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## **Special Market Report**

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## TURKEY OUTLOOK 2017: LIGHT AT THE END OF THE TUNNEL?

*Tourism in Turkey is focused largely on a variety of historical sites, and on seaside resorts along its Aegean and Mediterranean Sea coasts. Turkey has also become a popular destination for culture, spa, and health care tourism. At its height in 2014, Turkey attracted around 42 million foreign tourists, ranking as the sixth most popular tourist destination in the world. This number however declined to around 36 million in 2015 and deteriorated further in 2016, due to regional uncertainty and political tension with Russia.*

### Before 2016

Before 2016, Turkey's tourism industry was flourishing and enjoying huge financial success. Annual visitors had increased by an average of 400% since the turn of the century. Istanbul became one of the official top ten city break destinations, and 36 million visitors made it the sixth most visited destination in the world - and many, captivated by the city, chose to buy apartments in Istanbul. Local and international branded hotels also took off, attracting many visitors because of their extremely low prices. Top visiting nationalities included Russians, Germans, and British.

### In 2016

The tourism sector declined by 40% in 2016 which was due to a combination of terrorist attacks in Istanbul Ataturk airport and big cities, and the civil war in the bordering country of Syria. Furthermore, worsening relations with Russia and the failed coup attempt led Turkey.

### So, what will 2017 bring?

The Turkish tourism sector has some 80 billion dollars worth of investment stock and a high-quality bed capacity of 1 million. In addition to this, the sector also provided employment for more than 1 million people.

Turkey's hotels, bars, shops, and restaurants hope that

2017 will be a good year. Are they optimistic? Let us look at the main facts for the industry.

### The Russians will return

One of the biggest downfalls in last year's figures comes from the Russian tourist sector. The relationship between the two countries is now back on an even keel after the charter flight ban was lifted. In the three months since the ban was lifted 432,000 Russians visited Antalya and their number are expected to be over 3 million in 2017, similar to 2015.

### More PR campaign on the way

According to the Turkish Tourism Ministry statements, a much larger budget will be allocated to revive Turkey's image by launching an extensive promotional and PR campaign as well as lobbying activities.

### More Arab tourists

While the western world seems to be boycotting Turkey, Arab tourists have played a significant role for Istanbul's occupancy rates. Turkey also plans to boost their growing popularity in the Arab world. Already marketed as the ideal "halal" destination, Turkey will embark on new projects that specifically cater for pious Muslims. Traditionally, places like Trabzon in the northeast are already one of the top visiting destinations in Turkey for Arab tourists and projects to renovate, upgrade, and install amenities and facilities are set to attract even more.

### Ukrainians are coming

Tourist share from the Ukraine increased 50% last year. It was recently announced that the citizens of Turkey and Ukraine will enjoy passport-free travel. This would hopefully allow Ukrainian tourist numbers to reach 1.5 million per year.

There were also more Georgians, Azerbaijanis, Israelis and Lebanese tourists in Turkey last year. Tourist numbers from these countries are set to rise again in 2017.

## Will the Chinese discover Turkey?

Turkey expects 1 million Chinese visitors for 2017, following an agreement with China - in exchange for Turkish tourists to China. As well as increasing tourism revenue - the average Chinese spending around a thousand dollars per trip - the agreement may further strengthen ties between the two countries.

The Government worked to attract more tourists by promoting the country at the World Travel Market event in the UK in November 2016. They employed fifty representatives to answer questions, hand out leaflets and address concerns that any potential visitors or overseas travel brand would have about the country. The government has also continued their promise of subsidies for any airlines bringing tourists to certain airports. Turkish tourism bods will also attend 112 expos in 56 countries in 2017, including Germany, Russia, Netherlands and the UK, in the hopes of increasing tourism back home.

## Finally

It is obvious that there is no problem with Turkey's touristic products and services, but a problem with political issues. Although a return to 2015 numbers might not be possible, we all believe that 2017 will be better than 2016. Along with the hospitality sector, a type of tourism activity in which large groups convene for a particular purpose, Meetings, Incentives, Conferences, and Exhibitions (MICE) industry is also optimistic for 2017.

### Foreign visitor arrivals

Year	Arrivals
1995	7,083,000
2000	8,000,000
2005	21,200,000
2010	28,632,204
2011	31,456,076
2012	31,785,780
2013	39,724,912
2014	41,263,670
2015	36,244,632
2016	25,352,213

Source: Turkish Ministry of Tourism

### Total number of tourists by country of origin in 2015 and 2016

Rank	Country	2015	2016
1	Germany	5 580 792	3 890 074
2	Georgia	1 911 832	2 206 266
3	UK	2 512 139	1 711 481
4	Bulgaria	1 821 480	1 690 766
5	Iran	1 700 385	1 665 160
6	Ukraine	706 551	1 045 043
7	Netherlands	1 232 487	906 336
8	Russia	3 649 003	866 256
9	Azerbaijan	602 488	606 223
10	France	847 259	555 151

Source: Turkish Ministry of Tourism

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