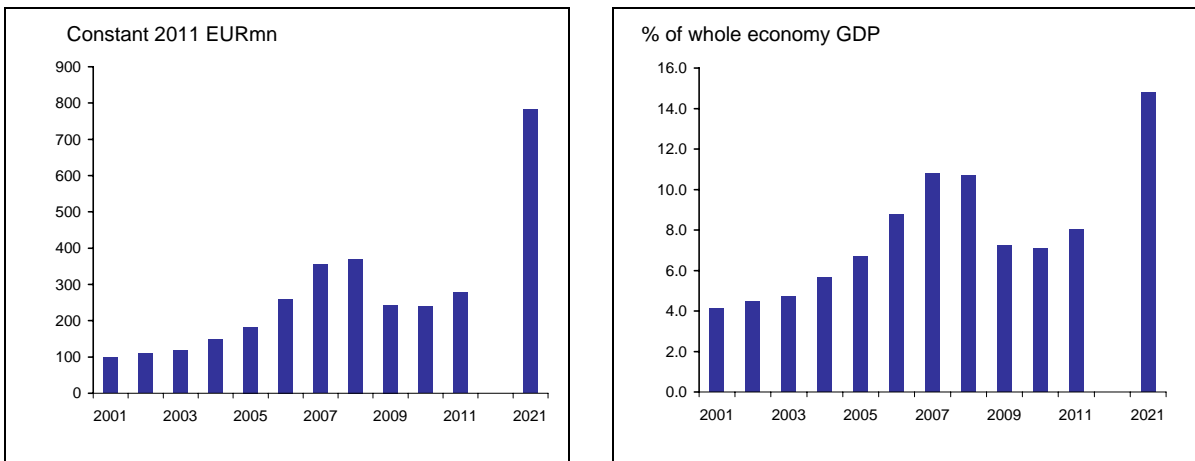
PLEASE NOTE THAT DUE TO CHANGES IN METHODOLOGY BETWEEN 2010 AND 2011, IT IS NOT POSSIBLE TO COMPARE FIGURES PUBLISHED BY WTTC IN 2011 WITH THE SERIES PUBLISHED IN PREVIOUS YEARS

TRAVEL & TOURISM'S CONTRIBUTION TO GDP¹

The direct contribution of Travel & Tourism to GDP is expected to be EUR278.3mn 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.

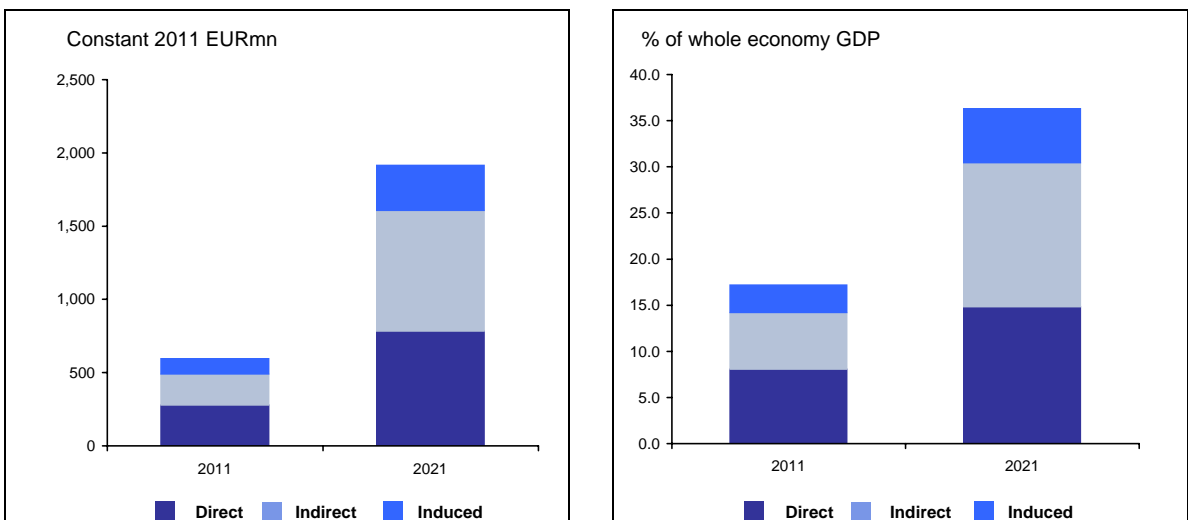
The direct contribution of Travel & Tourism to GDP is expected to grow by 10.9% per annum (pa) to EUR782.1mn (14.8% of GDP) by 2021.

Montenegro: 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 2) is expected to be EUR593.8mn in 2011 (17.2% of GDP). It is forecast to rise by 12.4% pa from EUR1,915.1mn by 2021 (36.3% of GDP).

Montenegro: Total Contribution of Travel & Tourism to GDP



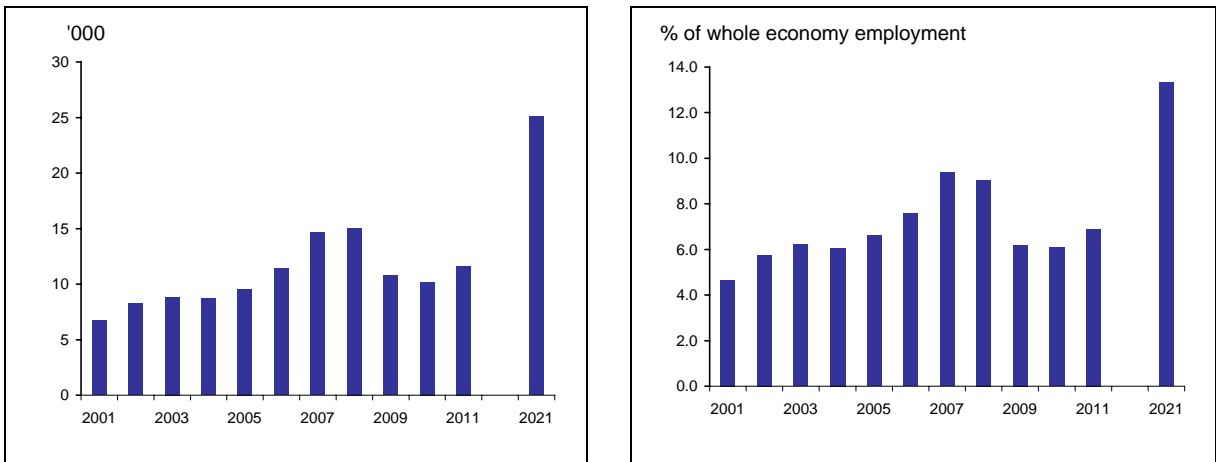
¹ All values are in constant 2011 prices & exchange rates

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.

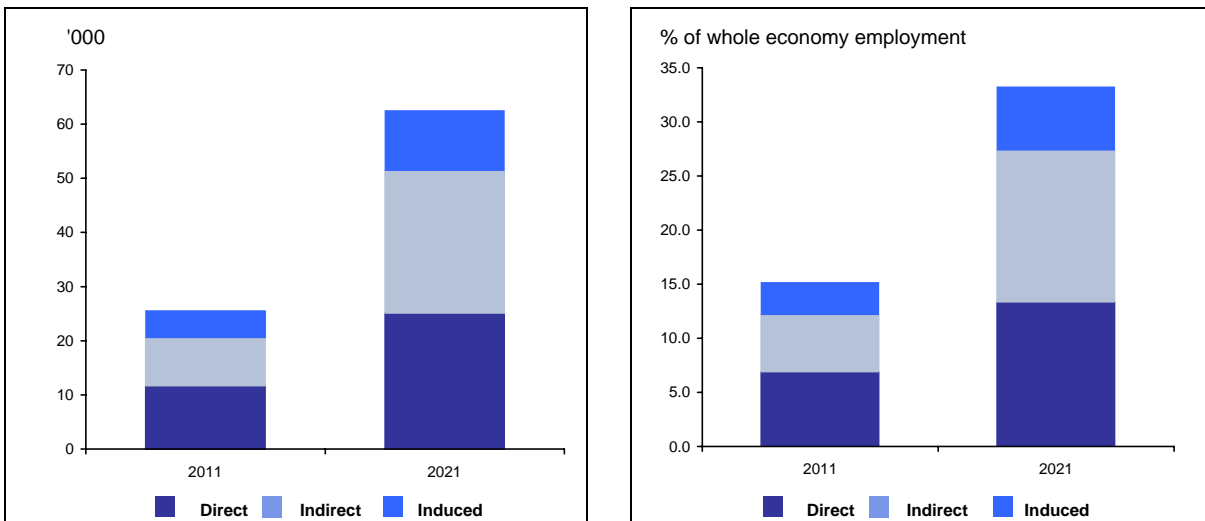
By 2021, Travel & Tourism will account for 25,000 jobs directly, an increase of 13,000 (115.4%) over the next ten years.

Montenegro: Direct Contribution of Travel & Tourism to Employment



The total contribution of Travel & Tourism to employment (including wider effects from investment, the supply chain and induced income impacts, see page 2) is expected to be 26,000 jobs in 2011 (15.1% of total employment). By 2021, Travel & Tourism is forecast to support 62,000 jobs (33.2% of total employment), an increase of 9.4% pa over the period.

Montenegro: Total Contribution of Travel & Tourism to Employment

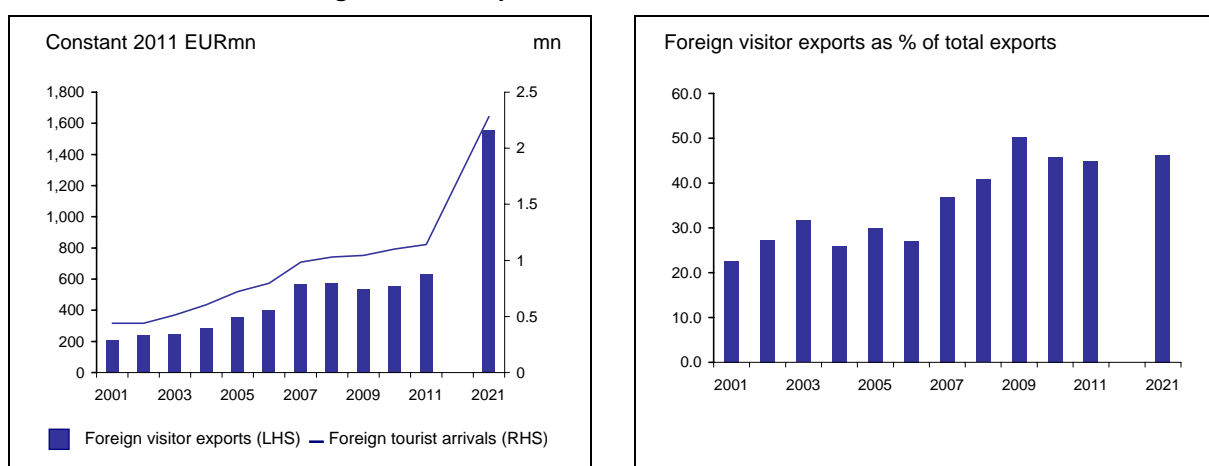


VISITOR EXPORTS¹

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 EUR633.8mn 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 EUR1,558.8mn.

Montenegro: Visitor Exports and International Tourist Arrivals

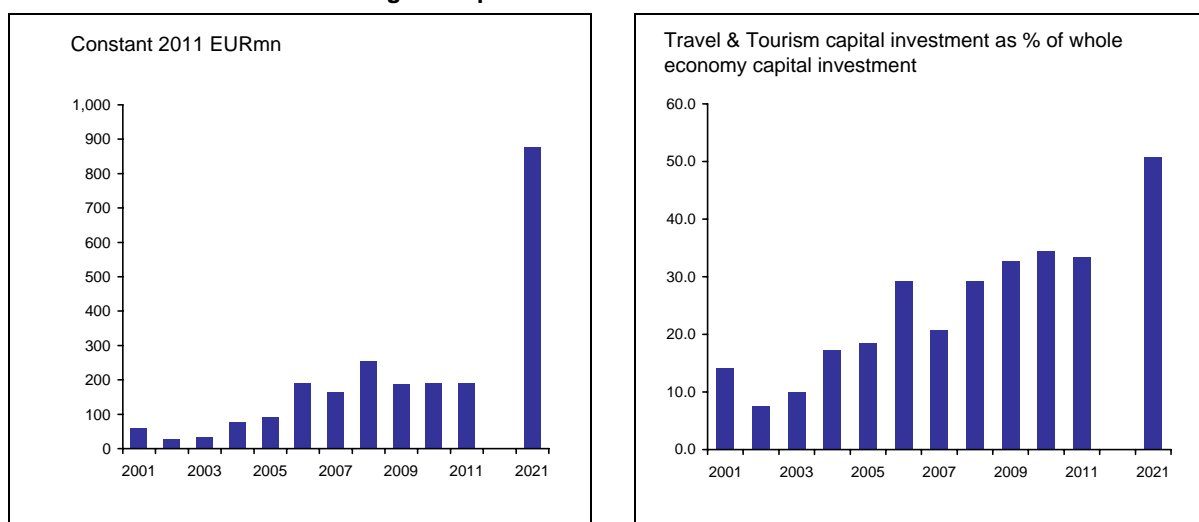


INVESTMENT

Travel & Tourism is expected to attract capital investment of EUR192.1mn, rising by 16.4% pa to EUR876.4mn.

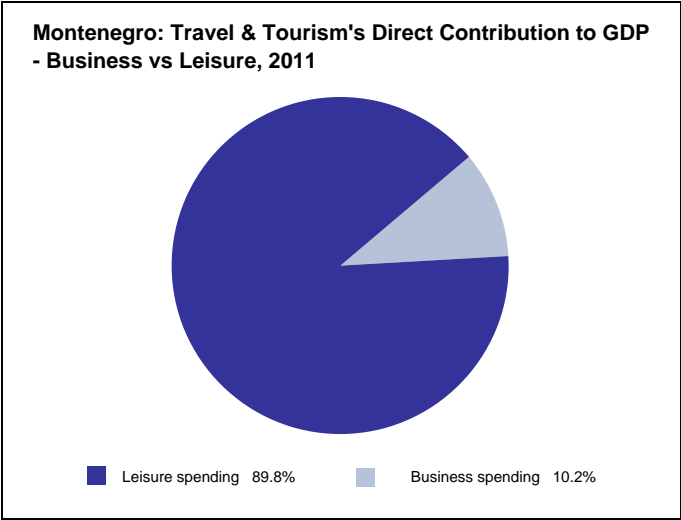
This means that Travel & Tourism's share of total national investment will rise from 33.4% in 2011 to 50.8% in 2021.

Montenegro: Capital Investment in Travel & Tourism



¹ All values are in constant 2011 prices & exchange rates

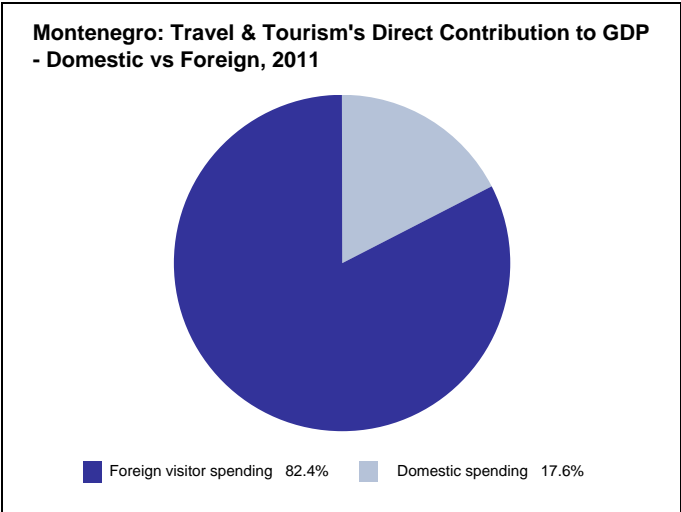
DIFFERENT COMPONENTS OF TRAVEL & TOURISM¹



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 EUR682.8mn in 2011, rising to EUR1,523.7mn in 2021.

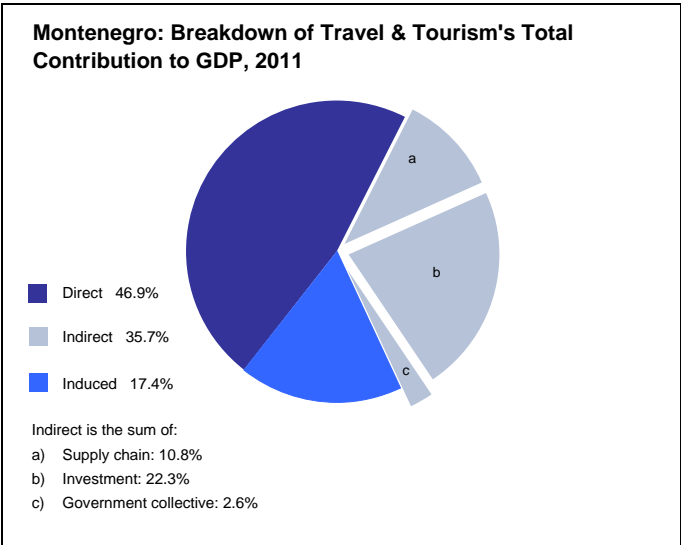
Business travel spending is expected to total EUR77.4mn in 2011, rising to EUR212.7mn in 2021.



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 EUR135.6mn in 2011, rising to EUR200.5mn in 2021.

Visitor exports are expected to total EUR633.8mn in 2011, rising to EUR1,558.8mn in 2021.



The Travel & Tourism industry contributes to GDP and employment in many ways as detailed on page 2.

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

¹ All values are in constant 2011 prices & 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)
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)
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 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 9-11 provide 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 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 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		
	EURmn ¹	% of total	Growth ²	EURmn ¹	% of total	Growth ³
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 ⁴	12	6.9	13.9	25	13.3	8.0
Total contribution to employment ⁴	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

¹2011 constant prices & exchange rates; ²2011 real growth adjusted for inflation (%); ³2011-2021 annualised real growth adjusted for inflation (%); ⁴000 jobs

EUROPE	2011			2021		
	US\$bn ¹	% of total	Growth ²	US\$bn ¹	% of total	Growth ³
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 ⁴	9,709	2.6	1.3	11,153	3.0	1.4
Total contribution to employment ⁴	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

¹2011 constant prices & exchange rates; ²2011 real growth adjusted for inflation (%); ³2011-2021 annualised real growth adjusted for inflation (%); ⁴000 jobs

WORLDWIDE	2011			2021		
	US\$bn ¹	% of total	Growth ²	US\$bn ¹	% of total	Growth ³
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 ⁴	99,048	3.4	3.0	120,427	3.6	2.0
Total contribution to employment ⁴	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

¹2011 constant prices & exchange rates; ²2011 real growth adjusted for inflation (%); ³2011-2021 annualised real growth adjusted for inflation (%); ⁴000 jobs

THE ECONOMIC CONTRIBUTION OF TRAVEL & TOURISM

MONTENEGRO (EURmn, nominal prices)	2005	2006	2007	2008	2009	2010	2011E	2021F
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
15. International tourist (overnight visitor) arrivals ('000)	722	797	984	1,031	1,044	1,102	1,141	2,283

*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.

THE ECONOMIC CONTRIBUTION OF TRAVEL & TOURISM

MONTENEGRO GROWTH¹ (%)	2005	2006	2007	2008	2009	2010	2011E	2021F²
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. Travel & Tourism's direct contribution 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
15. International tourist (overnight visitor) arrivals	19.4	10.3	23.5	4.8	1.3	5.5	3.6	7.2

¹2005-2011 real annual growth adjusted for inflation (%); ²2011-2021 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, including same-day and overnight visitors (tourists) to the country.



The World Travel & Tourism Council is the forum for business leaders in the Travel & Tourism industry.

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