



Newsletter of the International Association for Tourism Economics

Vol. 2, No 1, 31 October 2018

2019 IATE Conference

The call for papers for the 7th Conference of the International Association for Tourism Economics, which will be held in La Plata, Argentina, from 3-6 September 2019, was distributed.

The key dates to remember are:

- Abstract submission: 15 February 2019
- Acceptance notification: 15 March 2019
- Full paper submission: 10 May 2019
- Conference dates: 3-6 September 2019

A PhD workshop will be organised on Tuesday 3 September 2019.

Outstanding papers will be considered for publication in a Special Focus in Tourism Economics, published by SAGE.

For more information, visit the IATE website:

<http://www.tourism-economics.net/>

as well as the conference website:

<https://iateconferencelaplata.wordpress.com/>.

Hope to see all of you in Argentina!

News from the Journal, Tourism Economics

Special Issue – We are happy to announce the launch of a new special issue on “Sports and Tourism: economic impacts”, edited by Juan Luis Nicolau. The deadline for abstract submissions is December 15. The call for papers can be found at <http://journals.sagepub.com/pb-assets/Special%20issue-Sports%20and%20Tourism%20Economics.pdf>.

September and November 2018 issues –

The September and November issues of Tourism Economics discuss very timely and interesting research topics. Some of them include:

- Innovation in tourism: A commentary
- ‘Phishing’ holidays and the timeshares market
- TFP and regional competitiveness
- Financial constraints and the sensitivity of investment to cashflow
- Ski lift operators and their dependence on natural snow
- Chinese tourism and its impact on Australia
- Visitors’ flow market through a user-generated approach
- Revenue management and price optimisation in hotels
- Ethnic diversity and its impact on revenues and arrivals
- National holidays and domestic tourism
- Determinants of dividend pay-outs
- Tourism, the environment and energy policies
- Foreign income shocks
- An index for tourism capital
- Tourism markets integration

As usual, we would like to thank all contributors, in particular the IATE members, and we look forward to receiving your future submissions!

Albert Assaf and Raffaele Scuderi

Global hospitality industry overview

The hotel performance reports for September 2018 are currently available from STR. In this newsletter, interesting developments in four regions of the world are shared with the IATE community.

Asia-Pacific

Regional hotel occupancy is down due to moderation in demand growth from Mainland China and tropical storms. The following regional statistics show this moderation:

- Occupancy: -2.7% to 69.2%
- Average daily rate (ADR): +2.8% to US\$106.24
- Revenue per available room (RevPAR): +0.1% to US\$73.47

Both Hong Kong and Osaka (Japan) saw a decline in occupancy rates due to Typhoon Mangkhut (Hong Kong) and Typhoon Jebi (Osaka).

Central/South America

For the continent in total, the following performance indicators show a growing trend:

- Occupancy: +0.9% to 58.7%
- Average daily rate (ADR): +11.2% to US\$104.27
- Revenue per available room (RevPAR): +12.2% to US\$61.18

Lima (Peru) saw a decline in performance due to an increase in new supply (+7.2%) combined with a dip in demand (-3.5%), while Quito (Ecuador) saw a 16.3% increase in demand on the back of an improved political situation in the country.

Europe

European hotel performance shows some consistency in revenue, although occupancy was slightly down:

- Occupancy: -0.7% to 80.7%

- Average daily rate (ADR): +3.6% to EUR123.09
- Revenue per available room (RevPAR): +2.8% to EUR99.38

Two of the biggest 'winners' in Europe are Budapest (Hungary) and Sofia (Bulgaria). In Sofia, absolute occupancy was the highest for any month since October 2016, at 75.3%; Budapest recorded its highest absolute ADR and RevPAR levels due to an increase in inbound tourism and a continued lack of supply growth in the market.

Middle East and Africa

Similar to the performance for the second quarter of 2018, hotels in the Middle East are still experiencing a decline in performance, while Africa is continuing its growing trend:

Middle East

- Occupancy: -7.0% to 59.8%
- Average daily rate (ADR): -18.0% to US\$124.49
- Revenue per available room (RevPAR): -23.7% to US\$74.47

Africa

- Occupancy: +3.9% to 65.0%
- Average daily rate (ADR): +6.4% to US\$107.96
- Revenue per available room (RevPAR): +10.6% to US\$70.21

Riyadh (Saudi Arabia) saw an increase in occupancy due to four events hosted at the Riyadh International Convention & Exhibition Center, while Beirut (Lebanon) saw a decline compared to September 2017, which was a bumper season boosted by political stability.

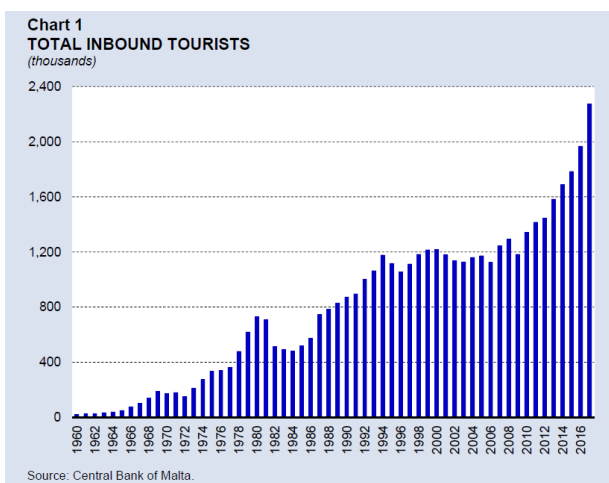
For more information, contact the STR SHARE Center, sharecenter@str.com.

Steve Hood (STR)

The evolution of Malta's tourism product over recent years

This brief note aims to analyse developments in Malta's tourism industry through the changing characteristics of demand and supply, as well as the economic importance of tourism for the Maltese economy. It also questions the sustainable growth of the sector and seeks to draw some policy inferences.

Historically, reflecting the ties between Great Britain and Malta, the local tourism industry was practically exclusively reliant on the UK. *By 2017, when a record of 2.3 million tourists visited Malta, while the UK remained the largest source market, its share had fallen to close to 25%. Meanwhile, for the first time, arrivals from Italy and Germany collectively exceeded UK visitors, and tourists coming from the remaining source markets represented more than half of total visitors.*



As the popularity of private accommodation increased, the tourism industry in Malta has gradually also shifted from package to non-package holiday makers, with the traditional tour operator business losing market share. The share of spending on package holidays almost halved from 2005 to 2017, down from 47.8% to 26.8% of tourists' total expenditure. During the same period, the average length of nights spent in Malta has generally declined, standing at 7.3 nights in 2017. The drop in the average

length of stay was more pronounced post-2007, partly reflecting the advent of low-cost carriers. The average expenditure per night increased from €91 in 2001 to €118 in 2017. The relatively stable average length of stay and spending per night masks notable heterogeneity across different source markets.

Over the years, tourism-related supply factors have adjusted to more dynamic demand. Possibly reflecting the heavy investment outlays required in the hotels sector, the number of collective accommodation establishments rose at a more muted pace than inbound tourism. Since 2008, bed capacity in collective accommodation establishments rose by 8.9%, or close to 3 500 more bed-places. Despite losing market share to private accommodation establishments and increasing the number of bed-places, hotels still managed to increase their occupancy rates. Higher occupancy rates can be largely attributed to a concerted effort, by various stakeholders, to attract visitors during the winter and the shoulder months of the peak season. Interestingly, higher occupancy rates were not achieved by lower room rates, but through non-cost factors and an improved quality product. Indeed, hoteliers were able to increase daily room rates markedly from 2006 onwards.

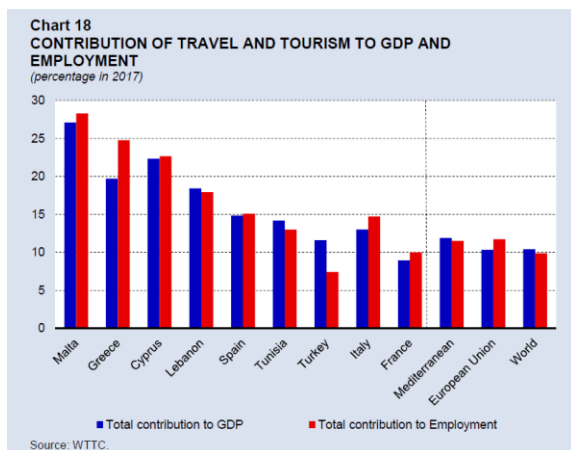
The island's tourism sector is very dependent on the operations of the country's sole airport. Route connectivity and increased aircraft movements are major supply-side factors in the country's tourism market. Over the last decade, route connectivity increased from 61 in 2009 to over 100 destinations in summer 2018. Consequently, aircraft movements and the resulting seat capacity increased markedly.

The advent of low cost carriers in 2006 led to a rise in the number of aircraft movements, but the high point reached in 2000 was only surpassed in 2010. In the following years, aircraft movements continued to grow steadily, reaching close

to 43 000 scheduled and chartered flights in 2017. The increase in seat capacity was also met by a rise in the passenger, or seat load factor.

Malta's unique geographical location has for long attracted the interest of major cruise liner companies operating in the Mediterranean Sea. The island's central position makes it possible to cater for both west- and east-bound cruises. Between 2008 and 2014, the number of cruise liner passengers arriving in Malta averaged slightly less than half a million passengers per year. From 2015 onwards, cruise liner passengers rose markedly, reaching 670 000 in 2017. Interestingly, the increase in passenger arrivals was not matched by a similar rise in cruise liner calls. This shows that larger vessels, with increased accommodation capacity, are calling into the Maltese ports.

Data from the World Travel and Tourism Council (WTTC) show that the travel and tourism industry's *total* contribution to Malta's GDP stood at 27.1% in 2017. This was the highest share recorded within the Mediterranean region by a notable margin. Within the context of assessing the true contribution of tourism to the Maltese economy on the basis of the input-output studies, a realistic contribution of the tourism sector to the Maltese economy would lie in the range of 12% to 17% of total GVA.



Policymakers should strive to devise tourism policies for the benefit of the economy, the environment, entrepreneurs, visitors and residents. Nonetheless, striking this fine balance is no easy feat. This is particularly difficult in smaller countries like Malta, which saw 5.3 visitors per inhabitant in 2017; the second highest ratio worldwide after Iceland. When one takes into account tourists' concentration on Malta's limited geographical size and high population density, the situation is significantly more severe. Over the past few decades, synergies between key stakeholders were instrumental in successfully reaping the economic benefits of the tourism industry.

Efforts to increase route connectivity, thereby reducing dependence on few source markets, and creating important niche markets to diversify the Maltese tourism product have helped in significantly tackling the issue of seasonality. Improvements on roads, infrastructure and embellishment projects in a number of key locations are also commendable. However, additional effort is required to enhance the quality of the tourism product and improve public transport services. Moreover, hoteliers and entrepreneurs should continue to invest in high-end establishments that can help in attracting more affluent visitors. This would enable better wages to employees in the local industry, which would render it more attractive as a vocational career while ensuring that a larger share of the population would benefit from the buoyancy of the sector.

Silvio Attard

Senior expert within the Economic Analysis Department of the Central Bank of Malta. The full article is published in the 2018 Q4 Quarterly Review of the Central Bank of Malta. The views expressed in this paper are those of the author and do not necessarily reflect those of the Central Bank of Malta

Research projects to follow

Tourism, public holidays and economic growth: Is there a relationship?

Over the last couple of years, some countries in Latin America have engaged in policy discussions about the number of working days, its relationship with public holidays and vacations, and their effects on economic growth. In 2010, the Argentine government established the “law of order of public holidays” with the aim of fostering tourism, helping regional economies and reducing the seasonality of the tourism activity. This initiative consisted of establishing bridge public holidays for tourism purposes for the following years. The days of holidays went from nine on average in the period 1993 to 2010 to 16 on average in 2011 to 2016, reaching a maximum of 19 days in 2013. However, in 2017, the national government in turn proposed to eliminate this policy of bridge public holidays for tourist purposes, arguing that, although they had positive aspects, they negatively influenced the fulfilment of the school cycle and product competitiveness. Surprisingly, by the end of the same year, bridge public holidays were again on scene.

On what evidence are these decisions supported? What is the relationship between days of public holidays and economic growth or productivity? What is the relationship between days of vacations and days of public holidays and hours worked? There are very few studies that attempt to answer these questions, mainly in Latin American countries. Moreover, for Argentina, there is no empirical evidence at all.

Colombia and Uruguay are also good examples of initiatives related to modifying their public holidays, discussing in both cases the trade-off between the number of public holidays and the number of paid vacations established by the legal

framework of each country as a way to compensate total working hours. Although these proposals did not get underway, they shed some light on the importance of supporting the suggested policies with empirical evidence.

	Number of public holidays - Year 2017	Days of paid vacations on average (minimum value)
Argentina	17	18
Chile	17	15
Colombia	19	15
Brazil	14	26
Bolivia	11	22
Spain	11	22
Portugal	14	22
Finlandia	15	30
France	11	30
China	7	5

The table shows some interesting numbers. Argentina and Colombia are countries with both the highest number of public holidays and paid vacations. With different economic performances, Bolivia has 22 days of paid vacations while Argentina has 18 days and France has 30 days while Bolivia and France have both only 11 public holidays.

Following these ideas, the Department of Economics of the Universidad Nacional de la Plata, Argentina (guided by Dra. Natalia Porto and with the work of Mg Natalia Espínola and Lic Carolina García) is developing a research project to investigate, at a first stage, the relationship between working days and economic income in Argentina and Latin American countries. The investigation aims to provide evidence to the decision-making process of public policymakers. The second stage of the project will provide a comparative analysis with European countries and, if data are available, with Asian countries. This is a

challenge for the entire academic community, and we have a long path to go through.

Natalia Porto

Upcoming events and special editions

Asia:

2019 APacCHRIE & EuroCHRIE Joint Conference

School of Hotel and Tourism Management,
The Hong Kong Polytechnic University,
22 – 25 May, 2019

We are pleased to announce the “2019 APacCHRIE & EuroCHRIE Joint Conference” to be organised by the School of Hotel and Tourism Management, The Hong Kong Polytechnic University. Welcome all delegates to this beautiful city.

The conference will focus on a broad range of topics related to tourism and hospitality. The conference organisers invite papers, abstracts and presentations relevant to the theme of the conference “East meets West” in hospitality/tourism. Papers are also invited in the sub-themes of:

- Social media and sharing economy
- Big data and marketing
- Sustainable development strategy
- ICT and social networks
- Ethics, leadership, and corporate social responsibility
- Social innovation
- Knowledge economies, knowledge management
- Innovation and entrepreneurship
- Human resource management and organisational behaviour
- Destination branding and promotion
- Tourist experience and human interactions
- Consumer behaviour in hospitality/tourism
- Public-private partnerships

- Culture, localisation and globalisation
- Community resilience and social capital
- Rural tourism and green tourism
- Papers related to the theme of ‘one belt one road’

Submission information

Two types of submission are invited: working papers (in the form of maximum 1 500 words extended abstract), and full papers of maximum 5 000 words. Submissions must be original and should not be already published nor under review for publication elsewhere.

Once the submission is accepted, at least one of the authors must register and present at the conference. Papers will be presented in either oral (i.e. stand-up presentation) or visual (i.e. poster) form. Authors should state their preference when submitting their work, but the organising team will make the final decisions.

Enquiry: Leslie Fung

Email: leslie.fung@polyu.edu.hk

Europe:

28th Council for Hospitality Management Education Conference – 2019 (CHME)

University of Greenwich, London, 21-24
May 2019

The 28th CHME conference will be hosted by the University of Greenwich in London, United Kingdom, from 21 to 24 of May 2019.

<https://www.gre.ac.uk/bus/events/chme>

Researchers and practitioners are invited to submit their papers and share their expertise in hospitality and tourism. The CHME 2019 will focus on *Transforming Hospitality*, which is on how hospitality enables us to understand the complex social and cultural structures and practices within which it operates. It will be shaped around a number of standing themes and a range of

special themes: hospitality and management; critical and cultural studies of hospitality; learning, teaching and assessment in hospitality management education; urban hospitality; and hospitality and wellness.

Confirmed speakers are:

- Professor Alastair Morrison – Specialist in hospitality and tourism marketing
- Dr Melanie Smith – Specialist in wellness tourism
- Professor Jon Wilson – Specialist in multiculturalism
- Chris Moore – Chief Executive, The Clink Charity
- Julie Barker – Director of Accommodation and Hospitality, University of Brighton & Deputy Chair, TUCO
- Natalie Harrison – Head of Global Public Relations, Airbnb

Important deadlines are the following:

- Submission of papers for reviewing; Register of poster presentations: December 2018
- Reviews returned to authors: February 2019
- Final paper submission: March 2019
- Final papers to conference organisers: April 2019

Awards and prizes:

The winner of Best Paper and Best Poster for each of the five tracks will receive framed certificates for presentation at the Gala Dinner. The Clive Robertson Award for the best developmental paper will be presented in the 'Learning, Teaching and Assessment in Hospitality Management Education' track theme.

For further information, please contact CHME2019@greenwich.ac.uk

International Forum on Circular Economy and Opportunities for the Bio-economic development on islands

University of Las Palmas de Gran Canaria,
8-9 November 2018

We are pleased to inform you that the University of Las Palmas de Gran Canaria in collaboration with the Cabildo of Gran Canaria and the Governments of Canary Islands, Madeira and Cape Verde, will celebrate on 8 to 9 November **2018 in Gran Canaria the I International Forum on Circular Economy and Opportunities for the Bioeconomic development on islands**. This International Forum has four sessions, which include all of the economics sectors and with the participation of international personalities of relevance, other institutions, associations and companies.

The objective of this forum is to provide an international meeting for the business sector, public administration, researchers and academics, with the purpose of promoting the integral development of the circular economy and the opportunities to the bio-economic development on islands. Furthermore, to generate relationships of collaboration among the implicate sectors.

This forum owns the Project: "R+D+i TOWARDS AQUAPONIC DEVELOPMENT IN THE UP ISLANDS AND THE CIRCULAR ECONOMY" (ISLANDAP), funded by the programme of territorial cooperation INTERREG – MAC 2014-2020, Canary Islands, Madeira and Cape Verde.

We would like to invite you to participate and contribute towards the development in this 1st International Forum.

Registration is free. For more information, visit: <https://islandap.org/i-foro-economia-circular/>

You can find more information about the event on the web www.islandap.org

Positions available

Job description: Assistant or associate professor of Tourism Economics

The Department of Economia Aplicada at the Universitat de les Illes Balears (Spain) invites applications for faculty positions at the level of (tenure track) assistant or associate professor in the field of Economics. Open positions are to begin in September 2019.

The position involves both research and teaching. Candidates are expected to have completed their PhD by end June, 2018. Furthermore, credentials either for *Contratado Doctor* or *Ayudante Doctor* will be valued (in default of credentials, candidates would be expected to obtain them over a few months). Since most teaching at the University is either in Spanish or in Catalan, the ability to teach at least in one of these two languages is also important.

Additional information about the department is available on our website at <http://dea.uib.eu>

Application procedure:

Applicants should submit a CV, a copy of their job-market paper and two letters of recommendation (if deemed appropriate) at <http://econjobmarket.org>. Qualified candidates could be invited to give a seminar at the department.

Application deadline: 31 December, 2018.

For more information, contact Daniel Cardona at d.cardona@uib.cat

Congratulations!

Congratulations to Tanija Mihalič – a member of IATE – and her colleagues for receiving the best paper award for 2017 in the Journal of Destination Marketing and Management!

Šegota, T., Mihalič, T., & Kuščer, K. (2017). The impact of residents' informedness and involvement on their perceptions of tourism impacts: The case of Bled. *Journal of Destination Marketing and Management*, 6(3), 196-206.

A note from the editors

Thanks to all our contributors! We call on all of you to keep sending news, updates, research projects, conference and other calls to include in the newsletter. These can be sent to Andrea Saayman (andrea.saayman@nwu.ac.za) and/or Mondher Sahli (Mondher.Sahli@vuw.ac.nz).