A stable outlook for cost of travel with the Australian dollar expected to remain low and crude oil prices likely to stabilise in the near term.

Executive summary

Global growth is expected to remain above trend in 2019, but the outlook is less upbeat than previous forecast.

Forecasts for global output and income growth have been revised downwards with ongoing US and China tensions, rising interest rates and uncertainty around Brexit.

Australia’s economic outlook has moderated to 2.7% growth per annum over the next three years.

International tourism

International tourism numbers to Australia continued to grow, but growth has slowed to 4.9% reaching 9.2 million trips.

62% of domestic overnight visitors have visited a regional location during their trip.

The growth in nights spent in commercial accommodation was in line with the growth in total visitor nights.

Nights spent in hotels grew 6.1% while nights spent in rented properties or private accommodation (including those booked on platforms such as Airbnb) increased 3.9%.

Domestic tourism

Domestic overnight trips grew 7% to reach 102 million, supporting 6% growth in visitor nights in 2018.

Purpose of travel:
- 40% Holiday
- 33% Visiting friends and relatives
- 21% Business
- 5% Others

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Australia’s tourism and hotel sectors will continue to record strong growth but there are headwinds on the horizon.