SPENDING BY FOREIGN TOURISTS IN ITALY

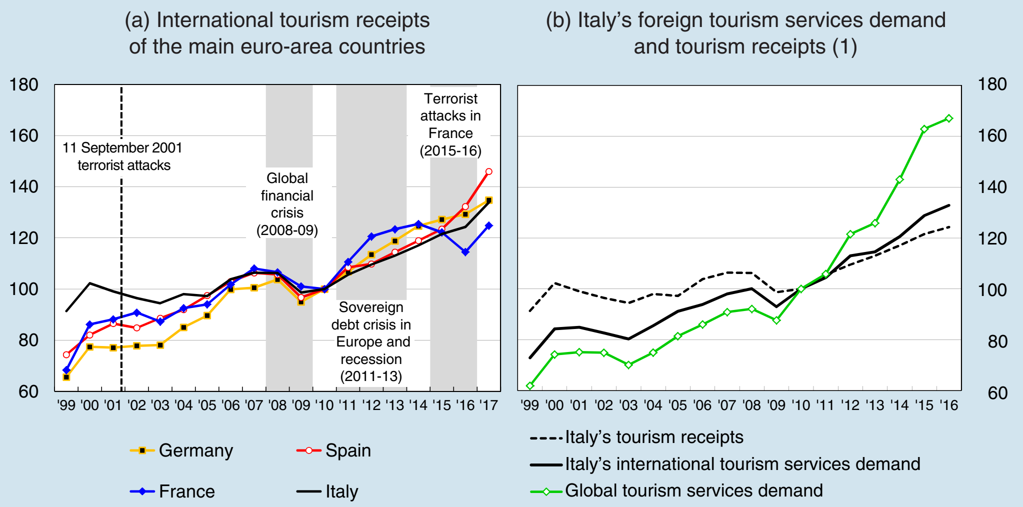
Italy's tourism services exports, i.e. spending by foreign tourists in Italy, were about one third higher in 2017 than in 2010 (see panel (a) of Figure A). After a decade of stagnation that ended with the 2008-09 economic crisis, growth resumed at a faster pace than in France and at about the same rate as in Germany, where the supply of tourism services, mainly involving business travel, benefited from flourishing economic and commercial exchanges with Asia and Central and Eastern Europe. However, growth was slower than in Spain, which gained more than Italy from the geopolitical instability affecting many Southern Mediterranean countries and the Middle East, especially in the seaside tourism sector.

Since 2010 Italy's tourism exports have risen at virtually the same rate as demand from the traditional source markets (see panel (b) of Figure A),[1] confirming that the country continues to attract travellers from these areas. The trend follows different patterns in the main areas of the country, with stronger growth in the South and Islands and the North West and slower growth in the Centre and the North East. Although tourism receipts have increased more than demand, in the South of Italy the sector is still underdeveloped and accounts for a smaller percentage of total tourism receipts than the area's share of GDP.

Figure A

Italy's international tourism

(current prices; indices: 2010=100)



Sources: Based on data from Bank of Italy, Eurostat, Banque de France and World Trade Organization.
(1) Italy's foreign tourism services demand is based on the average of annual changes in total imports (in euros) of tourism services of the first 44 partner countries weighted by the share of Italian exports of tourism services to those countries.

[1] Italy's foreign demand for tourism services is the potential amount of tourism receipts from abroad assuming, for each country of origin, that the growth in tourism expenditure in Italy is the same as the country's total expenditure on foreign travel (see E. Breda, R. Cappariello and V. Romano, 'Il turismo internazionale dell'Italia: recenti tendenze, domanda potenziale e confronto con i principali concorrenti europei', Banca d'Italia, Questioni di Economia e Finanza (Occasional Papers), forthcoming).

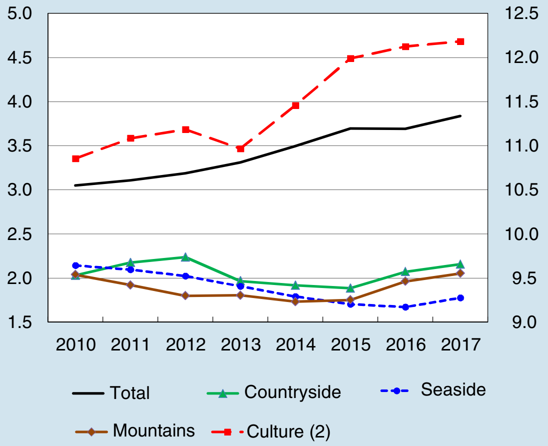
The increase in tourism services exports in the last ten years is almost entirely due to holiday travel. Italy continues to be one of the world's leading destinations for holidaymakers; it is third in Europe by number of international arrivals after Spain and France and fourth in the world immediately behind the United States. Receipts from other travel for personal reasons have risen only slightly and receipts from business travel have declined.

A model of specialized tourism based around the country's artistic and cultural heritage is gaining ground.[2] Overnight stays on culture trips or in cities of art continued to increase in 2017 and accounted for just over half of nights spent in Italy by foreign holidaymakers and 60 per cent of their spending.

These tourism flows are structurally concentrated in a number of specific destinations, however, often entailing a risk of congestion (Figure B), but new destinations have emerged recently, particularly in the North West and the South. While still representing only a small percentage, tourist visits to less urbanized areas – those with a UNESCO site or picturesque village (Touring Club Italiano orange flag) – have increased at a faster than average rate.

Figure B

Concentration index of overnight stays of foreign tourists in Italian municipalities (1)
(per cent)



(1) Herfindhal concentration index of overnight stays of foreign tourists in Italian municipalities based on the type of holiday. Three-year moving average. – (2) Right-hand scale.

Culture holidays are the most popular trip among non-European tourists (who are still in the minority) and younger age groups. Both categories vacation mainly in cities of art, particularly when visiting Italy for the first time. The growth in secondary destinations is due above all to an increase in European tourists returning to vacation in Italy.

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2 A. Filippone, M. Gallo, P. Passiglia and V. Romano, 'Gli stranieri in vacanza in Italia: prodotti turistici, destinazioni e caratteristiche dei viaggiatori', Banca d'Italia, Questioni di Economia e Finanza (Occasional Papers), forthcoming.