Forum of the Chambers of Commerce
of the Adriatic and Ionian Sea

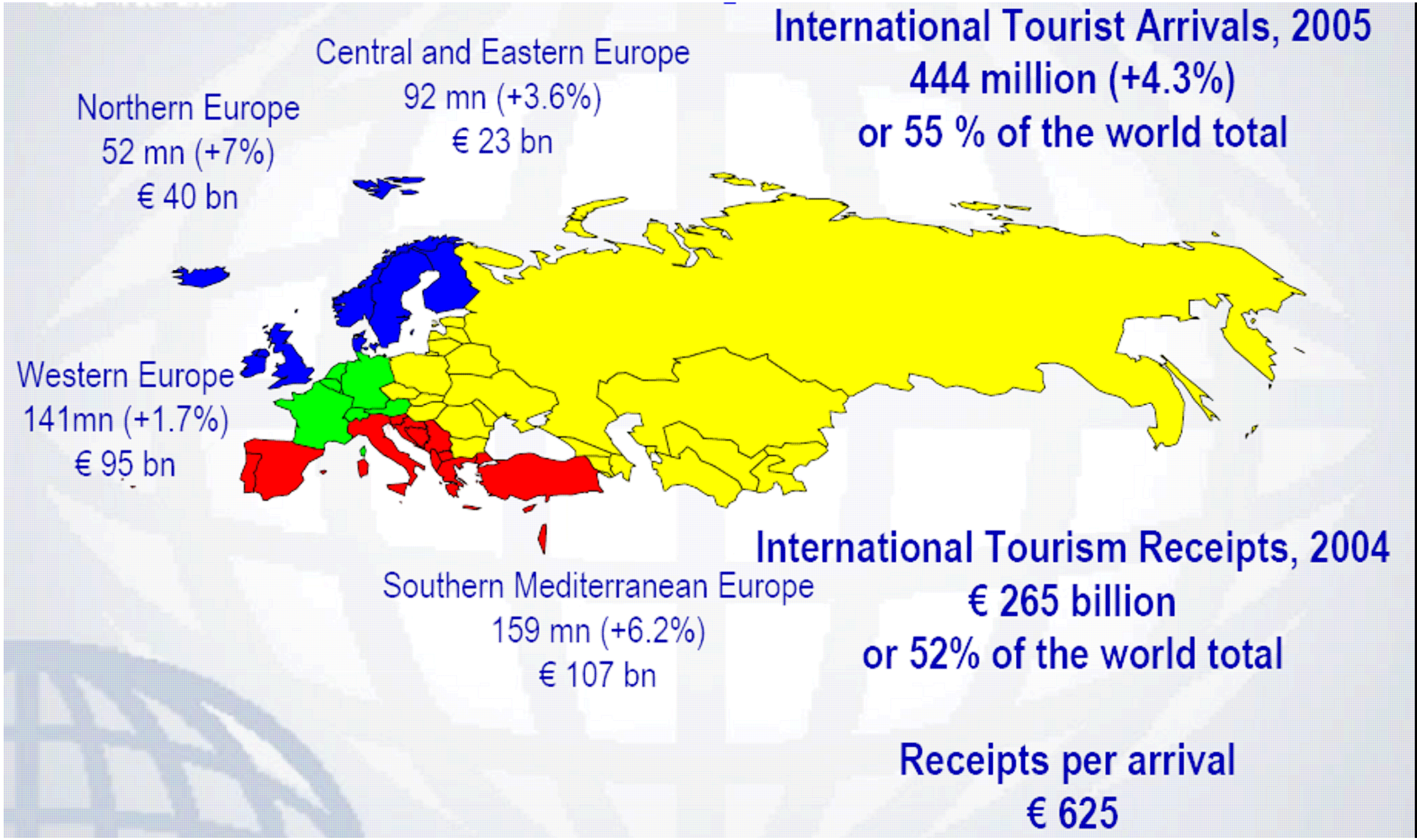
Tourism in the Euro-Adriatic area

In collaboration with:

Adriatic Report

ISTAO
ISTITUTO ADRIANO OLIVETTI DI STUDI PER LA GESTIONE DELL'ECONOMIA E DELLE AZIENDE

The European tourist market



Source: WTO, 2006

Figures of the Adriatic Euroregion

2005

42 million tourist arrivals (+6%)
201 million tourist stays (+7%)

21.5 million international tourist arrivals (+5%)
100 million international tourist stays (+6%)

...like the 83% of tourist arrivals in Italy
….like the 57% of foreign tourist arrivals in Italy

The Adriatic: “local” markets

WESTERN ADRIATIC		EASTERN ADRIATIC
28.6 millions	TOTAL TOURIST ARRIVALS	13.6 millions
11 millions (38% of the total)	INTERNATIONAL ARRIVALS (international incidence out of total)	10.5 millions (77% of the total)

International arrivals variation rates

Area	2005	2004
FRIULI VG	-2%	-1%
VENETO	4%	5%
EMILIA R.	1%	1%
MARCHE	-3%	-3%
ABRUZZO	0%	4%
MOLISE	-7%	-5%
APULIA	9%	4%
WESTERN ADRIATIC	3%	3%

International arrivals variation rates

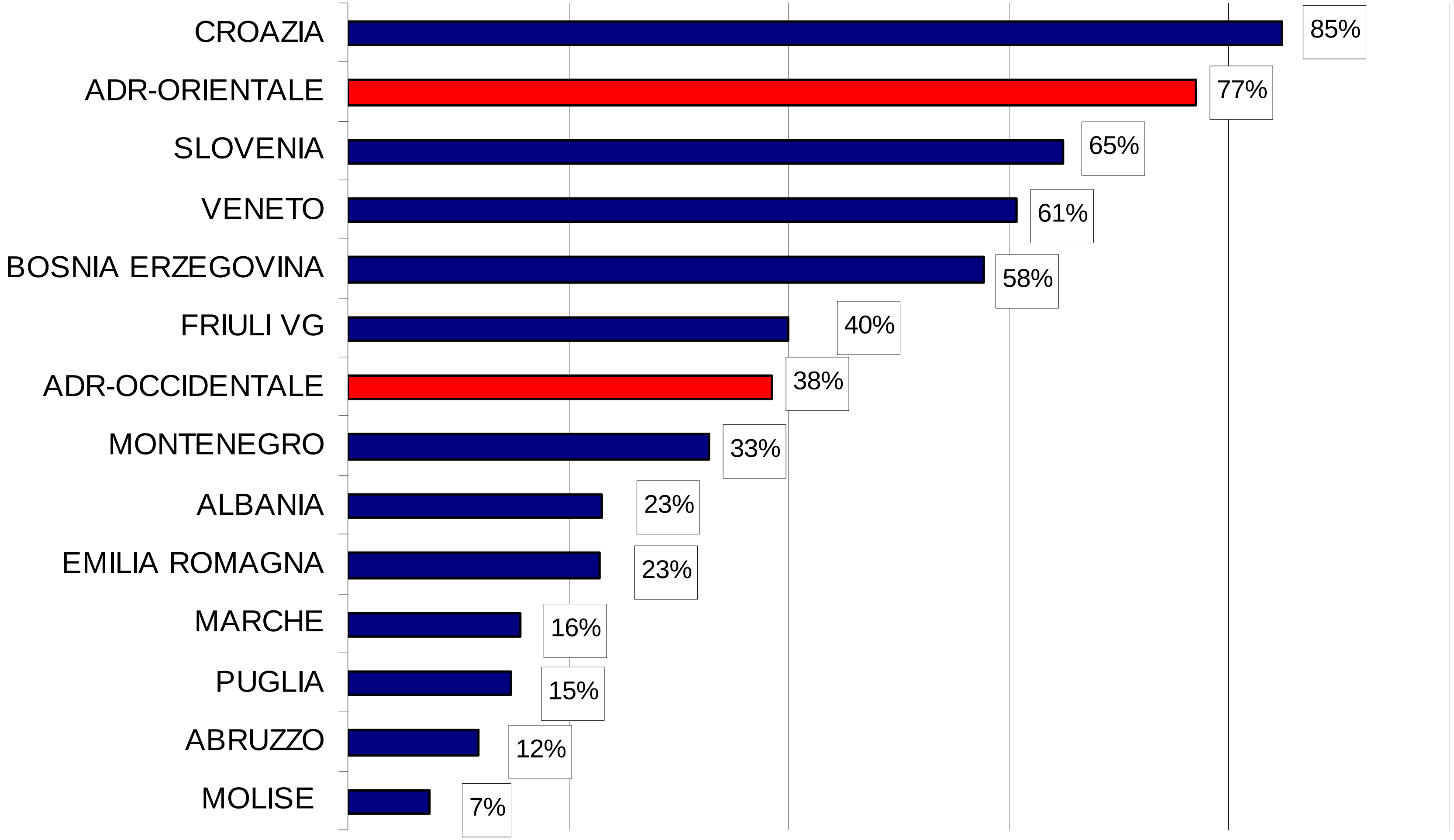
Area	2005	2004
SLOVENIA	+1%	+9%
CROATIA	+8%	+7%
BOSNIA HERZ.	+9%	+15%
MONTENEGRO		+20%
ALBANIA		+2%
EASTERN ADRIATIC	+10%	+11%

Tourists in the Adriatic regions

AREA	*ARRIVALS (,000)*	*%*	*STAYS (,000)*	*% weight*
VENETO	12.488	30%	56.725	28%
EMILIA ROMAGNA	8.211	19%	40.252	20%
APULIA	2.485	6%	10.830	5%
MARCHE	2.066	5%	12.498	6%
FRIULI VG	1.738	4%	8.391	4%
ABRUZZO	1.469	3%	6.853	3%
MOLISE	198	0%	748	0%
WESTERN ADRIATIC	**28.654**	68%	**136.296**	68%
CROATIA	9.995	24%	51.421	26%
SLOVENIA	2.395	6%	7.573	4%
MONTENEGRO	776	2%	5.047	3%
BOSNIA HERZEGOVINA	274	1%	597	0%
ALBANIA	182	0%	588	0%
EASTERN ADRIATIC	**13.622**	32%	**65.226**	32%
TOTAL ADRIATIC	**42.277**	100%	**201.522**	100%

The Adriatic: weight on international markets

WEIGHT OF INTERNATIONAL TOURIST ARRIVALS OUT OF TOTAL NUMBER OF ARRIVALS (2005)



Euroadriatic Region: Main markets of origin for tourists

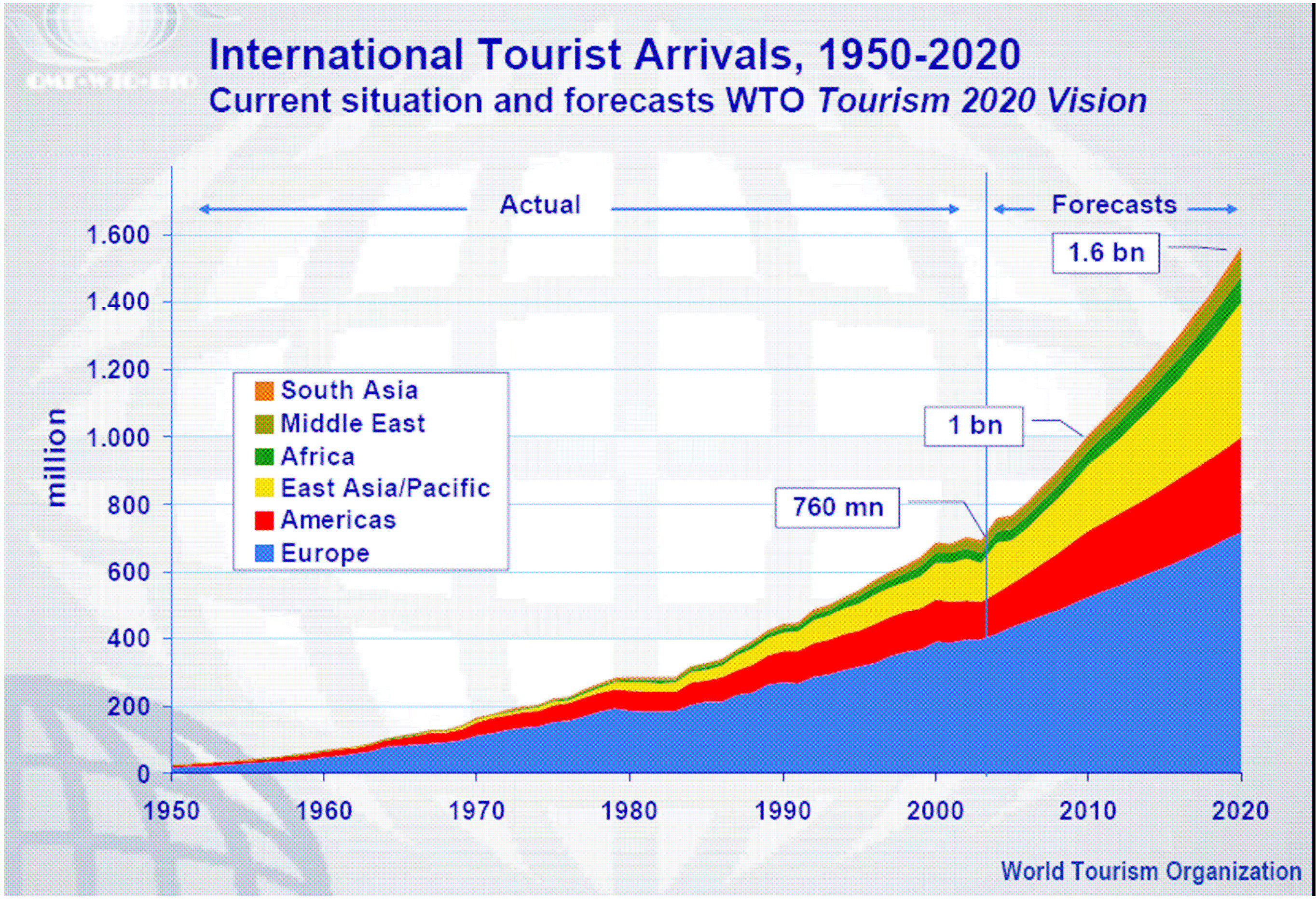
	Area	*Millions of tourist stays*	*Weight on total international stays*	*Preferred destinations*
CONSOLIDATED MARKETS	GERMANY	27,5	29%	Veneto (41%), Croatia (40%)
	AUSTRIA	9,2	10%	Veneto (34%), Croatia (39%) FVG (13%), Slovenia (8%)
	ITALY	6,2	7%	Croatia (86%), Slovenia (13%)
	THE NETHERLANDS	4,3	5%	Veneto (40%) Croatia (39%) Emilia Romagna (10%)
EMERGING MARKETS	FRANCE	4,0	5%	Veneto (39%) Croatia (32%) Emilia Romagna (19%)
	UK	3,1	4%	Veneto (50%) Croatia (25%) Emilia Romagna (9%)
	CZECH REP.	5,6	6%	Croatia (75%) Veneto (11%), Montenegro (3%)
	SLOVENIA	5,3	6%	Croatia (95%)
	HUNGARY	3,2	3%	Croatia (66%) Veneto (20%), FVG (5%)
	RUSSIA*	1,5	2%	Romagna, Montenegro, Croatia

***** estimates**

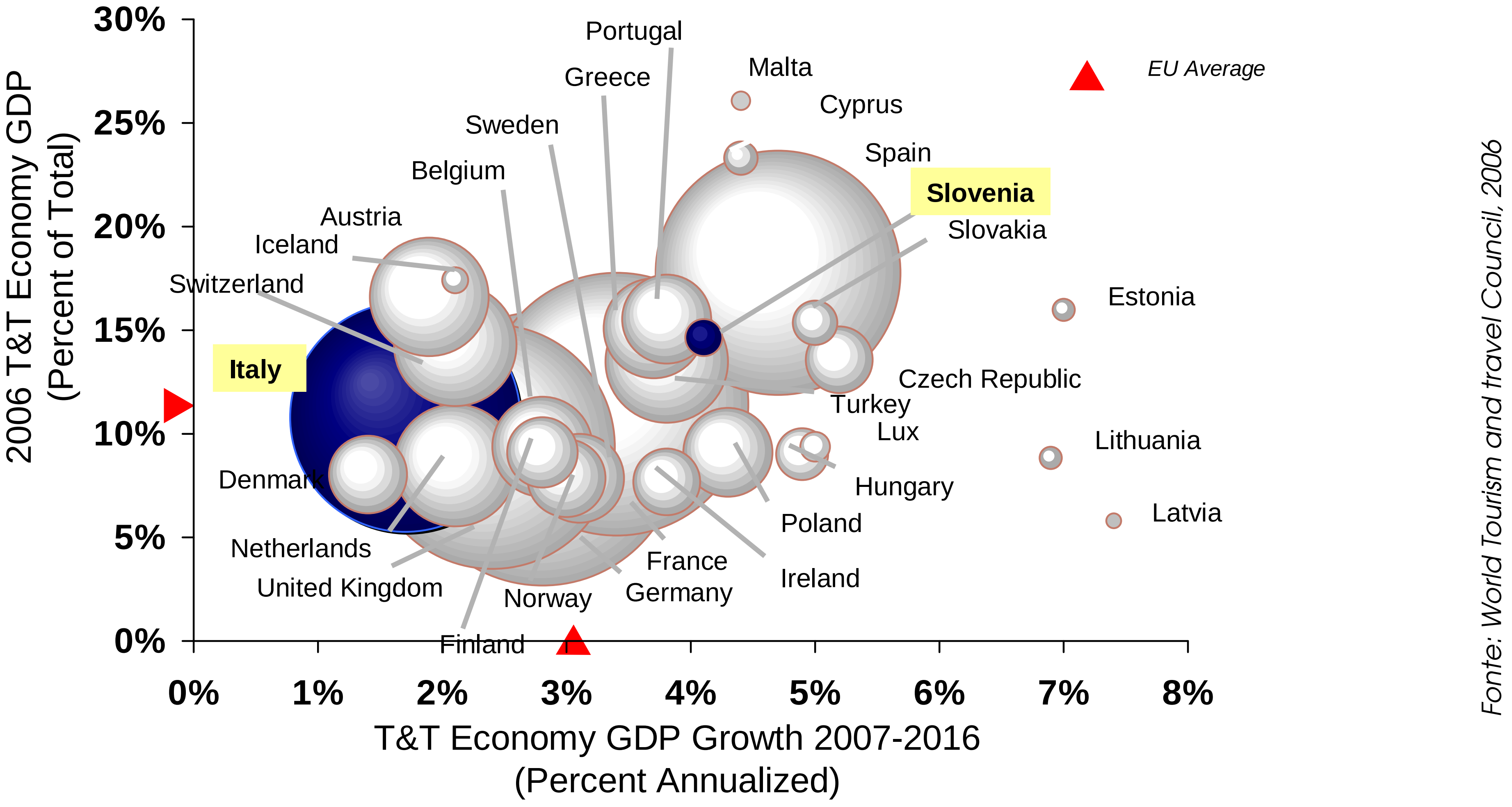
2020 scenario: world trends

The world tourism market will continue to grow and **EUROPE** will continue to be the main destination

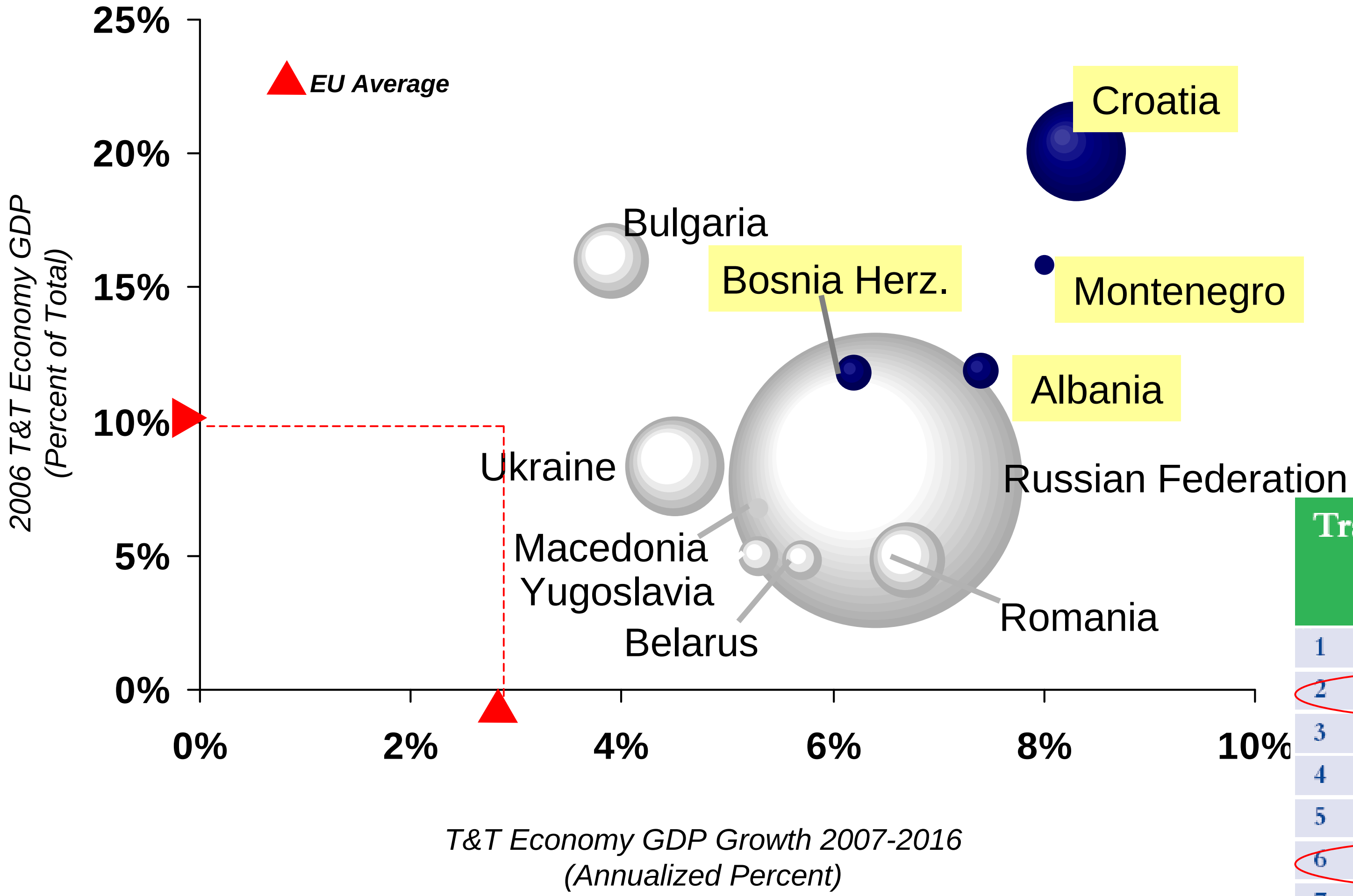
(even it the overall market share goes down from today's 55% to 45%)



Forecasts for the next 10 years: development rates of EU tourist economies



Forecasts for the next 10 years: development rates of EU tourist economies



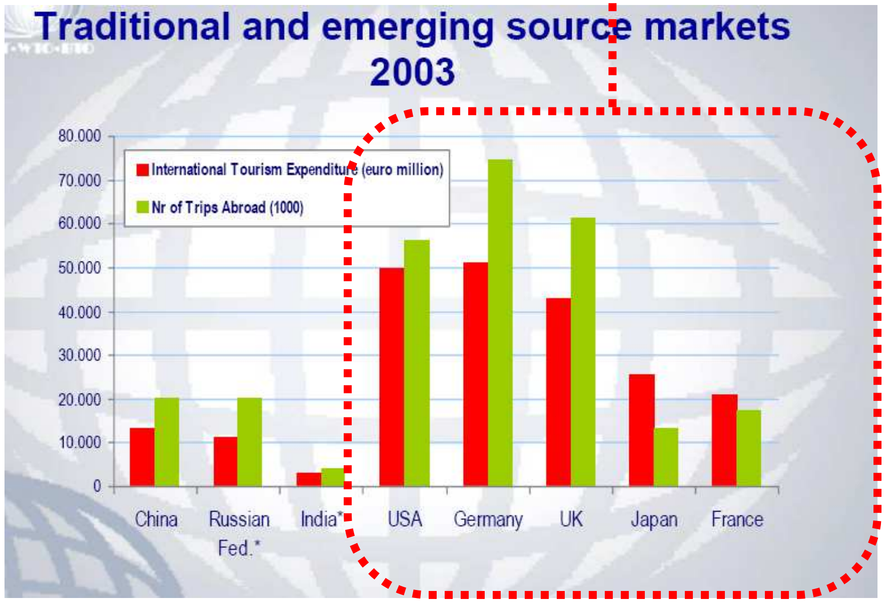
Travel & Tourism Demand 2006-2015 % Annualized Real Growth		
1	Montenegro	9.9
2	China	9.2
3	India	8.6
4	Reunion	8.3
5	Croatia	7.8
6	Sudan	7.7
7	Vietnam	7.7
8	Laos	7.6
9	Czech Republic	7.5
10	Guadeloupe	7.2

Scenario: competition and diversification will grow

WORLD'S MAIN TOURIST DESTINATIONS

	1950 Share	1975 Share	1990 Share	2004 Share
1 2 3 4 5	United States Canada Italy **71%** France Switzerland	Italy Canada France **43%** Spain United States	France United States Spain **38%** Italy Hungary	France Spain United States **33%** China Italy
6 7 8 9 10	Ireland Austria Spain **17%** Germany United Kingdom	Austria Germany Switzerland **22%** Yugoslavia United Kingdom	Austria United Kingdom Mexico **19%** Germany Canada	United Kingdom Hong Kong Mexico **14%** Germany Austria
11 12 13 14 15	Norway Argentina Mexico **9%** The Netherlands Denmark	Hungary Czech and Slovak Republics Belgium **10%** Bulgaria Romania	Switzerland Greece Portugal **10%** Malesia Croatia	Canada Hungary Turkey **11%** Malesia Poland
	OTHERS 3%	**OTHERS 25%**	**OTHERS 33%**	**OTHERS 42%**
	25 millions	166 millions	456 millions	760 millions

Tourist demand: TRADITIONAL MARKETS



CONSOLIDATED MARKETS WESTERN EUROPE, USA, CANADA AND JAPAN):

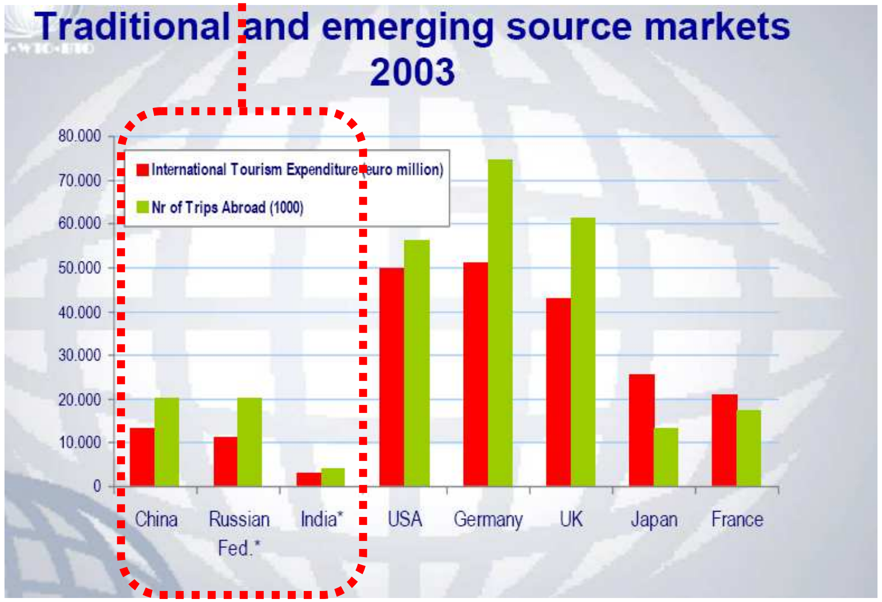
- **They still have enormous growth potential (new population groups, more frequent trips);**

- **Change in tourists' behavious and consumption patterns (tourists are independent – do it yourself trips - and more experienced, they travel more frequently, they are more involved in their vacation and more inclined to learn from other cultures, they are more aware of social and environmental problems and guided by technology)**

- **There is new potential linked to demographic phenomena (population age, composition of families)**

- **New opportunities are linked to low-cost transport modes**

Tourist demand: EMERGING MARKETS

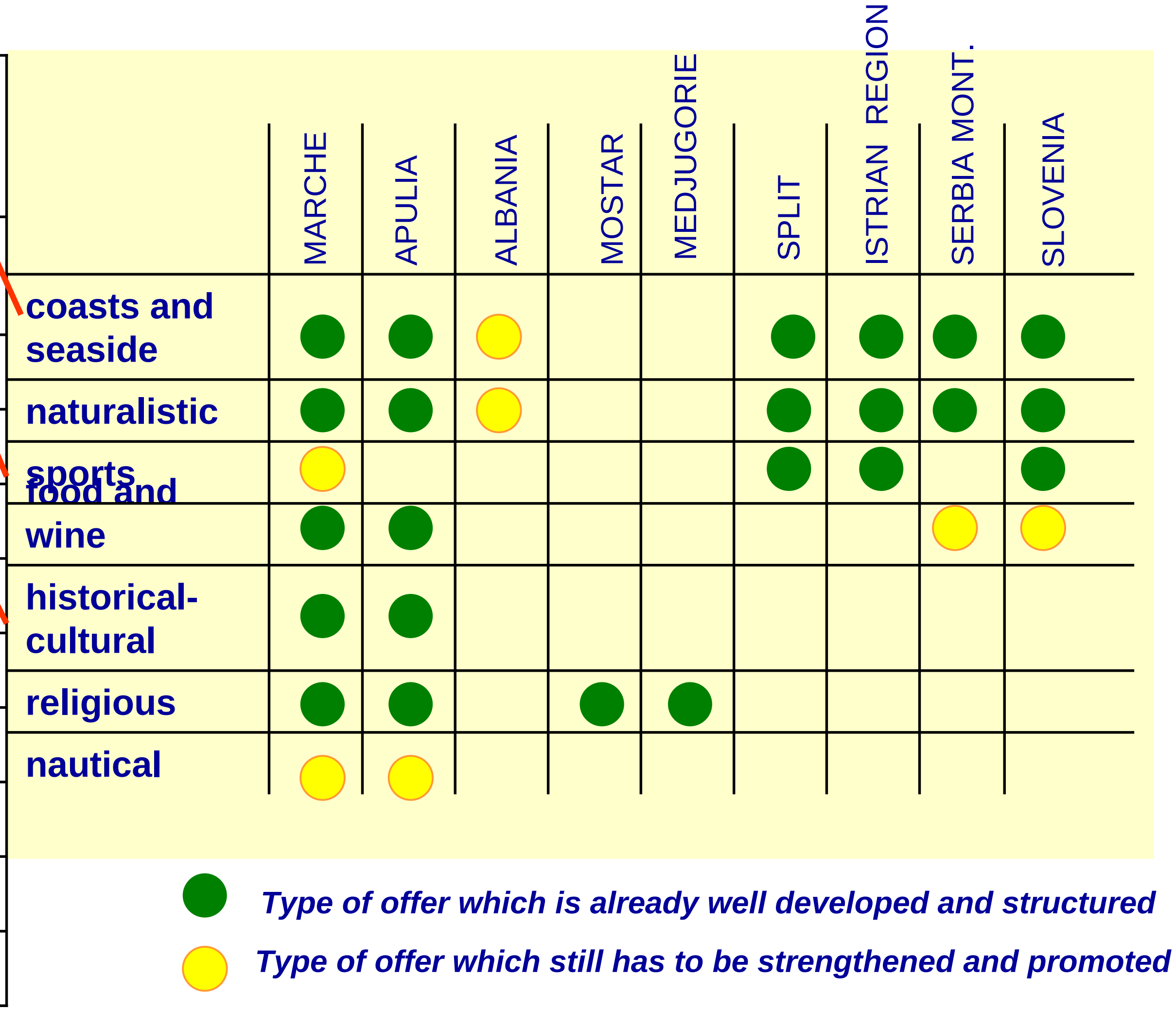


EMERGING MARKETS (CHINA, RUSSIA, INDIA, but also KOREA, the Middle East, SINGAPORE, MEXICO, BRAZIL):

- **There is a still small group of population participating in international tourist movements;**
- **yet, these are developing economies and the incomes available for the population are growing;**
- **a share of this income will surely be spent in travels and tourism (both in the country or abroad).**

The major 2000-2020 market segments

1	**Sun and Beach** (long-distance trips, combined trips, specific segments)
2	**Sports** (winter sports, water sports)
3	**Adventure**
4	**Nature tourism**
5	**Cultural tourism**
6	**Tourism in cities**
7	**Country tourism**
8	**Cruises**
9	**Theme parks**
10	**Meetings / conferences**
11	**Wellness tourism**



Source: WTO

Critical success factors

8 KEY-FACTORS TO FAVOUR TOURIST DEVELOPMENT, ACCORDING TO WTO

1	THE POLITICAL AND INSTITUTIONAL SYSTEM MUST SUPPORT THE TOURIST SYSTEM
2	Adequate norms
3	Investments
4	Transport development
5	INTEGRATION
6	PROMOTION/COMMERCIALIZATION
7	QUALITY
8	PUBLIC-PRIVATE PARTNERSHIP

The challenge

- Growth of tourist demand (frequency, volumes)
- Growth of a quality/sophisticated demand
- Increase and diversification of tourists' origin markets
- Growth fostered by the low -cost system and the Internet
- Competition growth and offer diversification
- Italy suffers in the development of foreign markets
- Increased local and international attention (through targeted policies, direct investments, etc.…) to a number of tourist systems, which only some time ago were considered secondary (e.g. Montenegro)

1 IS IT POSSIBLE TO STRENGTHEN THE TOURIST POTENTIAL OF ADRIATIC REGIONS THROUGH THE IDENTIFICATION OF COMMON IDENTITY ELEMENTS/A COMMON OFFER?

2 WHICH ROLE COULD THE ADRIATIC EUROREGION PLAY **AS AN INTEGRATED TOURIST PRODUCT IN THE NEAR FUTURE**?

...what's more

- Is it possible to develop integrated tourist packages? Which tourist products concern the area crosswise?
- Which markets and segments could be interested in this kind of offer?
- Which problems have to be faced in the development of tourist packages?
- How is it possible to direct institutional promotion?
- How can tourist operators be supported in the development of possible iniatiatives targeted to the development of an Adriatic tourist offer?

Thank you

Forum of the Chambers of Commerce of the Adriatic and Ionian Sea

Tel. (+39) 071 5898266 – 071 5898249, Fax (+39) 071 5898255
P.zza XXIV Maggio 1, 60124 Ancona
E-mail: segreteria@forum.an.camcom.it