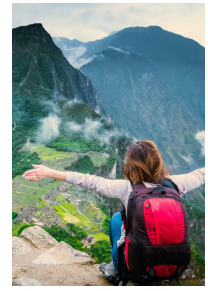
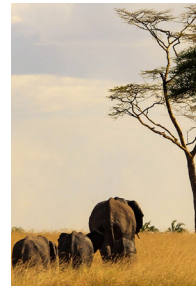


TOURISM WATCH

Quarterly Report

January 2025 Edition



GLOBAL OVERVIEW (P.1): In the third quarter of 2024, global tourism grew by 7% year-on-year (y/y), surpassing other services sectors, driven by easing inflation despite geopolitical uncertainty.

REGIONAL OVERVIEW (P.2): From July to September 2024, all regions experienced y/y growth in air passenger arrivals, led by East Asia and the Pacific.

SPECIAL POLICY INSERT (P.3): Medical tourism can address development challenges and bring positive spillovers, particularly in middle-income countries. This bulletin provides examples and best practices.

GLOBAL OVERVIEW

International tourism reached almost 99% of 2019 levels between July and September (Q3) 2024. An estimated 447 million international tourists traveled globally during this period, a 7% increase from the same period in 2023 (Figure 1). This growth was slower than Q1 2024 (21%) and Q2 2024 (11%) as the pandemic recovery subsides. Air passenger demand hit a record high for September 2024, with passenger load factors (available passenger carrying capacity) reaching 83.6%, surpassing last year's levels by 1.2% ([IATA](#)).

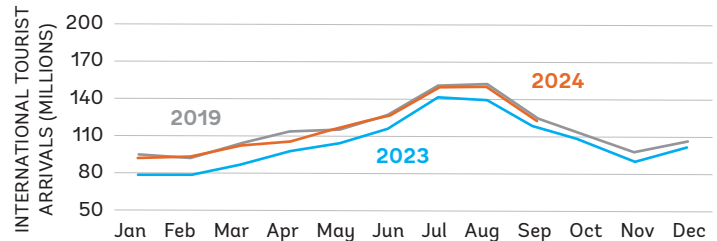
Global travel services continued to grow at a strong pace in Q2 2024,¹ in particular compared to broader services and merchandise trade. In Q2 2024, travel services grew 10% y/y, eclipsing growth in overall services (6%) and merchandise trade (2%) (Figure 2).² Tourism is one of the few sectors continuing to exhibit strong positive y/y growth in services (Figure 3), likely due to its more delayed pandemic recovery, particularly in East Asia and the Pacific (EAP).

International tourist arrivals are estimated to fully recover to 2019 levels by late 2024, while positive momentum is expected to continue into 2025 as more countries rein in inflation. For Q4 2024, UN Tourism already estimates a full recovery in international tourist arrivals 2% above 2019 levels. U.S. Consumer Price Index data shows a moderate decrease in travel prices, with both inter-annual accommodation prices and airline fares decreasing in Q3 2024 (-1.57% and -0.83%, respectively). Slowing travel-related inflation in other key source markets, such as China and the United Kingdom, adds to this positive momentum (IMF, NBSC). However, concerns about disposable income may weigh on consumers' travel plans and behavior going forward and geopolitical uncertainty is likely to continue impacting select markets ([UN Tourism](#)).

1. Latest data available with broad coverage.

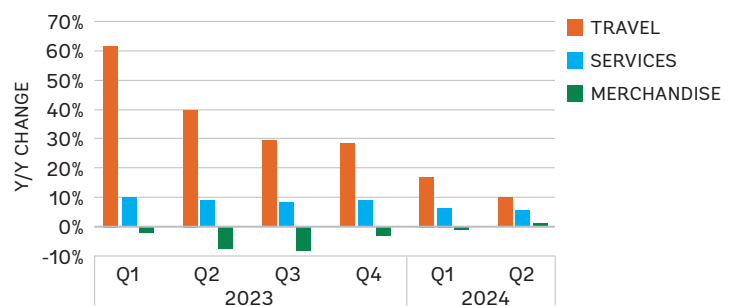
2. For more information on global trade, refer to the World Bank's [Trade Watch](#).

FIGURE 1. International Tourist Arrivals



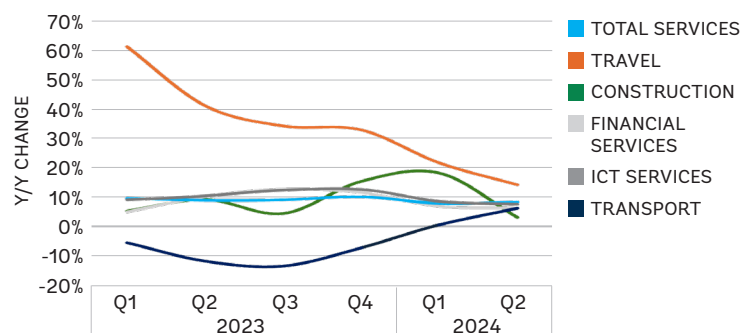
Source: UN Tourism Data Dashboard, 2024.

FIGURE 2. Tourism vs. the Broader Economy (Services and Merchandise Trade)



Source: World Trade Organization, 2024.

FIGURE 3. Total Services and Selected Sub-Services Sectors



Source: World Trade Organization, 2024.

REGIONAL OVERVIEW

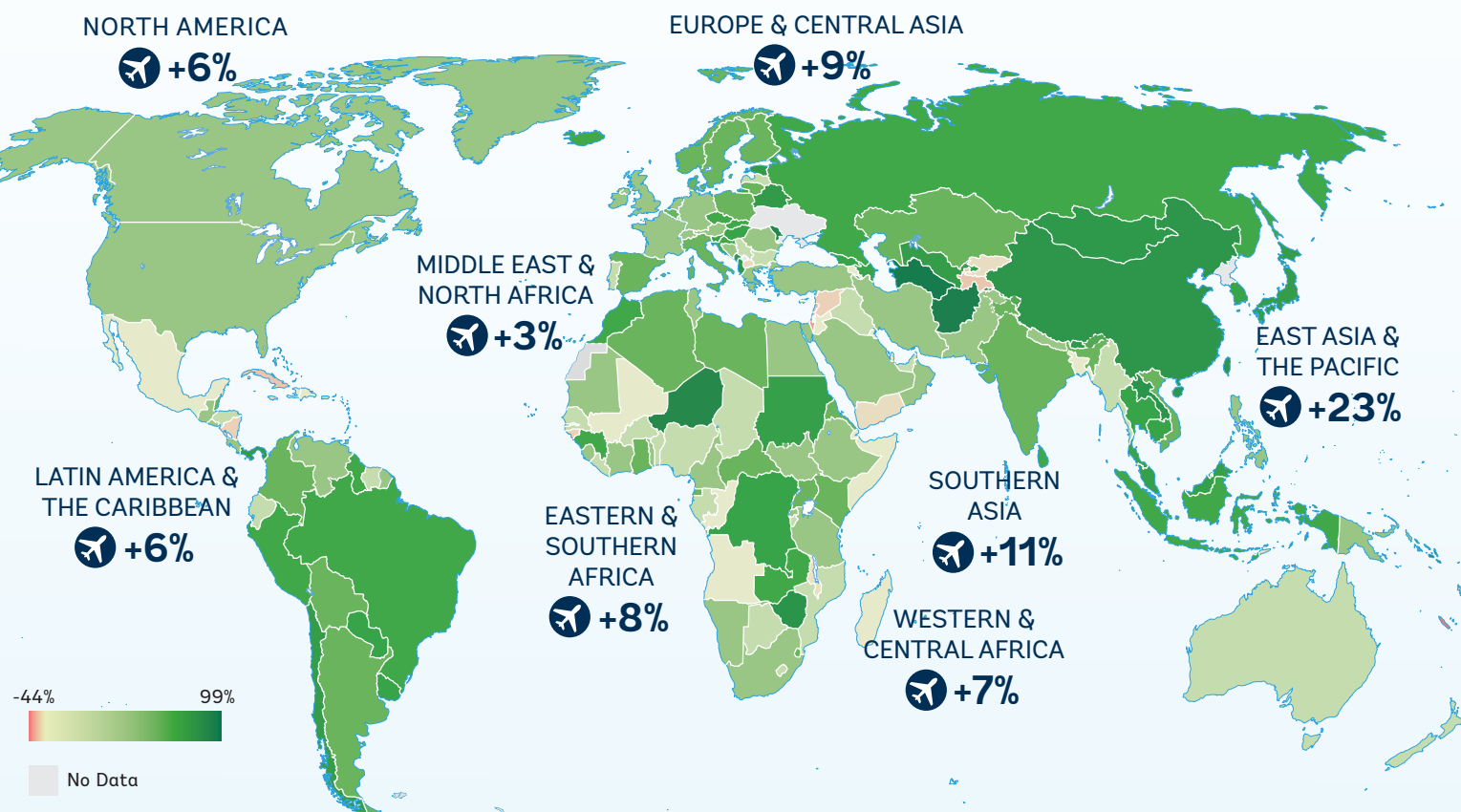
In Q3 2024, estimated aviation passenger arrivals—a proxy for trends in tourism arrivals—increased by 10% y/y globally. Like the previous quarter, all regions experienced growth in passenger arrivals compared to the same period in 2023 (Figure 4). Eastern and Southern Africa (AFE) was the only region that achieved higher y/y growth than in the previous quarter, increasing 8% in Q3 versus 7.6% in Q2. EAP continued to have the greatest y/y growth (23%) and is gradually approaching pre-pandemic levels, with only a 9% gap remaining. Meanwhile, the Middle East and North Africa (MENA) region continues to show the highest growth compared to 2019 (+18%, mostly driven by Morocco), despite an inter-quarter decline of 7%, likely due to the intensified conflict in the Middle East.

Turning to individual economies, in Q3 2024, y/y changes in estimated aviation passenger arrivals were positive for 81% of reporting territories (183 out of 226). Among the destinations with the greatest y/y growth in estimated aviation passenger arrivals were Turkmenistan (82% growth), Moldova (65% growth), Niger (61% growth), and Zimbabwe

(44% growth). Zimbabwe’s growth can be attributed to the government’s efforts to expand the tourism industry, including significant infrastructure developments as well as marketing efforts ([Business Weekly](#), [The Environment](#)). In Asia, Bhutan also saw a notable increase of 39%, likely driven by COVID-19 recovery and the government’s efforts to make the country more accessible to the average tourist ([The Economic Times](#)). Overall, conflict remained the primary factor behind the declines in passenger arrivals for individual economies, with New Caledonia (-44%), Israel (-28%), and Lebanon (-20%) experiencing the largest decreases. Meanwhile, China continues to show strong growth (42%), with an increasing number of countries (now 54) benefiting from its unilateral visa-free policy. Additionally, outbound travel from China has surged, benefiting nearby destinations, such as Malaysia, Singapore, and Japan (UN Tourism).

Figure 4 represents y/y changes to estimated aviation passenger arrivals in green (for growth) and red (for reductions).

FIGURE 4. Change in Estimated Aviation Passenger Arrivals, Q3 2024 vs Q3 2023



Source: OAG Traffic Analyzer.

Note: Incomplete data for Monaco, North Korea, Ukraine, and West Bank and Gaza. Figures 5–11 in the annex provide a detailed breakdown by region. This map was produced by the Cartography Unit of the World Bank Group. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.

SPECIAL POLICY INSERT

Diversifying into Medical Tourism for Developing Destinations

Medical tourism³ presents a significant opportunity to use excess domestic medical capacity to generate jobs and foreign exchange, particularly in middle-income countries.

The medical tourism value chain is complex and involves the organization and provision of services, such as medical treatment, travel arrangements, accommodation, post-treatment care, and the purchase of medical equipment. Medical tourism is characterized by high expenditures per visitor, and patients are often accompanied by one or more family members, multiplying the economic impact. By capitalizing on competitive advantages like lower treatment costs and growing medical expertise, developing countries can attract international patients, generating positive spillovers, such as enhancing the quality of domestic healthcare services and strengthening the competitiveness of domestic medical device clusters.

In just one decade (2013–2023), demand for medical tourism has more than doubled, and global health-related travel exports have grown by 70% (IMF). In 2019, the market was valued at US\$65–87.5 billion (Allied Market Research, 2020; Grand View Research, 2020). This growth has been more pronounced in middle-income countries, such as Türkiye, Thailand, and Mexico, which often lead global medical tourism rankings. Drivers of demand have included (i) increasingly overburdened and costly health systems in high-income countries, (ii) the growing middle classes of low-income countries that lack quality medical services, and (iii) increased access to information on international medical services.

Several developing countries have successfully tapped into this market and specialized in particular treatments. On the supply side, growing private investment in medical facilities, increasing standardization and profitability of medical

tourism, and increasingly skilled human capital, have driven the expansion of this niche. For instance, by investing in state-of-the-art medical facilities and securing international accreditation, Thailand has become a leader in cosmetic surgery, dental treatments, and cardiac care, attracting over 3 million medical tourists and generating approximately US\$600 million in revenue in 2019 (Ministry of Public Health Thailand, 2019). India focuses on complex surgeries, including cardiac procedures, organ transplants, and orthopedics, and has boosted the sector with an e-Medical Visa and marketing campaigns like “Heal in India.” In 2023, the country attracted 476,000 foreign patients. Türkiye’s medical tourism sector increased from US\$0.8 billion in 2013 to US\$2.1 billion in 2023, with a focus on cosmetic surgeries (IMF, 2024).

As experienced by several World Bank projects, securing market share in the global medical tourism industry is challenging, but there are some best practices to learn from. In Tamil Nadu, India, the World Bank Jobs Accelerator technical assistance is working with both the state Department of Tourism and the Department of Health to (i) support the establishment of an institution in charge of promoting the Medical Tourism, (ii) facilitate and institutionalize public-private dialogue, (iii) support branding and marketing efforts, and (v) facilitate access into international health insurance markets, notably by improving hospital certification and addressing skill gaps in the nursing profession. Together with other ongoing assessments such as in Jordan, there are some key considerations for the development of this segment which Table 1 summarizes. In all interventions, it is important to ensure that medical tourism does not exacerbate inequalities (equity in healthcare access for citizens) or strain existing healthcare resources.

TABLE 1. Best Practices in Medical Tourism Development

POLICY AND REGULATION	INFRASTRUCTURE	HUMAN CAPITAL	PROMOTION	ACCESS	BUSINESS CLIMATE
<ul style="list-style-type: none"> Enact robust healthcare regulations for out-of-pocket payments, insurance agreements Obtain international accreditation (such as JCI) 	<ul style="list-style-type: none"> Ensure high-quality accommodation and concierge services Attract private investment in advanced technology and facilities, use tele-enabled consultations 	<ul style="list-style-type: none"> Invest in medical education and continuous training 	<ul style="list-style-type: none"> Focus on niches of comparative advantage (such as dentistry) Partner with international hospitals and insurance plans Enact government-to-government agreements 	<ul style="list-style-type: none"> Direct air connectivity to source markets Provide medical tourism visas 	<ul style="list-style-type: none"> Link to local industries and digital payments systems Foster an investment climate

3. Medical tourism, also called medical value travel by profession members, is a type of tourism activity that involves a trip outside the usual environment, either domestically or internationally, for the use of evidence-based medical healing resources and services (both invasive and non-invasive). This may include diagnosis, treatment, cure, prevention, and rehabilitation (UN Tourism).

ANNEXES

Regional Figures

y/y Change in Estimated Aviation Passenger Arrivals (Q3 2023–2024)

Low and middle-income countries

Figures 5–11 feature y/y changes in estimated aviation passenger arrivals by region only for low- and middle-income countries (X-axis), which are the focus of the World Bank Group. Countries whose tourism contribution to GDP is not reported by the World Travel and Tourism Council (WTTC) are excluded, except for Bhutan. Countries are ordered by the importance of tourism to their economy (total tourism's contribution to GDP, Y-axis).

FIGURE 5.
Eastern and Southern Africa

1. Ethiopia
2. Uganda
3. Mozambique

Source: OAG Traffic Analyzer; WTTC.

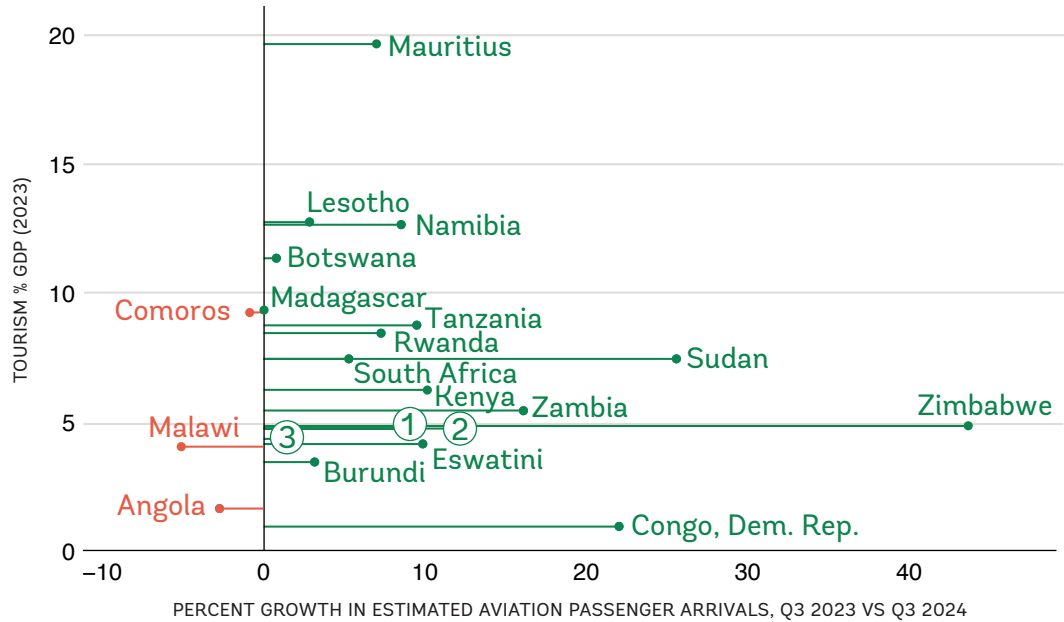


FIGURE 6.
Western and Central Africa

1. Senegal
2. Benin
3. Togo
4. Nigeria
5. Chad
6. Sierra Leone
7. Burkina Faso

Source: OAG Traffic Analyzer; WTTC.

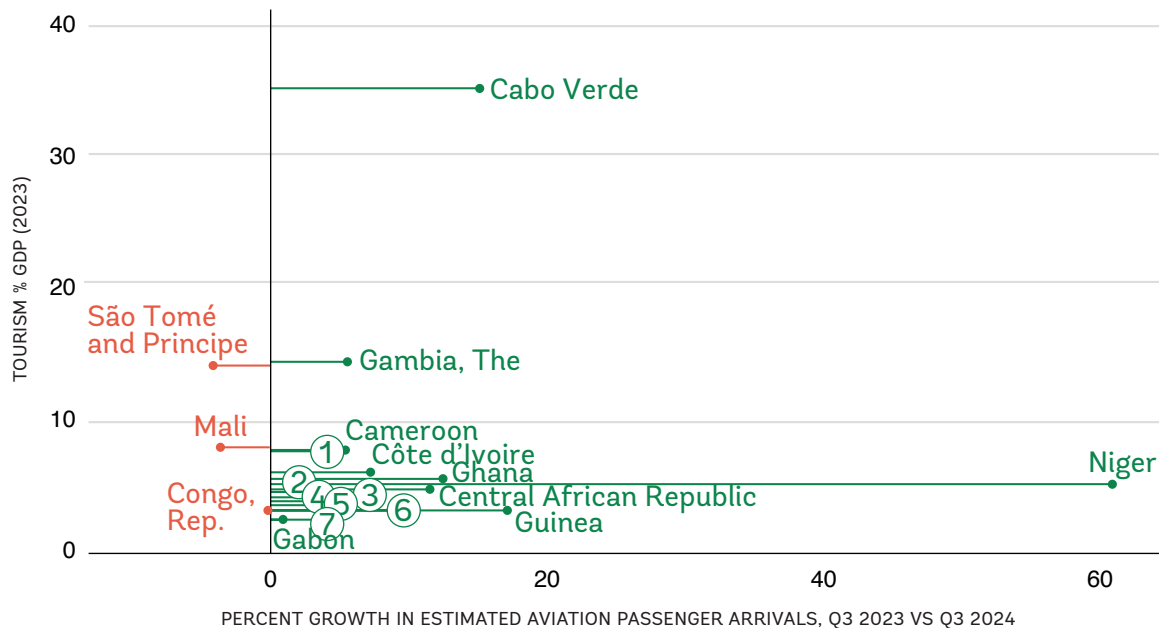


FIGURE 7.
East Asia and
the Pacific

1. Tonga
2. Vietnam
3. Myanmar

Source: OAG Traffic Analyzer; WTTC.

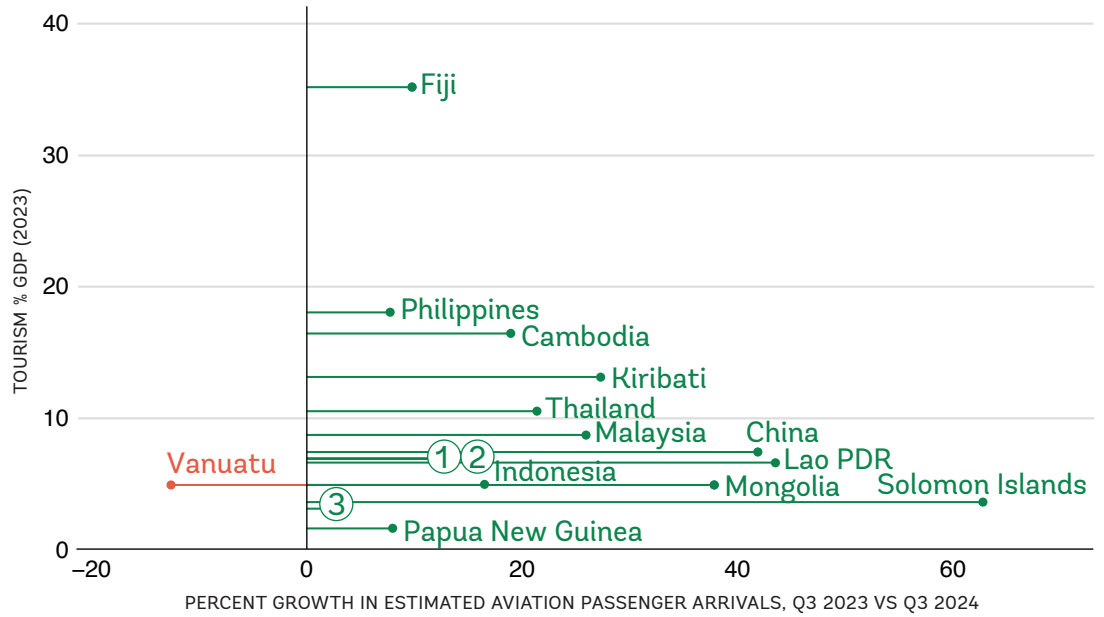


FIGURE 8.
Europe and
Central Asia

1. Bulgaria
2. Serbia
3. Azerbaijan

Source: OAG Traffic Analyzer; WTTC.

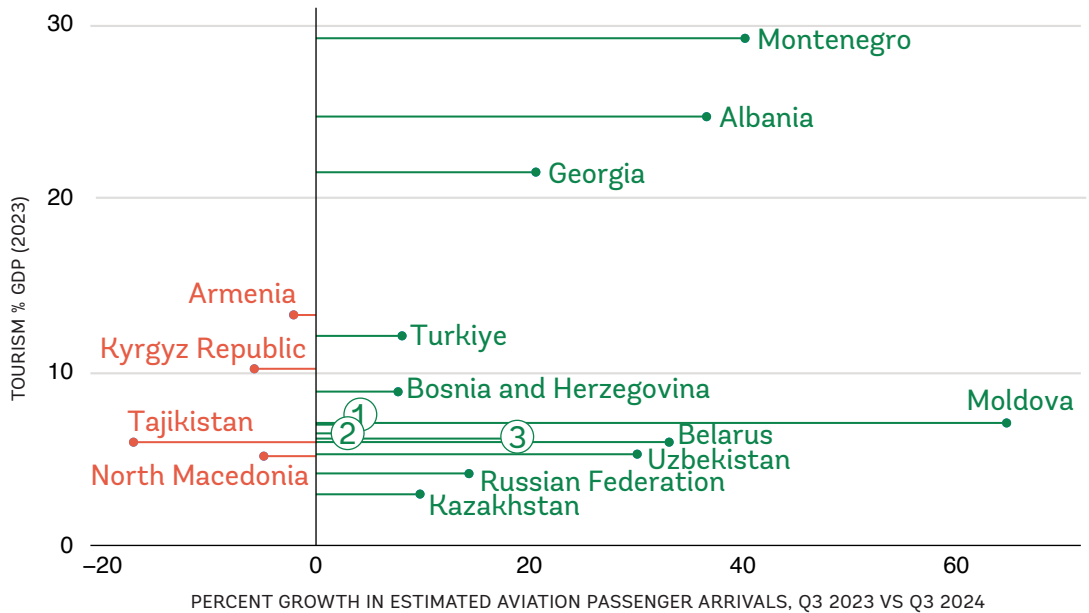


FIGURE 9
Latin America
and the Caribbean

1. Mexico
2. Costa Rica
3. Brazil
4. Guatemala
5. Ecuador
6. Colombia
7. Bolivia

Source: OAG Traffic Analyzer; WTTC.

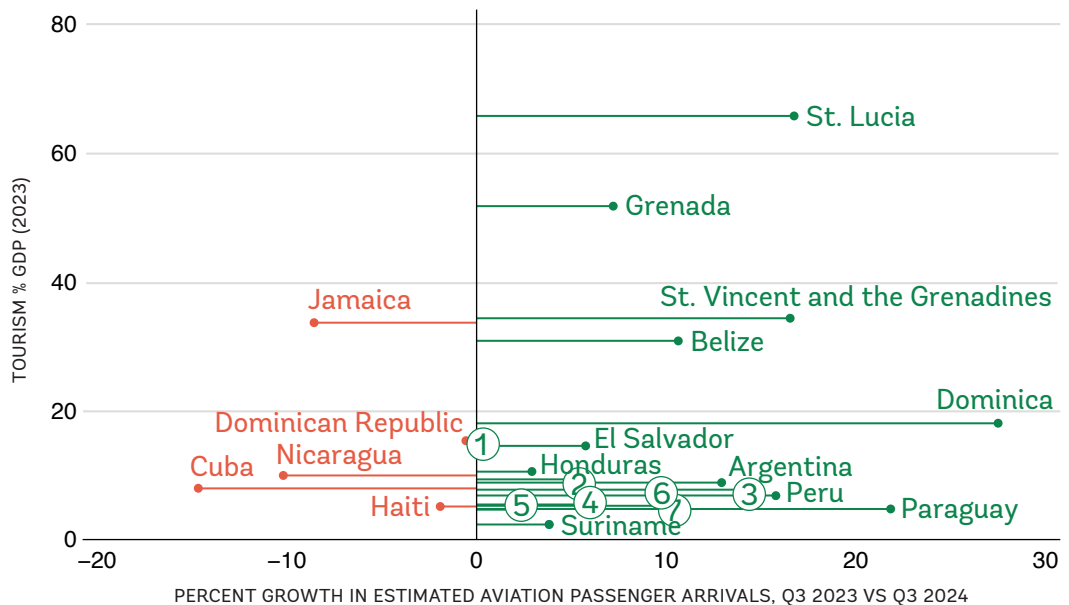


FIGURE 10.
Middle East and North Africa

Source: OAG Traffic
Analyzer; WTTC.

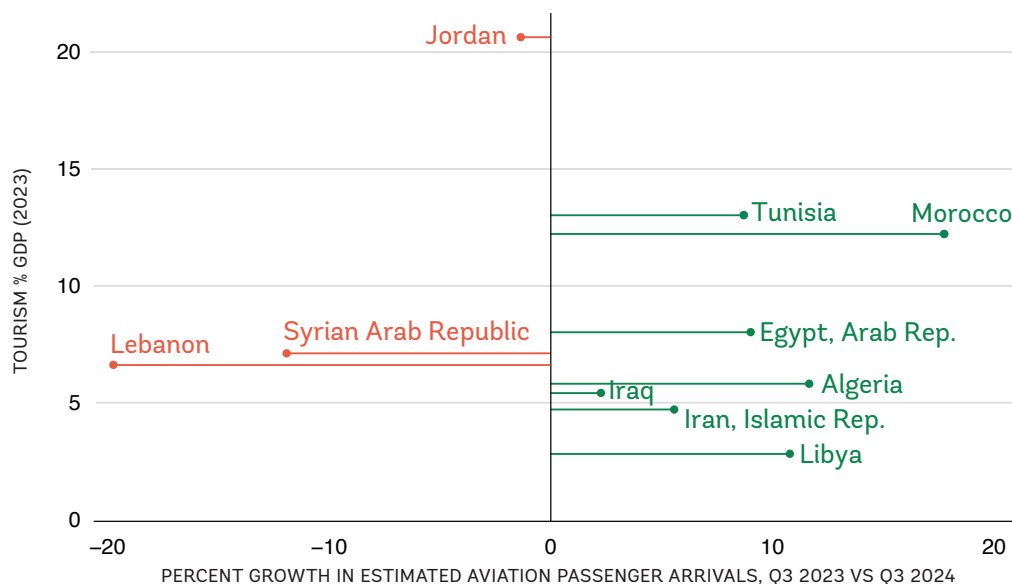
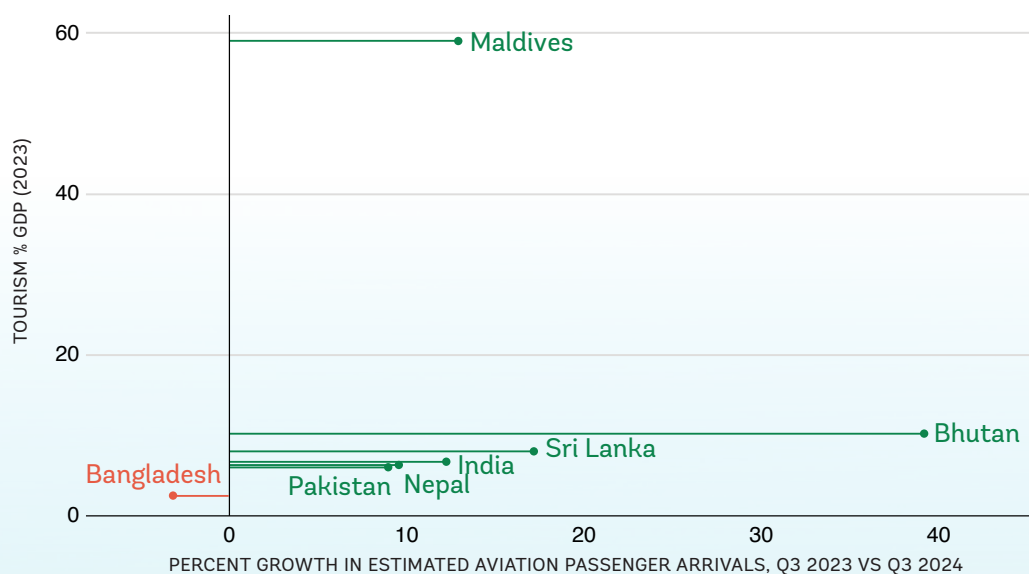


FIGURE 11.
South Asia

Source: OAG Traffic
Analyzer; WTTC, Tourism
Council of Bhutan.

Note: Tourism % GDP for
Bhutan is from 2019.



Methodological Notes

DISCLAIMER: The data in the text and figures of this bulletin represent the last available month or quarter up to Q3 2024 with broad global or regional coverage. Figure 2 includes 93 territories, which accounted for 95%, 96%, and 92% of overall trade in goods, services, and travel services, respectively, in 2023. Figure 3 includes 58 territories, which accounted for 85% of overall trade in services in 2023.

Estimated Aviation Passenger Arrivals Index: Data on estimated international passenger arrivals landing in a given geography, regardless of flight length, for a given month or quarter. OAG estimations are based on real bookings data made by travel agencies through global distribution systems (GDS). These estimates are reportedly based on a series of proprietary algorithms that use various external datasets and historical ratios between total passengers and realized GDS bookings. These arrivals data are rebased as a percentage of estimated aviation passenger arrivals in the same month or quarter of 2023, then multiplied by 100.

Passenger Load Factor: Percentage of available seating capacity filled with passengers. It is a crucial measure of how efficiently an airline is filling its seats.

The Tourism Watch quarterly bulletin series is prepared by the Trade, Investment and Competitiveness (TIC) Markets, Competition and Technology Tourism group of the Finance, Competitiveness and Innovation (FCI) Global Practice. The bulletin has been prepared by a team led by Louise Twining-Ward, Alex Pio, Alba Suris, and Paula Bellas, with contributions from Vincent Palmade, Shaun Mann, Denisse Pierola, Jessie F. McComb, and Jessica Rose Wilson, under the guidance of Mario Guadamillas.

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