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Malta and Cyprus lead the way for growth in tourist arrivals in the Eurozone

- ***Tourism's share of global economic output rose to more than 3% in 2016***
- ***Peripheral Eurozone economies such as Malta and Cyprus are particularly dependent on tourism***
- ***Malta and Cyprus experienced double digit growth in tourist arrivals in June 2017***
- ***But Asia is the fastest growing tourist market globally***

A bumper year for tourism in Malta drove the industry's contribution to the equivalent of 13% of total GDP, compared to 5% in Spain and 2% in Italy, while tourism's share of global economic output rose to more than 3% last year.

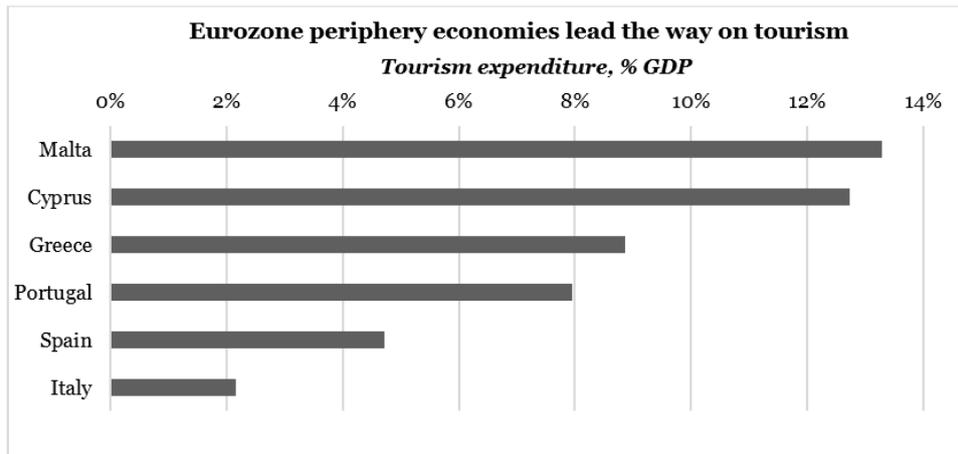
The new analysis from PwC's Global Economy Watch underlines the industry's importance to peripheral economies in the Eurozone, including Malta and Cyprus.

In 2016, travel and tourism supported 109 million jobs and generated \$2.3 trillion globally. This is roughly equivalent to the size of the Indian economy, according to data from The World Travel & Tourism Council (WTCC).

Malta and Cyprus experienced double-digit growth in tourist arrivals in June (19% and 12% respectively), compared to 12 months ago. Cyprus is expected to see an all-time high in the number of tourists visiting this year. Using the same approach, Spain could see its tourist numbers increase by 12%, followed by Portugal and Greece (8% and 7% respectively), assuming there are no immediate supply side constraints.

"Despite political instability in numerous parts of the world, the tourism industry's resilience is clear - it has outpaced global GDP growth for the sixth consecutive year.

"For many of us holiday season means airports, hotels and hopefully sunshine, but it's also a crucial part of the economy and can generate big business. This is particularly true for some of the peripheral Eurozone economies like Greece, Spain and Cyprus", stated Florin Deaconescu, Assurance Partner, Leader of the PwC Romania services team for Technology, Media and Telecom.



Sources: PwC analysis, World Bank

"We think low cost carriers across Europe have helped sustain strong tourism numbers. Both oil prices and unit labour costs have remained generally low in recent years, leading to higher profits and increased seat capacity for low cost carriers", added Andreea Mitiriță, Tax Director, member of the PwC Romania services team for Technology, Media and Telecom.

However, despite country specific success stories like Malta and Cyprus, data suggests that the Eurozone market is relatively saturated, with Asia the fastest growing tourist market globally.

Notes

Download the PwC Global Economy Watch here: www.pwc.com/GEW

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