

2019 Risk Radar: Leisure and Tourism Sectors

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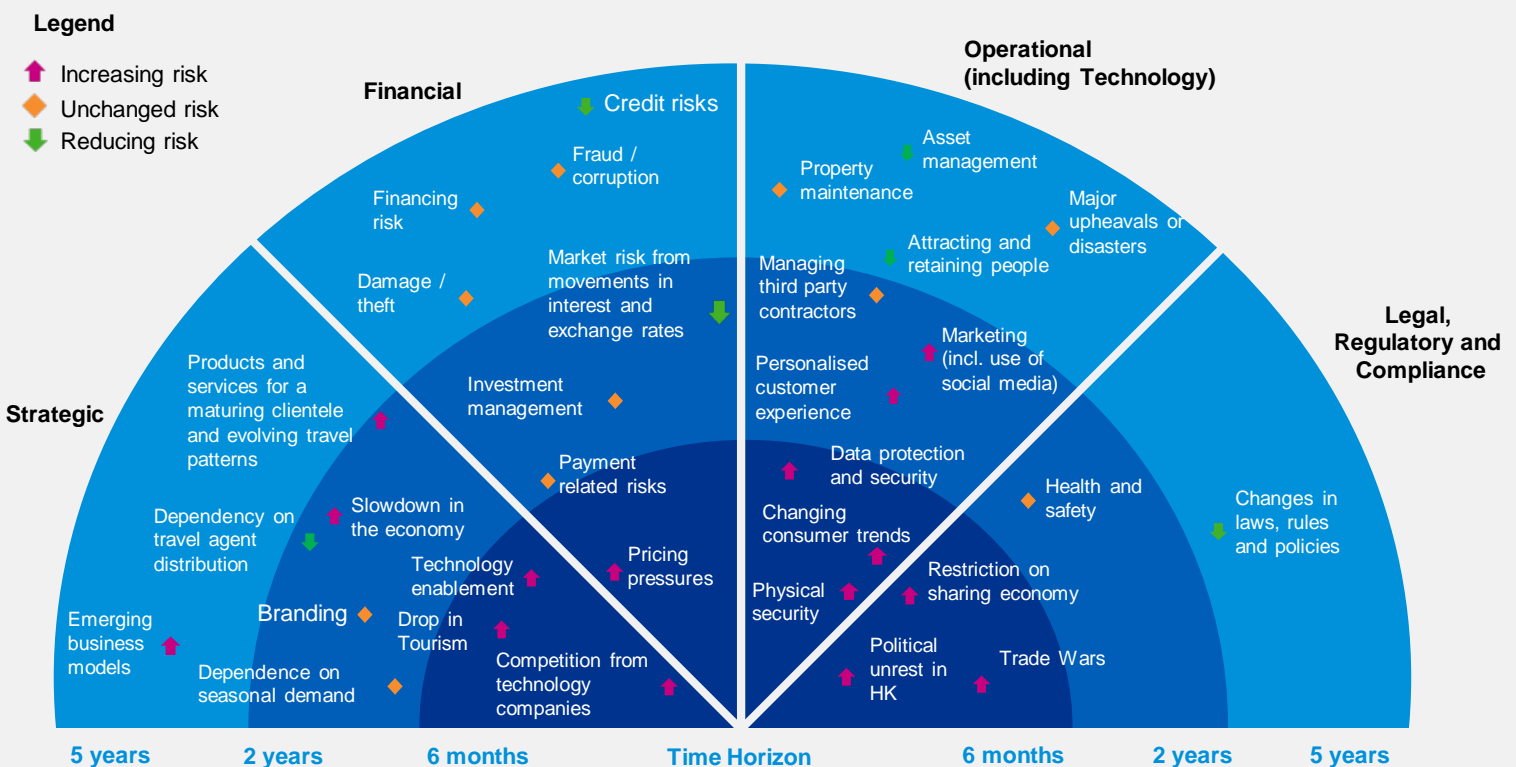
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With leisure and tourism accounting for more than one-tenth of the global GDP each year, the global traveler pool is flooded with millions of new consumers from both emerging and developed markets, many with rising disposable incomes and a newfound ability to experience the world. Nonetheless, clear downward pricing pressures can be observed across the industry with travelers favouring online portals that provide unique experiences rather than simple travel products.

Key trends observed in the market impacting the industry in the Greater China region:

- Emergence of community-focused services, including peer to peer sharing of accommodation and transport, micro-stays, and mini joint tours;
- Leisure and tourism technology further reducing the distance between experience providers and customers;
- Growth favouring business models with asset-light strategies, low-cost/ high-value, dynamic pricing, experience and sense of achievement providers; and
- Political risk lowering tourists' confidence and bringing adverse impact on tourism.



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