EUROPEAN TOURISM - TRENDS & PROSPECTS

QUARTERLY REPORT - Q4/2023

EUROPEAN
TRAVEL
COMMISSION

EUROPEAN TOURISM:
TRENDS & PROSPECTS
Quarterly report (Q4/2023)

A report produced for
the European Travel Commission
by Tourism Economics

Brussels, February 2024

ETC Market Intelligence Report

EUROPEAN TOURISM: TRENDS & PROSPECTS (Q4/2023)

Data sources: This report includes data from the TourMIS database, STR, IATA, Eurocontrol, UN Tourism, and Lighthouse. Economic analysis and forecasts are provided by Tourism Economics and are for interpretation by users according to their needs.

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Cover: The citadel, Collegiate Church and river Meuse in Dinant, Belgium, in winter
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FOREWORD

As 2023 drew to a close, European tourism continued its path to recovery. Foreign tourist arrivals to Europe now sit at just under 2% below 2019 levels in 2023, and the recovery has extended its reach to a more diverse range of countries within Europe. Southern European countries remained particularly popular amongst travellers, but an increasing number of Western and Northern European destinations are seeing their popularity increase again too. Examples of countries reporting a full recovery of foreign arrivals now include both traditionally popular countries such as France, Türkiye, Greece, and Spain, and smaller countries such as Serbia, Montenegro, and the Benelux area.

With travel volumes returning to pre-pandemic levels, it becomes increasingly important to monitor travel patterns and traveller behaviour. Together with other social, economic and environmental indicators such as employment levels and resident satisfaction levels, this helps ensure that there is an equitable trade-off between the value that is brought about and the impacts that are created. The high travel demand seen in 2023 positively supported European economies, but it also resulted in the return of issues such as overcrowding within some destinations. Managing this is imperative, as tourism is expected to grow in the years ahead.

Inflation has been one of the main influences on travel behaviour throughout 2023, as the prices of travel products and services have been especially high. However, these pressures have started to ease in late 2023, which is noteworthy going into 2024. Long-haul travel to Europe, where pricing is more important due to the expensive nature of these trips, is expected to start making a more significant recovery in 2024, especially from markets in the Asia-Pacific region such as China.

The most recent edition of the 'European Tourism Trends & Prospects' quarterly report delves into Europe's tourism performance going into the final months of 2023. This report also features a special section on the recovery of travel from China and other long-haul source markets. As such, this analysis offers a detailed overview of Europe's tourism recovery, as well as some initial expectations for 2024. The quarterly reports are meant to support destination managers and industry professionals in monitoring the short-term development of tourism across Europe.

Menno van IJssel

Project Manager Research

European Travel Commission (ETC)

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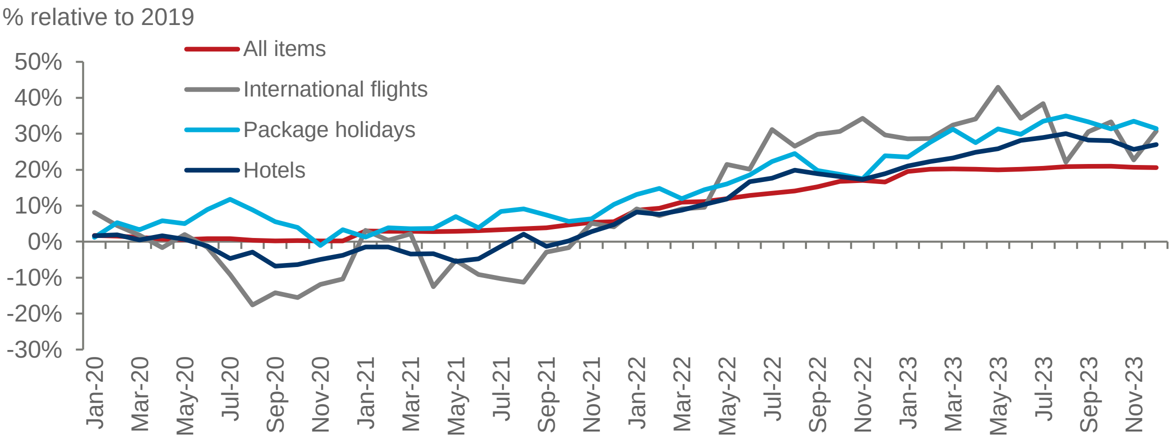
EUROPEAN TOURISM RECOVERY CONTINUED INTO THE SHOULDER MONTHS OF 2023, AS MORE COUNTRIES SEE TRAVELLERS RETURN AT PRE-PANDEMIC LEVELS

Data from European destinations shows that travel demand remains strong. Approximately two out of three countries are now reporting either a full recovery or are within 10% of pre-pandemic levels of foreign tourist arrivals and/or overnights. Foreign arrivals currently sit just 1.6% below 2019 levels for Europe as a whole, and this recovery is expected to continue into 2024. The improvements are mainly a result of strong intra-European travel, predominantly from the German, French and Dutch source markets. Travel from long-haul source markets to Europe is increasing as well, although at a slower pace overall, and with stark differences between the Asia-Pacific and North-American markets for example. According to the UNWTO, in total some 700 million travellers visited Europe in 2023, representing 54% of all global travellers[1].

Inflationary pressures have been a main factor in subduing some travel demand. Prices for travel related products such as international flights, package holidays and hotels all remained more than 30% higher than before the pandemic. This has benefitted low-cost airlines and destinations that are considered to provide more value-for-money. There seems to be an end in sight however, as pricing pressures eased in Q4/2023. Other constraints such as strikes and the war between Israel and Hamas, are expected to continue influencing travel flows from both intra-European and long-haul markets, particularly those that are more risk-averse.

EU Inflation for Key Tourism Metrics (HCIP Measure)



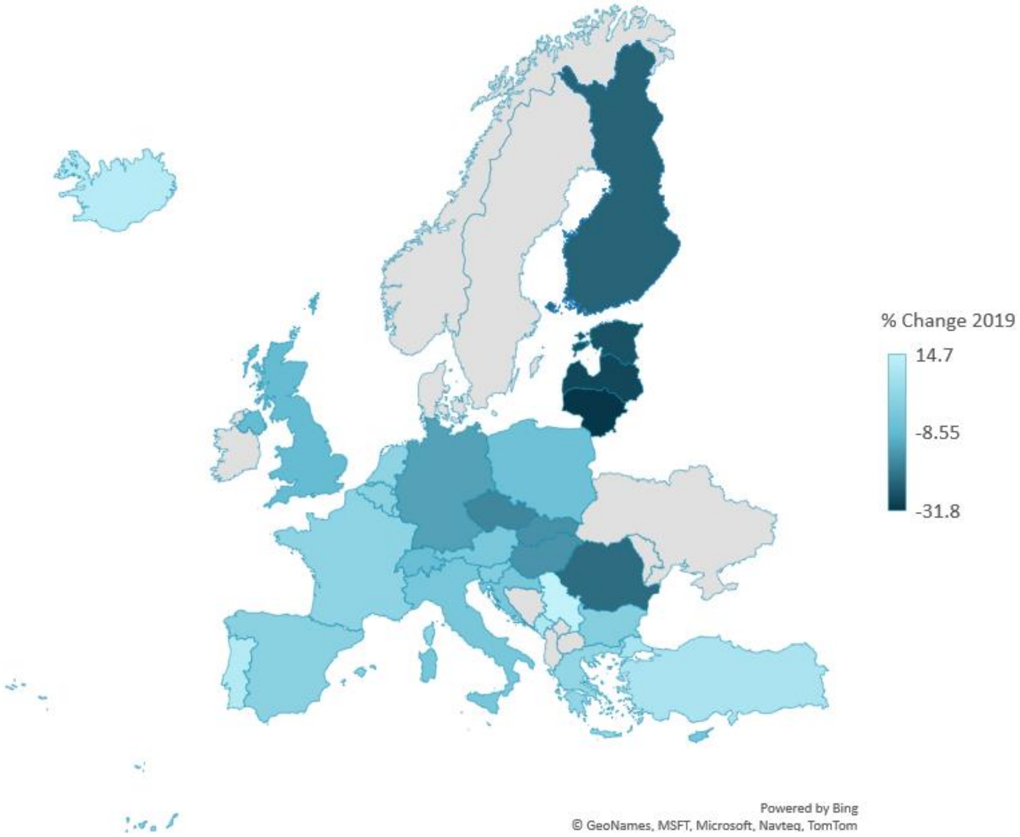
Source: Eurostat/Tourism Economics

Among the countries seeing the largest increases in international travel arrivals relative to 2019 are many Southern European destinations, including Portugal (+11%), Montenegro (+10%), Türkiye (+9%) and Malta (+8%). These are popular destinations for more price-conscious all-inclusive holiday trips and have benefitted from climate-friendly conditions continuing into the later months of 2023. Serbia (+15%) noted the largest increase, partially owing to the introduction of 23 new direct flights to the country throughout 2023 by the national airline. Other destinations with a notable recovery on 2019 include Iceland, with arrivals up 12% despite volcanic eruptions in the country, and the Netherlands, which has been successful in generating longer stays from foreign tourists, as arrivals are up 2% while nights are up 16%. On the other end, destinations bordering Russia continue to see the slowest

[1] UNWTO World Tourism Barometer, Volume 22, Issue 1, January 2024, Excerpt

recovery in foreign arrivals, as is evident in Lithuania (-32%), Latvia (-29%), Estonia (-27%), and Finland (-24%).

Foreign Visits to European Destinations 2023 Year-to-Date



Source: TourMIS

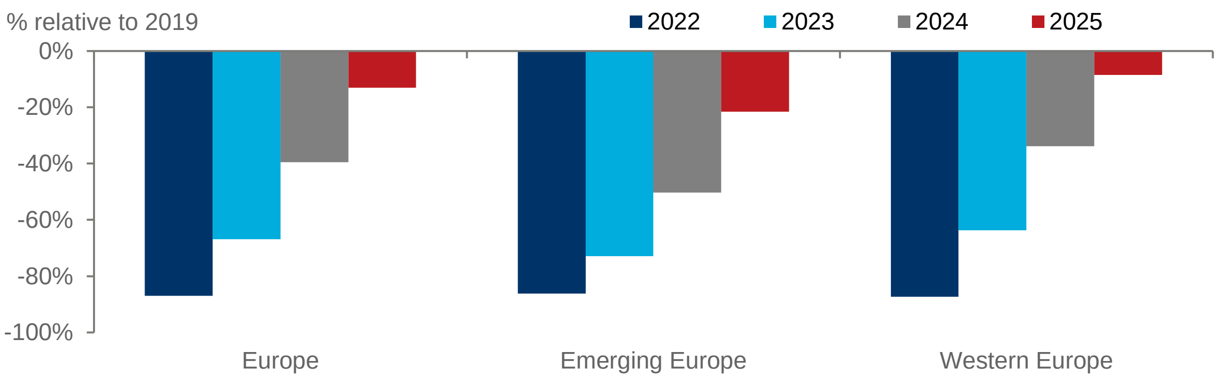
AIRLINES AND HOTELS BENEFIT FROM STRONG TRAVEL DEMAND IN 2023

While flight volumes have stalled since the last quarter due to strikes and heavy weather conditions in various European countries, RPKs in Europe have continued to improve, recovering to just 3% below 2019 levels. Airlines are benefitting from the return of business travel and high leisure travel demand, though this is most evident in North America, where air passenger growth is already 7% higher than before the pandemic. Meanwhile, the accommodation sector is seeing improvements as well, with hotel occupancy rates in Europe up 7% on last year, ADR up 8%, and RevPAR up 16%.

TRAVEL FROM CHINA TO EUROPE IS EXPECTED TO PICK UP FROM 2024 ONWARDS, AND IN NEW FORMS

Chinese arrivals to Europe accounted for 13% of the total from all long-haul markets in 2019, and the recovery has been slow but steady since the country fully reopened its borders. Tourism Economics estimates arrivals to Europe from this market to be 67% below pre-pandemic levels in 2023. Aside from capacity bottlenecks, the Chinese market has remained risk-averse over the past year, swaying more towards domestic travel. European destinations can expect to see some substantial improvements in travel volumes from this market in 2024 albeit in new forms. These new forms will be driven by generational changes and the growing influences of social media, leading the Chinese market to search for slower and more immersive travel experiences, as opposed to the more traditional group travel, presenting both challenges and opportunities to the industry.

Recovery of Chinese Outbound Visits to Europe



Source: Tourism Economics

Contrary to Asian markets such as China and Japan, travel from North American markets to Europe already witnessed a significant recovery in 2023. Two-thirds of European destinations have seen growth in arrivals and/or overnights from the US relative to 2019, while the same can be said for over half of European destinations regarding the Canadian market. For both markets, Türkiye and Portugal proved to be top-performing destinations, owing to their attractive climates and good perceived price-quality ratios. Both US and Canadian airlines announced new developments in the provision of intermodal booking systems in Europe, allowing the combination of flight and rail travel on a single ticket and thereby presenting a more sustainable option for travellers from these markets when visiting Europe. *"Ensuring a sustainable path for tourism is crucial for the prosperity of the industry. All tourism stakeholders should actively shape this future, including destinations, businesses, residents and travellers. Understanding travel patterns and traveller behaviour is one of many important steps, which allow us to understand where adaptations need to be made and how to do so effectively. Guiding these travellers towards more sustainable travel options subsequently ensures the maximum value is generated for host communities and visitors alike."* said Eduardo Santander, Executive Director of the European Travel Commission (ETC).

Menno van IJssel (ETC Executive Unit)
With the contribution of the ETC Market Intelligence Committee

1. TOURISM PERFORMANCE SUMMARY 2023

SUMMARY

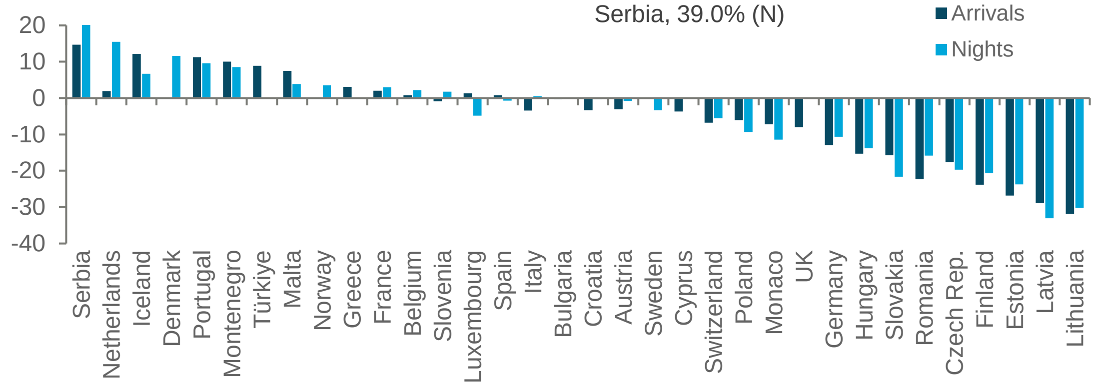
- European travel remained resilient in Q4 2023, building on the recovery made in the summer. Latest year-to-date data from TourMIS has put foreign arrivals to European destinations at 1.6% below 2019 levels and nights just 0.6% below. This marks a quarterly improvement across both metrics. For 2023 this represents year-on-year growth of 17.7% for arrivals and 12.3% for nights.
- Southern European destinations continue to drive the recovery in Europe. Some have likely benefited from more favourable weather conditions going through into October. On the other hand, Eastern European destinations continue to see the weakest recovery.
- Despite the high-inflation backdrop, especially for tourism-related items such as international flights, package holidays and hotels, tourists have still continued to sacrifice other spending in order to fulfil their appetite to travel. Europe has passed the worst of the inflation and price increases are slowing to a more normal range which should benefit those pre-booking trips for 2024.
- The Israel-Hamas war has seen arrivals from Israel drop sharply on a year-on-year basis to many European destinations. Travel advice warning against travelling to and from Israel pose a downside risk to travel going forward.

The recovery in European travel continued to gain momentum in the final quarter of 2023, edging ever closer to a full recovery. Year-to-date data for 2023 from TourMIS puts foreign arrivals just 1.6% below 2019 levels (dates vary by destination), up from 3.2% below in last quarter's report. Foreign nights are now just -0.6% below, up from 1.3% over the same period. The improvement in Q4 has brought the recovery of both metrics more aligned, suggesting a return to more typical travel patterns in terms of length of stay. Given how close Europe is to a full recovery from the pandemic, annual growth will start to become more informative on performance, than continuing to compare against 2019. The latest data puts year-on-year growth for arrivals and nights at 17.7% and 12.3% respectively, where the only annual declines was reported in Luxembourg for foreign nights and the Czech Republic for equivalent arrivals.

A strong end to 2023 has resulted in four more destinations reporting a recovery in at least one metric (nights and arrivals) compared to last quarter. This brings the number of destinations recovered up to 16, including both Western and Eastern European destinations. However, there is still a clear divide across the sub-regions. The weakest performing destinations for both arrivals and nights are still skewed towards Eastern Europe and the Baltics; Lithuania, Latvia and Estonia, as all reported little improvement in the final months of 2023.

Foreign Visits and Overnights to Select Destinations

2023 year-to-date*, % change relative to 2019 levels



Source: TourMIS* *date varies (Jan-Dec) by destination

The recovery in Europe currently is largely [reliant on the performance of Southern European destinations](#) such as Serbia, Montenegro, Portugal, Türkiye and Malta. These have been popular summer destinations and have benefitted from favourable weather conditions continuing into early-Q4. They are also popular destinations for all-inclusive holidays and also some have been cheaper than comparable countries, which has been key to attracting more price-conscious travellers.

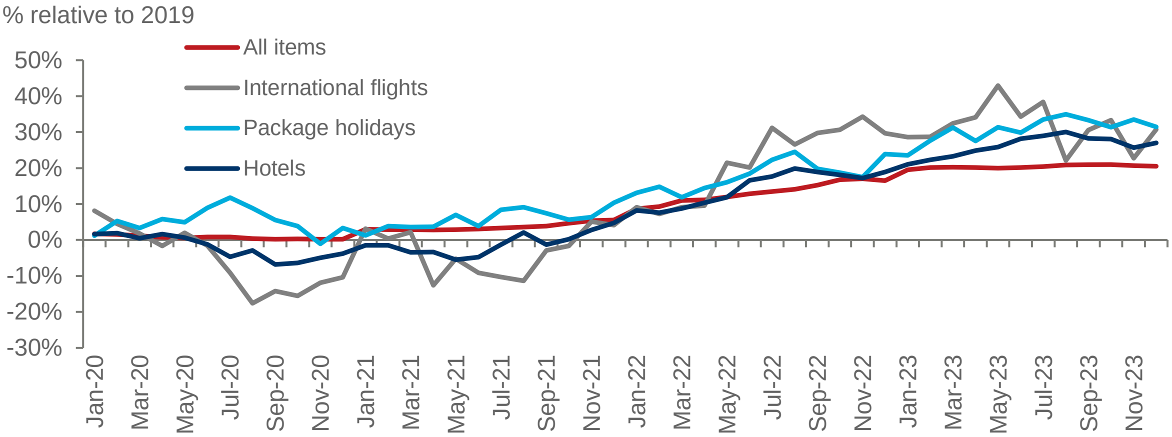
The recovery in Iceland has improved towards the end of the year as demand typically does due to the northern lights and winter-attractions. This is despite the risks from the volcanic eruption which caused the blue lagoon, the most [popular tourist attraction in Iceland](#), to close for a limited time, but any flight disruptions were minimal due to airline preparation following the 2010 eruption. As of the latest data (not full year) arrivals are now 12.1% above 2019 levels and nights 6.7%, there is a possibility the volcanic event could have weakened the growth in arrivals in December. Last-minute trips were likely disrupted the most due to the volcano, however, travel still continued, especially for arrivals coming from long-haul destinations such as the US or pre-paid trips.

The broad-based improvement in both arrivals and nights at a regional level and the fact that more destinations have recovered is encouraging given the inflationary backdrop facing hoteliers and tourists alike. Inflation for all items rose 23% ahead of 2019 levels in Q4 2023, but prices are notably more elevated for tourism-related items, with international flights (49%), package holidays (47%) and hotels (35%) ahead of this. Higher prices have put a strain on household finances, but this has not deterred the majority of those who want to travel.

Pricing pressures eased slightly in Q4 2023, compared to the previous quarter in all tourism-related items, but remain significantly elevated relative to pre-pandemic levels. Hotels have typically seen the lowest rise in prices compared to international flights and package holidays, possibly due to the range of price-points across hotels in each destination. The cost of international flights has seen the most significant drop in the second half of 2023, likely linked to changes in oil and, in turn, jet fuel prices. The price increases were largely due to increases in underlying costs being passed on as margins have tightened with higher levels of debt service. Tourism Economics survey of major industry stakeholders shows that businesses view costs as the biggest risk to demand.

Some of the resilience seen to travel has been supported by excess savings, however, these will inevitably reduce. But recent inflation data continues to show that rates have peaked and to some extent they are starting to slow down and start to head in the right direction towards the central bank target. This should ease price expectations and boost optimism for future bookings.

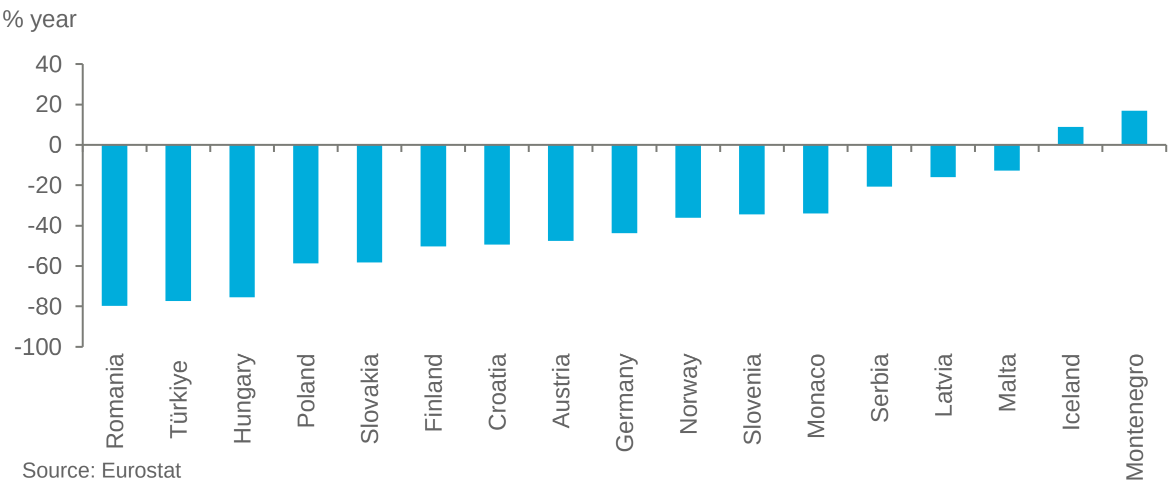
EU Inflation for Key Tourism Metrics (HCIP Measure)



Source: Eurostat/Tourism Economics

Last quarter's report touched on the potential impact of the conflict in Israel, but since then some hard data on arrivals from Israel have been released for Q4 2023 (dates vary by destination). As expected, the number of arrivals into European destinations has generally decreased compared to last year. On average, there has been a 39.3% drop across reporting countries. Romania (79.7%), Türkiye (77.3%) and Hungary (75.6%) have seen the largest declines in arrivals from Israel. There are a few exceptions however being Iceland and Montenegro.

Tourist Arrivals from Israel to European Destinations in Q4 2023*



Source: Eurostat

Many flights were cancelled in Q4 as a result of this conflict and there is still uncertainty over how long the conflict will last. As a result, many more flights have been cancelled into 2024. But there will be some travel opportunities to and from Israel, with some airline providers such as Wizz Air resuming a limited schedule. Various European governments have advised against the need to travel to Israel, including the UK, Spain and Ireland, but the National Security Council in Israel have also warned against travel to certain EU countries such as the UK and France. This will impact the recovery of both inbound and outbound travel.

However, there are still concerns over the longevity of this conflict and the uncertainty of whether this will remain contained in Israel and Gaza or substantially spread across the Middle East region. The conflict also poses a risk to the tourism recovery in both Cyprus and Türkiye if it becomes more widespread. The Middle East is one of the largest source markets in terms of arrivals for both Cyprus and Türkiye. In addition, for Cyprus, Israel is also one of the largest sources of arrivals. Disruptions to the region has the potential to notably affect tourism activity across these destinations.

Summary Performance, 2023 YTD Relative to 2019 and the Same Period a Year Ago

Country	International Arrivals			International Nights		
	YTD % rel 2019	YTD % year	to month	YTD % rel 2019	YTD % year	to month
Austria	-3.1%	18.8%	Jan-Oct	-0.8%	14.4%	Jan-Oct
Belgium	0.8%	16.9%	Jan-Sep	2.2%	14.1%	Jan-Sep
Bulgaria	-0.3%	16.9%	Jan-Nov			
Croatia	-3.3%	8.9%	Jan-Dec	-0.3%	2.5%	Jan-Dec
Cyprus	-3.7%	20.4%	Jan-Nov			
Czech Rep.	-17.6%	27.7%	Jan-Sep	-19.7%	26.1%	Jan-Sep
Denmark				11.6%	4.1%	Jan-Oct
Estonia	-26.8%	14.9%	Jan-Oct	-23.7%	17.2%	Jan-Oct
Finland	-23.8%	21.6%	Jan-Nov	-20.7%	16.9%	Jan-Nov
France	2.0%	13.0%	Jan-Dec	3.0%	10.0%	Jan-Dec
Germany	-12.9%	24.8%	Jan-Oct	-10.6%	21.2%	Jan-Oct
Greece	3.1%	17.3%	Jan-Sep			
Hungary	-15.3%	23.3%	Jan-Nov	-13.8%	16.3%	Jan-Nov
Iceland	12.1%	31.9%	Jan-Nov	6.7%	16.0%	Jan-Nov
Italy	-3.4%	14.0%	Jan-Nov	0.5%	10.6%	Jan-Nov
Latvia	-28.9%	22.3%	Jan-Nov	-33.1%	22.2%	Jan-Nov
Lithuania	-31.8%	16.0%	Jan-Nov	-30.2%	11.4%	Jan-Nov
Luxembourg	1.3%	5.4%	Jan-Nov	-4.8%	-1.6%	Jan-Nov
Malta	7.5%	32.8%	Jan-Oct	3.9%	24.6%	Jan-Oct
Monaco	-7.2%	5.7%	Jan-Dec	-11.4%	4.0%	Jan-Dec
Montenegro	10.0%	25.5%	Jan-Nov	8.5%	20.7%	Jan-Nov
Netherlands	1.9%	24.3%	Jan-Nov	15.5%	24.6%	Jan-Nov
Norway				3.5%	13.1%	Jan-Oct
Poland	-6.1%	24.2%	Jan-Oct	-9.3%	17.1%	Jan-Oct
Portugal	11.3%	19.6%	Jan-Nov	9.6%	15.3%	Jan-Nov
Romania	-22.3%	28.6%	Jan-Nov	-15.8%	25.1%	Jan-Nov
Serbia	14.7%	21.4%	Jan-Nov	39.0%	13.9%	Jan-Nov
Slovakia	-15.7%	32.2%	Jan-Nov	-21.6%	31.4%	Jan-Nov
Slovenia	-0.9%	18.4%	Jan-Nov	1.8%	14.7%	Jan-Nov
Spain	0.8%	18.2%	Jan-Nov	-0.7%	9.4%	Jan-Nov
Sweden				-3.3%	11.0%	Jan-Nov
Switzerland	-6.8%	31.7%	Jan-Sep	-5.5%	23.6%	Jan-Sep
Türkiye	8.9%	10.8%	Jan-Nov			
UK	-8.0%	30.0%	Jan-Sep			

Source: TourMIS (http://www.tourmis.info) and VisitBritain
(f) denotes forecast provided by member
Measures used for nights and arrivals vary by country. Available data as of 18.01.2023

2. GLOBAL TOURISM FORECAST SUMMARY

Tourism Economics' global travel forecasts are shown on an inbound and outbound basis in the following table. These are the results of the Global Travel Service (GTS) model, which is updated in detail three times per year. Forecasts are consistent with Oxford Economics' macroeconomic outlook according to estimated relationships between tourism and the wider economy. Full origin-destination country detail is available online to subscribers.

GTS Visitor Growth Forecasts, % change year

	Inbound*					Outbound**				
	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
data/estimate/forecast	d	e	f	f	f	d	e	f	f	f
World	**10.7%**	**106.1%**	**36.0%**	**17.4%**	**11.3%**	**9.4%**	**107.4%**	**37.2%**	**17.0%**	**11.3%**
Americas	**22.2%**	**81.8%**	**25.8%**	**15.0%**	**8.1%**	**23.3%**	**88.0%**	**31.7%**	**12.6%**	**7.9%**
North America	21.3%	78.8%	25.0%	15.8%	8.7%	27.2%	84.3%	32.2%	12.2%	7.9%
Caribbean	80.3%	49.3%	15.2%	10.5%	7.2%	28.5%	72.9%	22.0%	15.8%	11.7%
Central & South America	-8.6%	131.2%	36.5%	15.6%	6.9%	5.0%	109.9%	30.6%	14.6%	7.6%
Europe	**23.9%**	**95.4%**	**17.3%**	**11.4%**	**8.8%**	**19.8%**	**100.6%**	**18.2%**	**12.2%**	**8.8%**
ETC+2	19.9%	105.0%	16.6%	10.6%	7.8%	17.5%	109.1%	17.2%	11.1%	7.8%
EU 27	14.0%	110.9%	16.9%	10.3%	7.6%	16.1%	113.9%	16.9%	11.2%	7.7%
Non-EU	70.3%	46.8%	19.2%	16.0%	13.6%	36.4%	49.0%	25.3%	17.7%	14.5%
Northern	-3.4%	184.2%	17.1%	9.4%	6.7%	6.0%	199.9%	18.9%	11.7%	7.0%
Western	-5.0%	105.2%	17.2%	10.4%	6.4%	16.3%	90.9%	14.5%	11.3%	7.6%
Southern/Mediterranean	58.8%	91.8%	15.6%	9.4%	6.6%	22.8%	112.2%	22.8%	8.2%	6.7%
Central/Eastern	30.3%	39.6%	22.4%	22.3%	21.7%	35.4%	52.5%	22.4%	16.1%	13.7%
- Central & Baltic	11.6%	103.4%	20.2%	12.9%	12.6%	25.7%	76.8%	16.8%	12.1%	9.6%
Asia & the Pacific	**-66.4%**	**346.7%**	**179.8%**	**38.0%**	**19.3%**	**-59.0%**	**260.3%**	**173.2%**	**36.4%**	**20.3%**
North East	-46.8%	101.8%	381.9%	46.9%	20.2%	-56.2%	99.4%	332.3%	52.1%	25.0%
South East	-88.1%	1241.1%	131.4%	33.3%	19.9%	-76.6%	756.2%	125.4%	21.1%	14.7%
South	-30.2%	232.1%	51.4%	23.6%	12.1%	-24.1%	210.5%	53.2%	13.3%	9.7%
Oceania	-79.9%	817.2%	93.6%	24.3%	17.2%	-68.1%	801.4%	73.5%	23.1%	16.1%
Africa	**16.7%**	**85.2%**	**46.0%**	**20.9%**	**13.0%**	**8.1%**	**78.8%**	**45.2%**	**17.3%**	**11.0%**
Middle East	**18.8%**	**159.3%**	**36.3%**	**12.9%**	**11.0%**	**50.3%**	**135.7%**	**27.2%**	**9.3%**	**9.9%**

* Inbound is based on the sum of the country overnight tourist arrivals and includes intra-regional flows

** Outbound is based on the sum of visits to all destinations

The geographies of Europe are defined as follows:

Northern Europe is Denmark, Finland, Iceland, Ireland, Norway, Sweden, and the UK;

Western Europe is Austria, Belgium, France, Germany, Luxembourg, Netherlands, and Switzerland;

Southern/Mediterranean Europe is Albania, Bosnia-Herzegovina, Croatia, Cyprus, Greece, Italy, Malta, Montenegro, North Macedonia, Portugal, Serbia, Slovenia, Spain, and Turkey;

Central/Eastern Europe is Armenia, Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Poland, Romania, Russian Federation, Slovakia, and Ukraine;

Central & Baltic Europe is Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, and Slovakia;

ETC+2 is all ETC members plus Sweden, and the United Kingdom

Source: Tourism Economics based on GTS as of 15.12.2023

3. RECENT INDUSTRY PERFORMANCE

AIR TRANSPORT

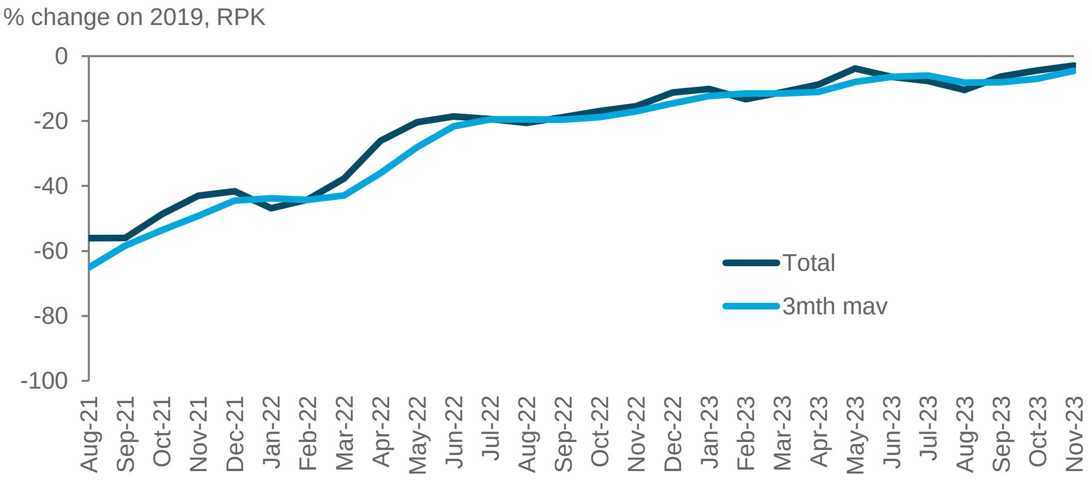
European air traffic continued to improve across the shoulder season in September and October with RPKs rising to 2.9% below 2019 levels, its highest level since the pandemic. This improvement mirrors the outlook at a global level with RPKs just 5.5% below. The continued recovery in international travel has seen the gap between international and domestic air traffic start to close for most regions, although at a global scale international traffic continues to lag significantly behind domestic, largely driven by the Asia Pacific region.

The near-complete recovery in European RPKs has defied the odds of a high inflation economy. Part of the reason for the recovery can be attributed to air fares growing slower than the Consumer Price Index (CPI) across Europe as a whole according to data released by IATA. This data source seemingly contradicts the faster growth on the international flights component of CPI. However, CPI measures the change in prices with a fixed basket of consumption whereas the IATA data reflects the change in spending and may include some shifts in composition of spending, including a shift to shorter and less expensive flights as IATA air fares take into account fares reported for purchased tickets.

This has likely made it easier for those with an appetite to travel to justify the highest cost of travel, compared to bookings made pre-pandemic. But typical high-season/summer trends such as travel for leisure and VFR purposes have seemingly spilled over into the shoulder season according to October data from ACI Europe. Latest data also suggests that business travel is continuing to regain momentum towards the end of 2023, with more people undertaking blended travel, a trip comprising of both leisure and business.

Boeing 737-9 MAX planes were grounded temporarily in January 2024 following a panel blowing out of an Alaskan Airline flight. Analysis shows that none of these planes operated in Europe, so any impact following this event will be concentrated in other regions.

International Air Passenger Growth, Europe



Source: IATA

The recovery in Asia-Pacific RPKs has made the largest improvement over the last quarter. Across September to November, they averaged 18.1% below 2019 levels, up from an average from the previous three months (-25.8%). It is still the most underperforming region, but the gap is closing between the international and domestic recovery as [delays in issuing visas]() in China should continue to ease.

In contrast to last quarter, European air passenger growth has consistently improved over the course of the last four months. Its recovery relative to 2019 levels has risen from -10.4% in August to -2.9% in November.

The outlook in Africa looks similar to that of Europe, with the recovery showing a marked improvement from September onwards. Latest data for November shows that air passenger growth is now 3.4% below 2019 levels.

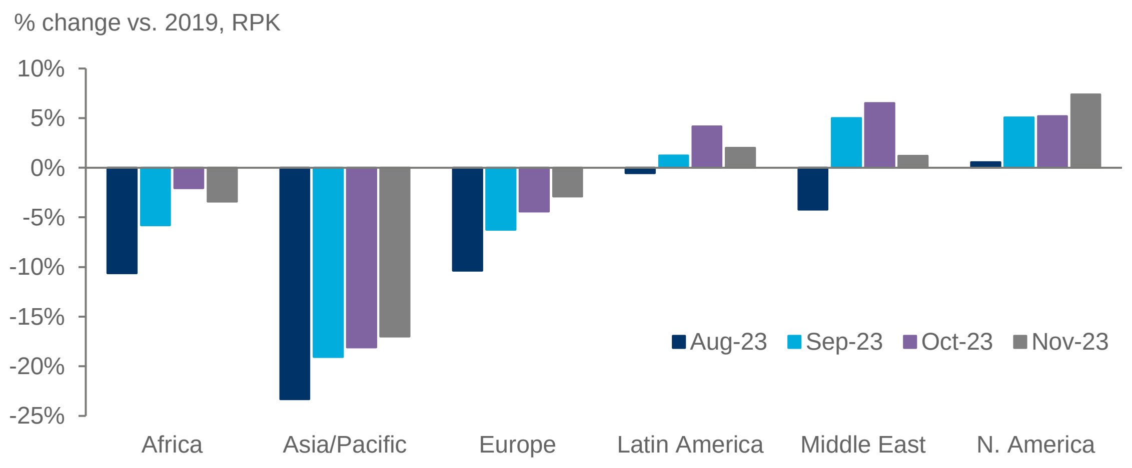
North America continued to lead the way and is the strongest performing region, as it was in the Q3 2024 report. But the recovery has strengthened considerably since August, with November posting growth of 7.4% above 2019. Out of all the regions, it has had one of the strongest performing shoulder seasons relative to 2019, which bodes well going into the winter period.

In recent months, Latin America has gone from being one of the weakest recovering regions to one of the best performing, following a continued uptick from August onwards. After peaking at 4.2% above 2019 levels in October, air passenger growth has settled at 2% above in November.

Both Latin America and the Middle East join North America in Q4 2023 with air passenger growth above 2019 levels. Strong performance by Latin America is possibly being driven by rising capacity and air traffic, which saw [152 new flights]() added to the schedule from Brazil between January and November of this year.

The Middle East has also reported a similar recovery profile to Latin America over the last few months, with October showing the greatest recovery relative to 2019 levels so far before moderating in November. This recovery is likely driven in large part by Dubai International Airport which is one of, if not the busiest hub for international air traffic in the region.

International Monthly Air Passenger Growth



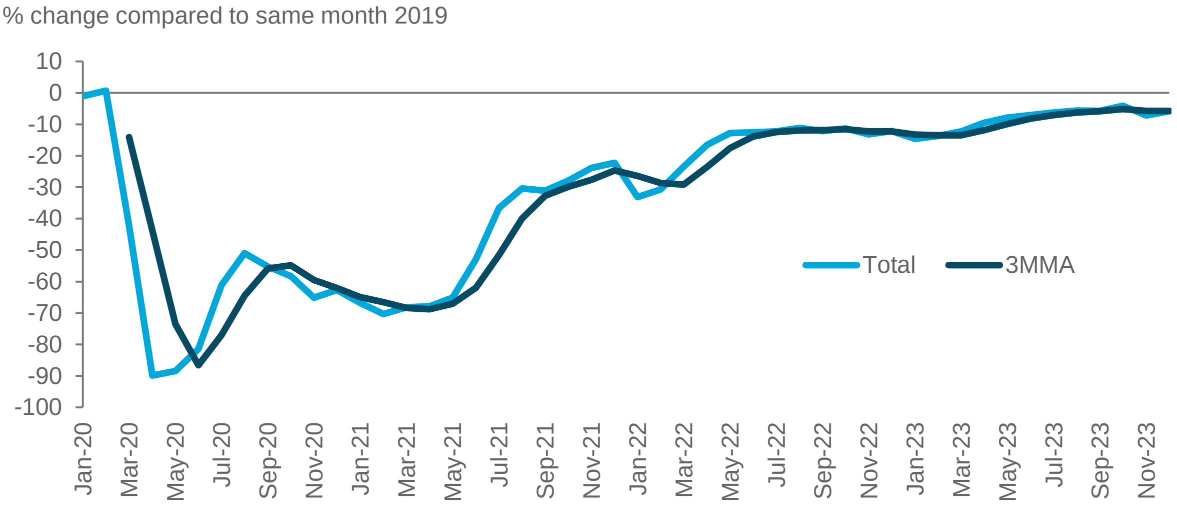
Source: IATA

Flight volumes across the European Network area have stalled since last quarters report. On a three-month rolling average basis, they remain at -5.7% below 2019 levels for this year. The improvement reported in October was not sustained. The trend for this year in flight volumes started off fairly optimistic, showing a marked improvement between Q2 and Q1 2023, but since then, they have held steady at an average of 6% below 2019 levels.

The stalled recovery can be somewhat explained by a wide range of strikes by airline staff and air traffic control over the course of the year. Some of the latest strikes being those in France during October 2023. More are planned for early 2024, including strikes by Iberia ground staff in Spain and baggage handlers in Milan. Cost of living and working conditions remains a key reason behind a lot of these strikes, and with inflation set to remain high and weigh on household income over the course of next year, the pace of air traffic recovery is likely to continue.

A few additional factors are set to add to these strikes in early 2024, such as flight cancellations due to snow in countries such as Germany and Austria. Airlines such as Ryanair have also cancelled flights due to the ongoing Israel-Hamas conflict since October and this is likely to continue into late 2023 and early 2024.

Flight Volumes in European Network Area



Source EuroControl

The stagnant performance in air traffic in the region is not representative across all countries. In fact, compared to last quarters report there are now more countries reporting a higher three-month rolling average compared to 2019 (12 countries up from 9 previously). However, looking at the percentage point (pp) improvement, momentum has started to wane for most in the last quarter of 2023 moving into the shoulder season.

A handful of countries have continued to see a strong recovery in flight volumes over the course of this year and this did not change towards the end of 2023. Serbia, Greece, Cyprus and Portugal have consistently reported flight volumes ahead of 2019 levels, even in Q4 when quarterly momentum slowed.

Croatia finished the year strong with flight volumes ending up at 7.7% above 2019 levels, compared to last quarter where they were 4.8% below due to a fairly weak summer. This is particularly encouraging because tourism in Croatia is largely dependent on peak summer months relative to comparable destinations. A possible reason behind increased interest in Croatia as a holiday destination is the changing motivation of tourists who are now seeking more experiential travel. Croatia is well placed to provide for these preferences given vast opportunities for nature exploration and outdoor activities.

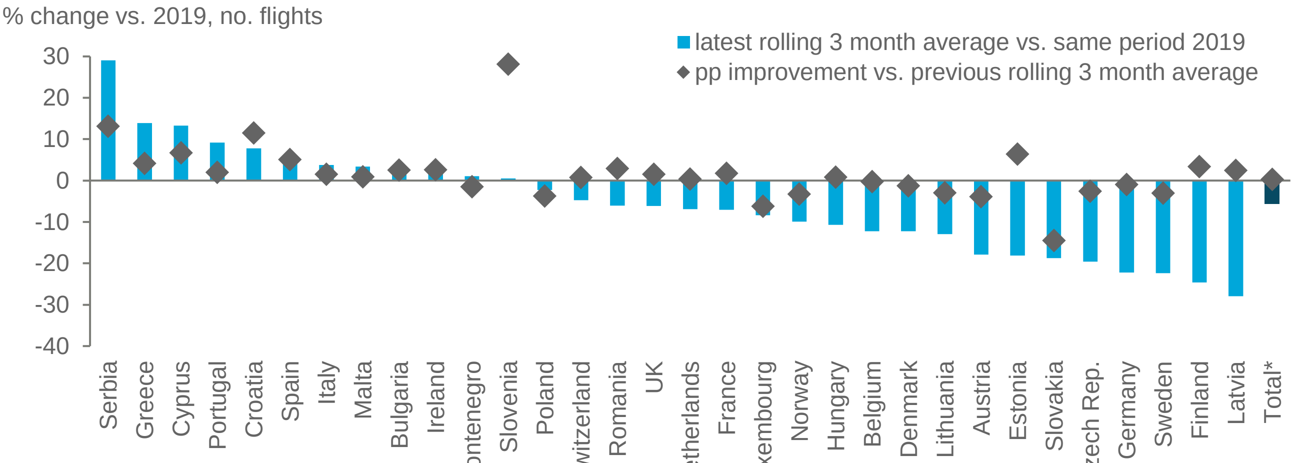
Another Southern European destination which turned the tide in the last quarter of 2023 is Spain, which saw flight volumes end the year at 5.1% above 2019 levels, compared to 1.5% below last quarter. Both Adolfo Suárez Madrid–Barajas and El Prat Airports saw the largest improvement in the final quarter relative to 2019, growing by 19.0% and 20.0% respectively overall for the year. However, most of the improvement in Q4 was driven by increased domestic travel rather than international.

Slovenia is another country which is benefiting from changing travel preferences and is evident in the 28.2% pp improvement in Q4 compared to Q3 in the chart below. November arrivals data has shown that a third of overnight stays were spent in spa/health resorts. Sports events in the country will continue to support this recovery in flight volumes going forward.

Most of the weakest performing countries in terms of air traffic last quarter are the same when taking into account data for the whole year (with the exception of Slovenia). Air traffic in Germany softened from 21.2% below 2019 levels to 22.3% below, suggesting a minor deterioration in Q4. Sweden is showing a similar trend both in terms of flights relative to 2019 and pp improvement against last quarter. In contrast, Finland and Latvia, although at the bottom of the table, have shown a slight glimpse of improvement towards the end of the year which is encouraging going into 2024.

There remains a trend for more Eastern European countries to see air flight volumes significantly weaker on average than Western European countries. This is likely due to the persistent uncertainty stemming from Russia's war in Ukraine. Although it is not deterring travel completely to the Eastern sub-region, with exceptions such as Bulgaria doing well. This suggests some country specific differences in the tourism offering that could be off-putting in this high-cost and risk averse environment.

European Air Traffic by Country, Total Flights Arriving and Departing



Source: Eurocontrol

Passenger load factor (PLF) over the last few months peaked in August for all regions. In fact, Q3 represented the highest load factor so far in 2023 on a quarterly basis for all regions apart from Asia/Pacific which has peaked in Q1. A weaker outturn in both October and November across the regions is likely to see a softer end to the year in Q4 across the board.

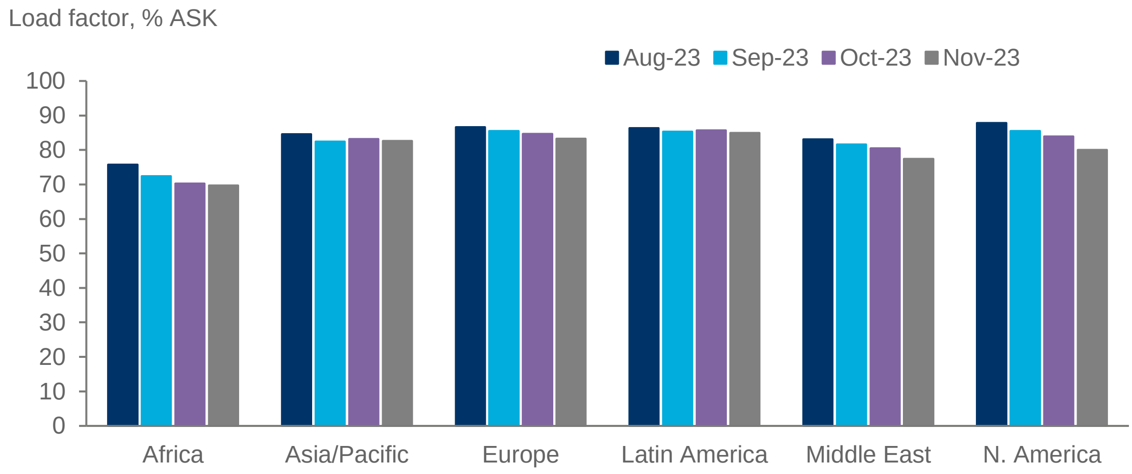
Africa remains the weakest performing region, with PLF dropping back in the shoulder season following an uptick during the summer. The Middle East is slightly higher with the latest load factor coming in at 77.4%. There does not seem to be a significant and immediate impact from the conflict between Israel and Hamas. The impact is expected to be felt from weaker travel volumes to both Israel and neighbouring countries such as Lebanon and Egypt.

North America had a weak November, falling to its lowest level since February at 80.0%. This has allowed Asia/Pacific to catch up on a quarterly basis, with November coming in at 82.6%.

PLF in Latin America has been ahead of all other regions in both October and November (85.7% and 84.9% respectively). It seems that demand for travel in Latin America continues to be restored throughout the year.

In contrast, Europe continues on its downward trend in PLF which started in June 2023, dropping to 84.6% in October 83.3% in November, now just behind Latin America. However, it still remains above the global average as it has done since April this year.

Monthly Passenger Load Factor



Source: IATA

Inflation risks started to ease towards the end of 2023 as rates persistently kept under 3% in Q4 2023. But price levels are set to remain elevated and a strain on household finances, but the pace in which prices are rising is already starting to slow. However, interest rates are still set to remain high, compared to recent historical standards. There looks to be a light at the end of the tunnel for consumers which is starting to feed into some survey data. The December edition of Ipsos' Global Consumer Confidence Index saw the first notable monthly improvement in global consumer confidence in seven months (based on an aggregate of 29 countries).

Consumers have shown a continued appetite to travel, despite tough financial conditions at home. Low-cost airline and holiday providers will continue to be a popular option for those struggling the most with the higher cost of living as they tend to provide the best value. But analysis from ForwardKeys suggests a growing demand for more premium travel options and affordable luxury. This is also clear in Tourism Economics latest business survey which suggests that consumer will increasingly seek value for money but that the luxury travel boom will also continue.

ACCOMMODATION

The trend in RevPAR[2] growth in Europe shows a continued slowdown in annual growth through into Q4 and 2023 as a whole, using hotel performance data collected by STR. Likewise, this slowing trend was also evident in the ADR[3] data over the course of the year. As a whole for 2023, RevPAR growth remained in double-digit territory at 15.7% and ADR at a slightly lesser 7.9%. But this slowdown in growth is evident across all metrics and regions when compared to growth in last quarter's report.

[2] Revenue per available room

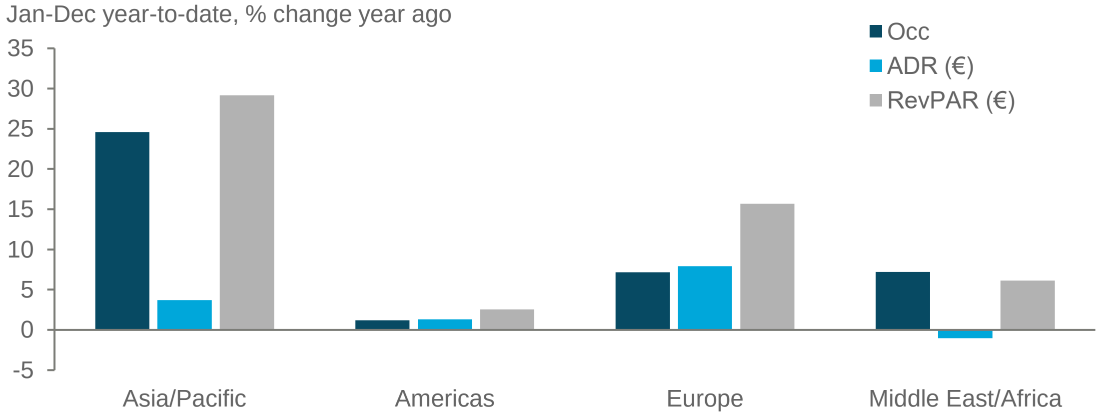
[3] Hotel average daily rate

The most notable change is ADR in the Middle East/Africa region, which reported a 1.0% decline in year-on-year terms, down from a 2.9% rise last year. The key reason behind the weakness in Q4 is the base effects from a strong Q4 2022, where price rises were inflated due to the 2022 FIFA World Cup in Qatar. Prices may also be squeezed to some extent due to the sustained increase in hotel rooms across the region.

Asia/Pacific (APAC) continues to see the strongest annual growth in both occupancy and RevPAR. The reason for this is that tourism recovery still lags behind every other region. China, in particular, was not open for international travel until the start of this year, so the annual comparisons will still be skewed by the base effects of starting from a small volume of travellers, making any rises in year-on-year terms large.

Elsewhere, such as in Europe and the Americas, countries are starting to see travel recovery edging closer to pre-pandemic volumes and, in some cases, exceeding this. As a result, travel trends, including accommodation, are starting to normalise, which can explain more stable growth rates across all metrics. For Europe in particular, high inflation is likely the cause of double-digit RevPAR growth over the last year due to rising average room rates.

Global Hotel Performance



Source: STR

SHORT-TERM RENTALS

Through Q4 2023, the prevailing trends in European short-term rental markets include growth in supply and dynamic shifts in demand towards popular European holiday markets, accompanied by a noteworthy elevation in ADRs to end 2023.

Short-term rental supply counts in Europe stood at around 8 million listings in Q4 2023, an 18% increase on December 1, 2023, over the same period in 2022. Upon granular analysis of booked rates during December of 2023 across three prominent holiday cities – Berlin, London and Paris – all cities averaged around 39% occupancy on-the-books for 2-bedroom short-term rentals, a 13% decrease of December 2022's 52% average. As average demand for the cities fell, Berlin, London and Paris ADRs peaked in December 2023 when comparing 2019, 2022 and 2023 side by side.

Looking at the listings that are most in demand, the quarter ended with a spike in urban property-type reservations, outpacing those of rural market-types. European reservations overall in Q4 2023 were up, exhibiting a 49% increase since 2019. Spain noted a particular increase in short-term rental demand towards the later months of 2023, with reservations up 76% since 2019, just passing France at 71%. Additionally, these destinations saw the share of reservations coming from domestic travellers continue to show a decreasing trend, further marking the return of international travel.

Lastly, analysis already shows hotel and short-term rental prices are evolving in the lead-up to the 2024 Paris Olympic Games. Hotel room prices soar by 69% for the six weeks following the start of the Olympics compared to the same period in 2023, while short-term rentals surge by 86% year-over-year. Pricing peaks in the final week of the Olympics hitting €574 for the average hotel room and €401 for a short-term rental. The dynamic shifts in prices underscore the impact of global events like these on the accommodation landscape.

4. SPECIAL FEATURE: LONG-HAUL TRAVEL RECOVERY

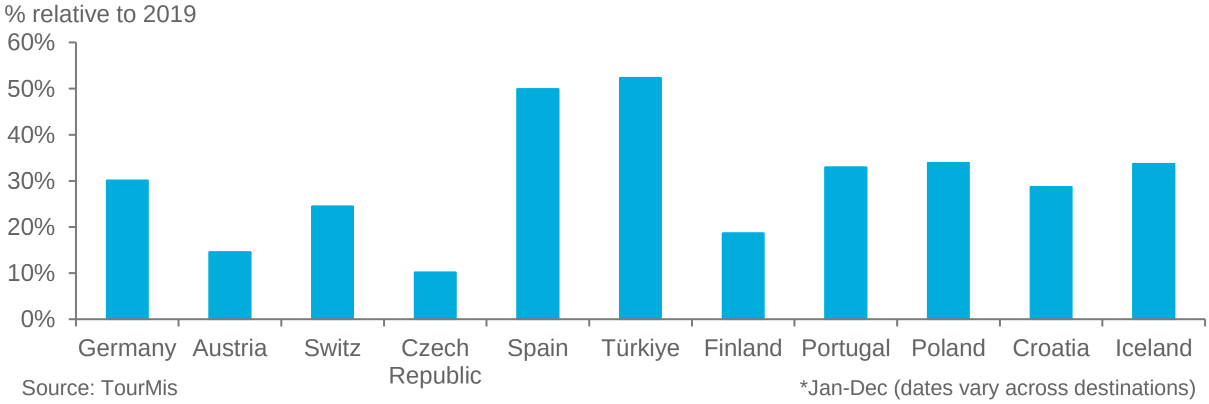
SUMMARY

- China is one of the largest long-haul source markets for Europe in terms of arrivals. The pandemic-induced lockdown on international travel was one of the longest, and the absence of Chinese tourists was significant across European destinations.
- Domestic travel substitution was a key reason behind the lack of Chinese outbound travel in 2023. Risk aversion due to safety concerns over travel, visa delays and a slow recovery in air traffic all contributed to this.
- The change in Chinese travel behaviour had a global reach, but there is an expectation for a rebalance between domestic and international travel going into 2024. Travel preferences are set to lean more towards luxury and authentic travel going forward for both Chinese and global tourists. This poses both a challenge and an opportunity for popular European destinations.
- Tourism Economics estimates arrivals to Europe from China to be 67% below 2019 levels for 2023. It is expected that China will continue to lag behind other long-haul source markets over the next few years.

Chinese outbound travel restarted in 2023 as restrictions on cross-border movement were eased gradually by the Chinese government. There had been much anticipation from global destinations around the return of Chinese travellers to the international stage, with China being one of the largest pre-pandemic long-haul source markets for Europe, only behind the US.

Chinese arrivals accounted for 13% of total long-haul travel in 2019 to Europe, but this rises to 46% when looking at this for the Emerging Europe sub-region. Tourism Economics estimates that arrivals from China to Europe are 67% below 2019 levels over 2023 overall, compared to visits from all other long-haul source markets being 22% lower than 2019 volumes.

Arrivals From China to Key European Destinations in 2023*



Source: TourMis

*Jan-Dec (dates vary across destinations)

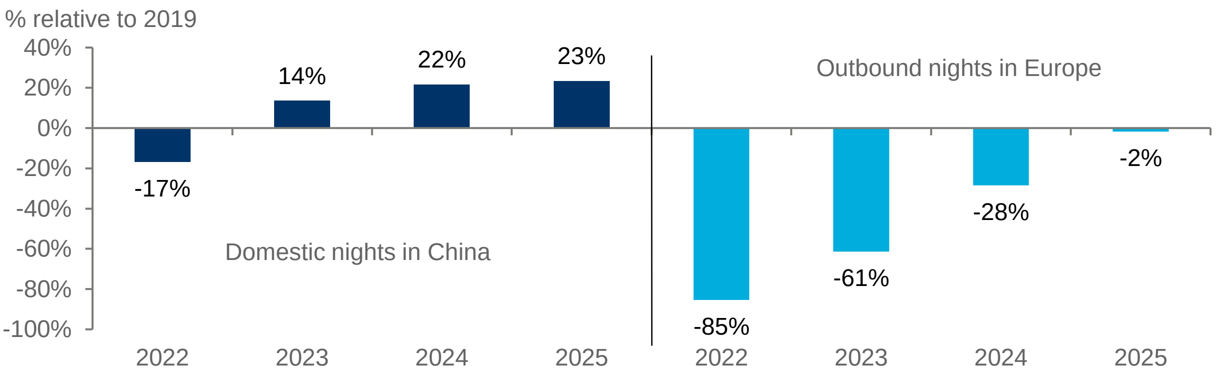
Breaking down the recovery of arrivals by key European destinations for Chinese tourists (based on 2019 travel volumes and data availability), Spain and Türkiye have seen the fastest recovery so far in 2023, with arrivals at 50% and 52%, respectively, relative to 2019 levels. By contrast, the Czech Republic and Finland are some of the least recovered at 10% and 19% respectively.

There was some disappointment among industry stakeholders at the pace of recovery of Chinese outbound visits in 2023 despite the notable progress throughout the year. The recovery was limited to an extent by reported capacity bottlenecks, including flight capacity and delays in visa and passport processing. Although volumes of Chinese outbound tourists have not yet returned to pre-pandemic levels, in 2024, significant progress is expected in 2024 as constraints around airline capacity and visa issues ease.

The recovery pace of Chinese global outbound travel has broadly matched that for Japan following its re-opening — another key APAC market that eased restrictions relatively late —, despite fewer reports of capacity constraints impacting travel for the latter. This suggests there was some caution among Chinese tourists to re-engage in international travel, at least partly reflecting a preference to travel domestically in the first instance after the removal of pandemic restrictions.

Domestic substitution was a phenomenon observed among many global markets throughout 2021 and 2022 but is reinforced in this case by the sheer scale of the Chinese domestic market. Some hesitation to travel abroad due to health and safety concerns, particularly after the strict lockdowns and requirements imposed domestically throughout 2022, and general risk aversion also likely played a role in Chinese traveller preferences for domestic tourism in 2023, though those are expected to ease throughout 2024.

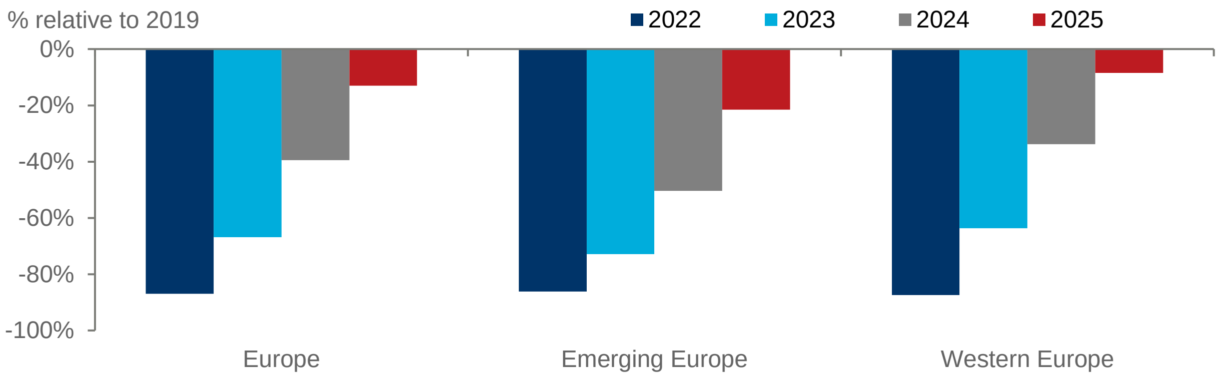
Nights Spent in All Paid Accommodation by Chinese Tourists



Source: Tourism Economics

The impact of this change in behaviour is evident when comparing nights spent in all paid accommodation by Chinese tourists. By 2022, nights spent domestically were 17% below 2019 levels, whereas comparably, Chinese nights spent in Europe were still down by 85%. Nights spent in Europe are set to improve to 61% below in 2023, and the recovery will start to rebalance more between the domestic and European markets between 2024 and 2025, as the recovery in domestic nights steadies and European nights edges closer to pre-pandemic levels at -2% below by 2025.

Recovery of Chinese Outbound Visits to Europe

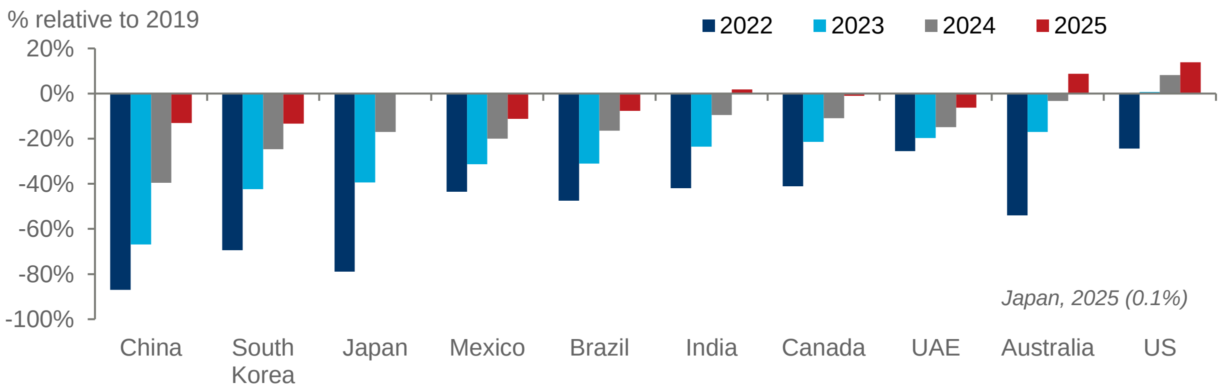


Source: Tourism Economics

The recovery in arrivals from China to Europe has been slow so far, with only a 20% improvement in Europe between 2022 and 2023. This is expected to accelerate across both Emerging and Western Europe from 2024 onwards. Arrivals are set to rise to 50% and 34% below 2019 levels, respectively by the end of the year.

Within Western Europe, Belgium, Germany, Malta and the UK are set to see the largest improvements in Chinese arrivals in 2024 compared to 2023. Although Emerging Europe lags behind, there are a few outliers within this sub-region, such as Azerbaijan and the Czech Republic. These are either set to recover to pre-pandemic levels by next year or report a large year-on-year improvement in travel volumes from China.

Recovery of Outbound Visits to Europe by Key Long-Haul Source Markets



Source: Tourism Economics

Arrivals from China into Europe continue to lag behind all other key long-haul source markets in 2024 at 39% below 2019 levels. Chinese travel to Europe represents a notably later recovery than other large long-haul source markets for the region, such as the US, Brazil, India, and Australia. Key long-haul source markets aside from China will edge closer to recovery in 2024 in terms of arrivals, with some exceeding pre-pandemic levels by 2025.

Among the largest long-haul markets to Europe, Brazil and the UAE are expected to be within 15-16% of pre-pandemic levels by next year. The strongest sources of long-haul arrivals in 2025 come from Australia and the US. The US stands out in particular because it is the only market to have recovered by 2023, as tourists enjoyed a stronger dollar relative to the Euro.

Concerns over traveller safety and security are key risks for Chinese travel recovery to Europe. Off the back of strict lockdown requirements imposed in China, it was noted that there had been some hesitation and general risk aversion on the part of Chinese travellers to undertake international travel. Further evidence of the prioritisation of security is in the destinations which have experienced the quickest recovery and are set to surpass pre-pandemic levels in visits from China in 2024 - Middle Eastern destinations - which offer luxury and good perceptions of safety, such as the United Arab Emirates (Dubai in particular). As capacity builds and travel becomes easier, expectations are that Chinese travellers will become less risk-averse, and safety concerns will ease in 2024.

Going forward, it is important for European destinations to be aware of changes to the behaviours of Chinese travellers, which deviate from pre-pandemic norms. Pre-pandemic Chinese travel behaviour compared to other source markets can be characterised as involving higher spending and shorter trip duration, but with a greater preference for luxury and group travel.

Generational changes are a factor to consider for changing traveller behaviour. The role of social media apps in China such as Xiaohongshu, Douyin and WeChat may be tapping into and influencing younger (Millennial - Gen z) Chinese travellers' destination decisions. Videos by Chinese influencers focusing on culturally relevant destinations and experiential travel within China have been drawing high view counts.

There is also tentative evidence in the media that the number of Chinese (and global) travellers interested in wellbeing related travel is set to increase. This would see a reorientation of Chinese travel away from the activity-heavy group travel from pre-pandemic times towards a slower, more immersive kind of travel.

This change should not restrict outbound travel, as destinations will be able to cater and adapt to wellbeing related travel whilst providing the luxury experience Chinese travellers seek. European destinations that are able to provide “slow and recuperative travel” meaning an abundance of open space and picturesque landscapes, will be the main beneficiaries, including destinations such as Tuscany in Italy and Switzerland.

There are both costs and benefits to these changing trends. Demand for more specialised travel, such as luxury or wellbeing, may see increased spending in these destinations, providing more value to the economy. But it may also result in less group travel to established destinations such as France, Italy and the UK. Pre-pandemic trends will not disappear but continue to attract the changing trends of Chinese travellers, destinations will have to adapt their offerings to remain competitive, especially given the financial commitment long-haul travel requires compared to regional and domestic travel.

5. KEY SOURCE MARKET PERFORMANCE

Trends discussed in this section, in some cases, relate to the period January to December 2023, although actual coverage varies by destination. For most countries, the latest available data point will be earlier than this. Further detailed monthly data for origin and destination, including absolute values, can be obtained from TourMIS (http://tourmis.info).

SUMMARY

- A mixed picture continues with some destination countries reporting levels of visitation far in excess of pre-pandemic levels. However, in Emerging Europe and countries bordering upon Russia and Ukraine, the impact of the ongoing Russia-Ukraine war continues to limit the recovery.
- Cyprus, which has successfully replaced Russian tourists with those from countries such as Germany and France through new marketing programmes, might now be impacted by Israel's actions in Gaza and the fact that some countries have placed special forces on the island in case of the need for evacuation.
- Long haul travel recovery is also split, with some countries, such as the United States, continuing to perform strongly. In contrast, China continues to exhibit shortfalls for nearly all reporting destination countries. Furthermore, Japanese travellers, despite government policy, continue to be highly reluctant to take outbound flights at all, let alone undertake long-haul travel.

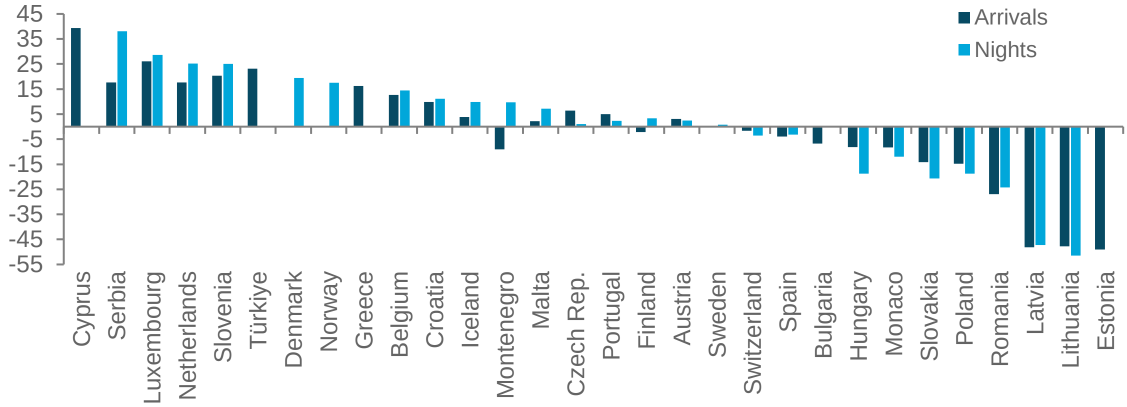
KEY INTRA-EUROPEAN SOURCE MARKETS

Intra-European visitation continues to present a very mixed picture. Some destinations have gone well beyond pre-pandemic levels, even when this has involved a considerable refocusing of source markets. Cyprus is a clear case in point here, where the intention has been to diversify away from reliance on Russian visitors. However, there may be some impact on Cyprus from the current war between Israel and Hamas in Gaza, which is only 360 miles from Larnaca. Military personnel from Germany and the Netherlands are now being stationed there.

Safety concerns also continue to impact much of the Eastern half of the continent, thanks to the ongoing Russian war in Ukraine. Russian outbound patterns remain strongly affected by restrictions on Russian arrivals elsewhere in Europe.

German Visits and Overnights to Select Destinations

2023 year-to-date*, % change relative to 2019



Source: TourMIS* *date varies (Jan-Dec) by destination

Similar to last quarter, more than half of the reporting destination countries reported growth in both or one metric (arrivals or overnights) from Germany. Cyprus continues to lead the recovery in arrivals, up 39.4% on 2019. However, the deteriorating situation in Gaza has caused the German government to position Special Force units on the island should German citizens need to be evacuated at short notice. Both Serbia and Germany's immediate neighbours, such as Luxembourg, the Netherlands and Belgium, continue to report visitation above that of 2019.

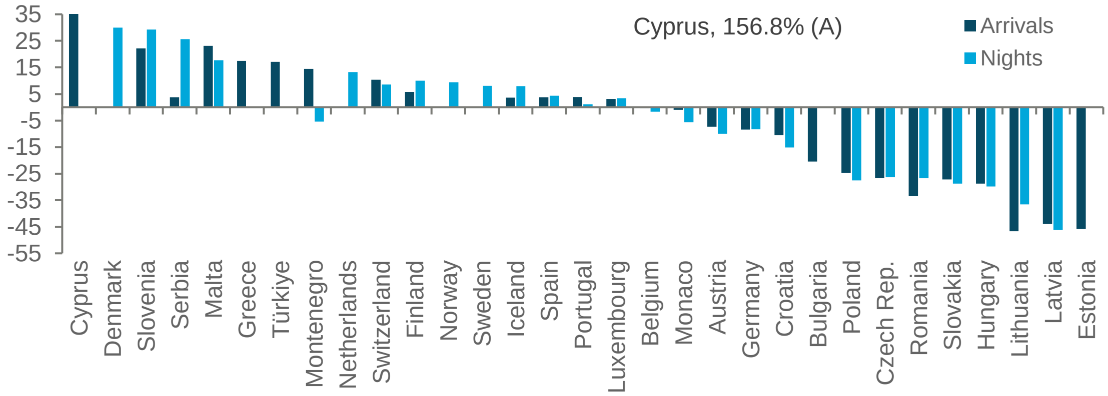
Türkiye also continues to perform strongly, with German arrivals up by 23.2%. Furthermore, according to the German travel industry, there is an early rush for bookings to Türkiye for the summer of 2024.

In contrast, many countries in Central and Eastern Europe continue to report levels considerably down on 2019. This continues to be most evident for the Baltic States, broadly speaking at levels of around half of 2019. Furthermore, a point of note is that Spain has failed to match 2019 levels of German visitation with the one regional exception being the Balearic Islands.

Going forward, Germany is seeing a wealth of new air routes over the summer of 2024, with increased connectivity, including routes between Frankfurt and Munich and Croatia and between Berlin and Hamburg and Rome Fiumicino.

French Visits and Overnights to Select Destinations

2023 year-to-date*, % change relative to 2019



Source: TourMIS* *date varies (Jan-Dec) by destination

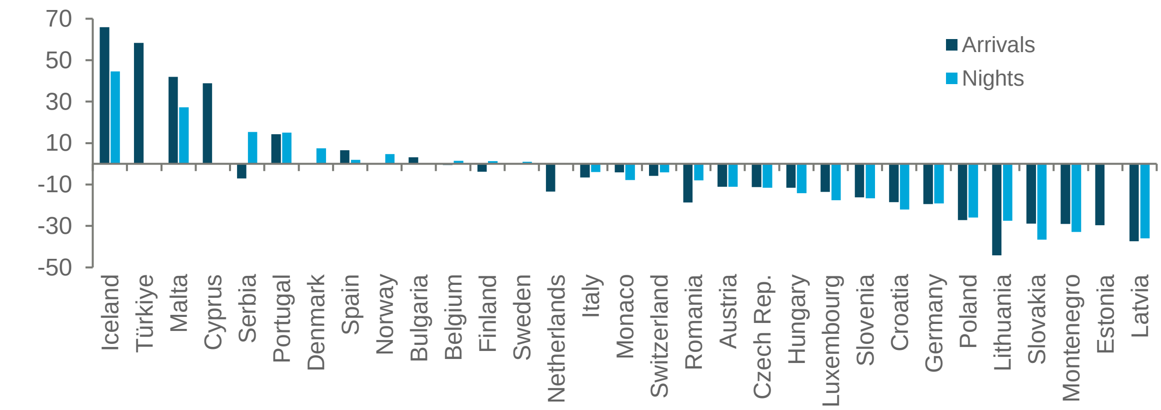
17 out of 31 reporting destination countries recorded growth in at least one metric from France for 2023 as a whole (dates vary by destination).

Cyprus continues to be way ahead as the strongest performer in terms of visitation from the French source market, 156.8% higher in terms of arrivals than over the same months in 2019 - little changed on the picture reported in the last quarterly report. Cyprus is also intent on expanding its presence in the sports tourism market, and a critical event in 2024 will be the Cyprus stage of the Tour de France. Denmark and Slovenia also performed strongly in terms of nights from France. Air France recently held talks with Slovenia's Ministry for Infrastructure over possible incentives for the airline to add more flights between Paris and Ljubljana. Malta saw an increase of 23.1% in French arrivals when compared to 2019.

The worst-performing reporting destinations continued to be concentrated in the Baltics but also in parts of Central Europe – especially those bordering on Ukraine. Looking ahead to the summer of 2024, Air France is adding seven new destinations, including three new cities to its network: Verona in Italy, Narvik in Norway, and Kalamata in Greece.

Italian Visits and Overnights to Select Destinations

2023 year-to-date*, % change year relative to 2019



Source: TourMIS* *date varies (Jan-Dec) by destination

A smaller proportion of reporting countries recorded growth from Italy, with only 13 registering an increase on 2019 levels for either metric, with still more countries below full recovery than above it.

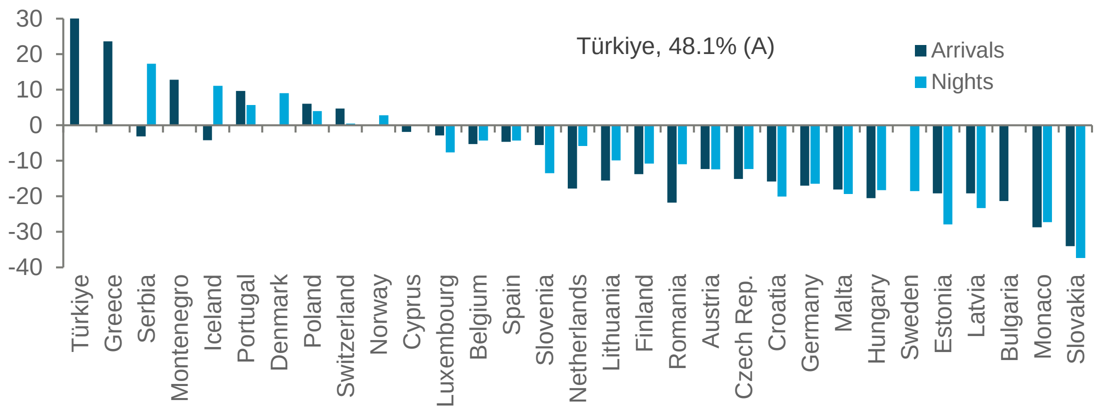
The two best-performing destination countries were Iceland (arrivals up 65.9% on 2019) and Türkiye (arrivals up 58.4%). There is not likely to be any major impact on the arrivals data for Iceland due to the increased volcanic activity in the Reykjanes peninsula – reporting is only currently available to November, but December data should indicate some effects. Some Mediterranean destinations also saw growth from the Italian market, especially Malta and Cyprus (with arrivals both up around 40%) and – to a lesser extent – Portugal and Spain.

Destination countries in the Baltic States or immediately bordering Ukraine fared less well. Overall, the worst-performing country was Latvia, although Lithuania saw a steeper decline in arrivals, down 44.2% on 2019 levels. Montenegro also saw a marked decline of 29.0% in visits from Italy, while Germany remained 19.5% lower in terms of Italian visitation than in 2019.

Despite this, new routes will increase connectivity between Rome and both Berlin and Hamburg. Furthermore, the Italian train operator, Trenitalia and that of Germany, Deutsche Bahn, have announced plans for a Munich-Milan direct train route to launch in 2026 and which might eventually link to both Rome and Berlin.

British Visits and Overnights to Select Destinations

2023 year-to-date*, % change relative to 2019 levels



Source: TourMIS* *date varies (Jan-Dec) by destination

Only 10 reporting destination countries recorded growth in either metric from the United Kingdom. Growth in British visitation continued to focus on a small group of destination countries in South-eastern Europe (Türkiye, Greece, Serbia and Montenegro). Türkiye saw British arrivals up by 48.1% on 2019, while Greece was up 23.6%. Türkiye continues to benefit from its rate of exchange against sterling. In November 2022, there were around 22 Turkish lira to the pound. By the same month in 2023, this had increased to around 36. In comparison with 2019, when there were only around 10 lira to the pound, the change is even starker. The impact of this exchange rate differential is important at a time when consumers are seeking value-for-money.

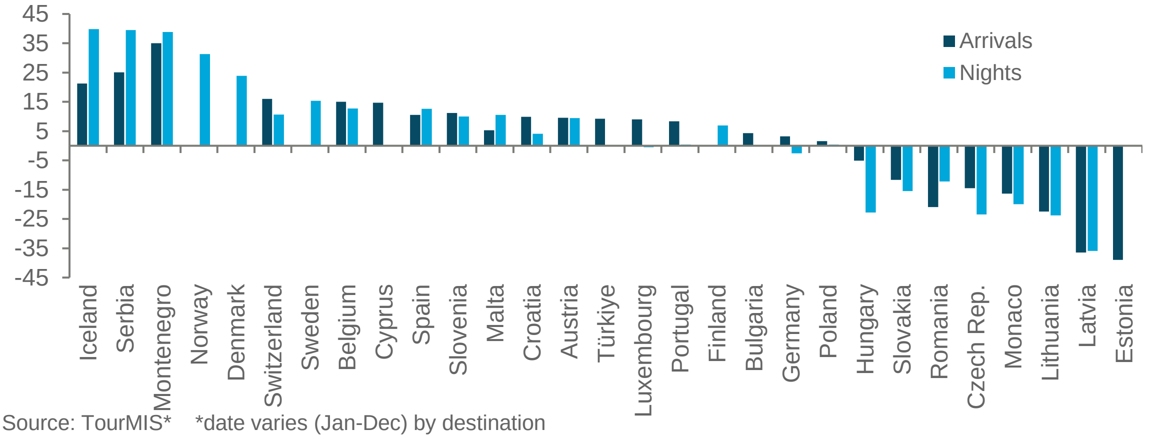
Another small group of countries (including Iceland, Portugal, Denmark and Poland) saw relatively small increases in visitation from the UK. Meanwhile, moderate declines relative to 2019 included some destinations where the British source market is hugely important – such as Spain and Cyprus.

The worst-performing destination country was Slovakia, with nights down 37.4%. Affordability is part of the reason for the modest performance of the UK market, overall, but is not the only explanation as preferences are apparently evolving. Pricey Monaco also fared relatively poorly – as did the lower-cost destination of Bulgaria. For Monaco, it should be noted that this analysis focuses solely on visits and nights and not on spending. If high-end destinations are increasingly geared to attracting high spending visitors, simple numbers of visits and nights may considerably underestimate their performance.

British Airways (BA) commenced new routes out of both Heathrow and London City to Riga and Belgrade at the end of October 2023 – both destination countries which recorded relatively poor performances. BA Cityflyer is also establishing new routes to San Sebastian in Spain and to Sardinia from May, while Wizz Air is launching flights from Glasgow to both Bucharest and Budapest.

Dutch Visits and Overnights to Select Destinations

2023 year-to-date*, % change relative to 2019 levels



Source: TourMIS* *date varies (Jan-Dec) by destination

21 out of 29 reporting destination countries registered growth from the Dutch market. Iceland, Serbia and Montenegro all saw similar growth of just under 40% in nights. Norway and Denmark also performed comparatively well. Norway has traditionally been seen as a relatively expensive destination, but the euro went about 18% further in Norway in Q4 2023 than it did in Q4 2019.

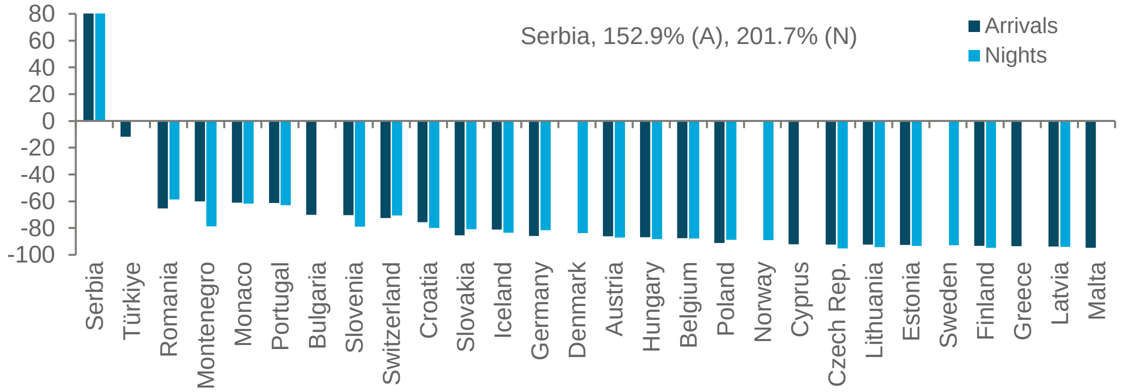
Dutch visitors to Cyprus were up 14.7% on 2019 levels. Nights spent in Spain by Dutch tourists were up 12.6% when compared to the same months in 2019. In 2019, Spain received some 16.4 million nights from Dutch visitors.

Those countries which continued to register declines were confined to the eastern half of the continent. The one exception was Monaco, which saw visits fall by 16.3% relative to 2019 levels. As previously mentioned, this does not necessarily imply a drop in tourism spending.

The Dutch Association of Travel Agents and Tour Operators are expecting record holiday bookings since the pandemic in 2024. Renewed drive to travel has been spurred on by bad weather in the Netherlands, so destinations and sub-regions with consistently better weather should see greater demand such as Southern Europe.

Russian Visits and Overnights to Select Destinations

2023 year-to-date*, % change relative to 2019 levels



Source: TourMIS* *date varies (Jan-Dec) by destination

Outbound Russian tourism remains largely unchanged from the previous quarterly report. Almost every reporting destination has continued to report steep declines relative to 2019.

The only exception to this pattern remains Serbia, which has seen a 152.9% increase in arrivals from Russia and a 201.7% increase in nights. However, even growth from Serbia is slightly lower than last quarter. This could be an impact of having no restrictions on Russian arrivals or a more specific impact of war emigration.

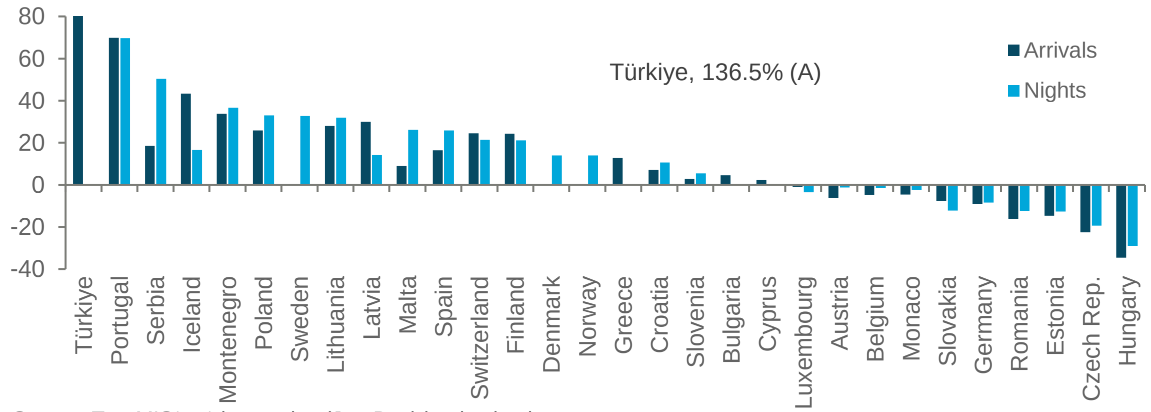
Türkiye is the only other country bucking the trend shown across Europe. The latest data puts Russian arrivals 11.7% below 2019 for 2023 so far. Other countries saw on average an 82.0% drop in arrivals and 83.0% drop in nights compared to pre-pandemic times. Of those reporting, the worst performing destinations' data imply barely any Russian arrivals. Malta saw the worst overall performance, with arrivals down 94.8%.

Finland also witnessed a 94.8% drop in nights from Russia. The Russian Embassy in Helsinki has warned Russians to not drive over the border in vehicles with Russian plates as Annex XXI to EU sanctions prohibits any personal items accompanying Russians, including cameras, vehicles, smartphones and toiletries – all of which can be confiscated. This applies when crossing the border at any time and regardless of the purpose of use for the personal items.

NON-EUROPEAN SOURCE MARKETS

American Visits and Overnights to Select Destinations

2023 year-to-date*, % change relative to 2019 levels



Source: TourMIS* *date varies (Jan-Dec) by destination

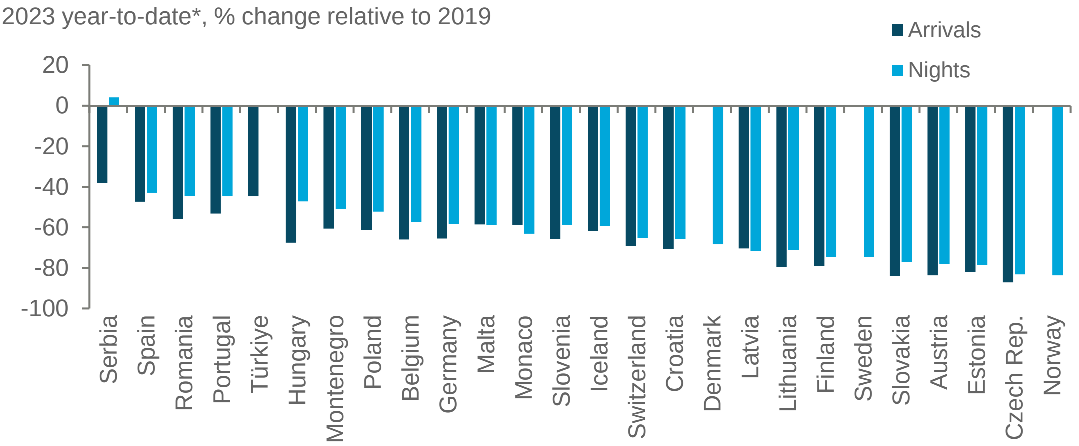
Two thirds of reporting destination countries registered growth in at least one of the metrics from the United States.

Türkiye continued to be far and away the strongest reporting destination for American travel, with visits 136.5% higher than in the same months in 2019. On the back of such a strong 2023 for American tourism, Türkiye is now dropping its previous visa requirements for US citizens. Previously, arrivals from the US needed to apply for an e-visa in advance. Portugal remained the second strongest reporting destination country, with arrivals 69.8% higher than in 2019. According to INE, the national statistics institute in Portugal, in November, the United States was the country's largest single source market. Serbia, Iceland and Montenegro were also among the top performers.

Although the majority of those reporting destination countries recording a decline relative to 2019 were in the eastern half of the continent, Germany continues to see a significant decline in US visitors, down 9.1% when compared to 2019. Likewise, Austria and Belgium also continued to underperform.

There remains some uncertainty about how the ongoing war between Israel and Hamas and the US / UK bombing of Houthi sites in Yemen might affect travel from the United States.

Chinese Visits and Overnights to Select Destinations



Source: TourMIS* *date varies (Jan-Dec) by destination

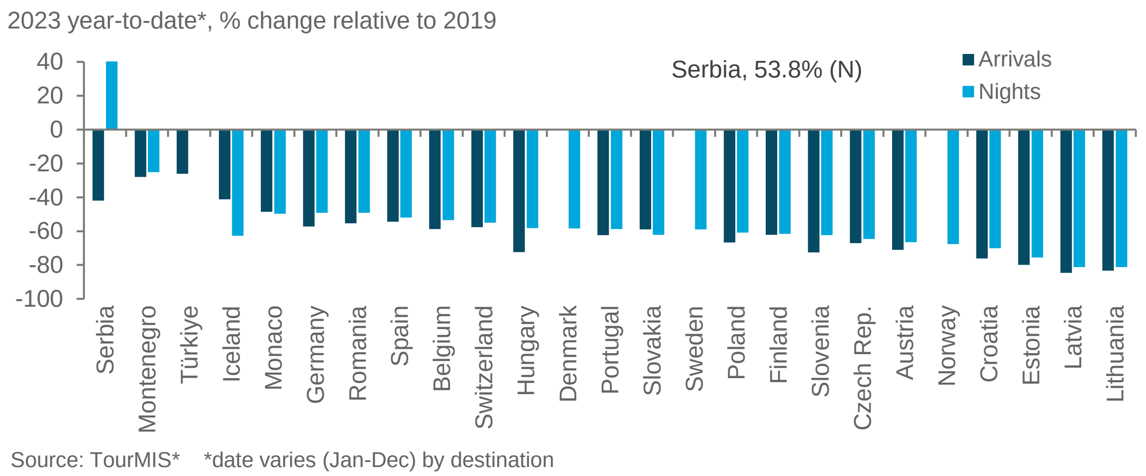
The lag in data continues to mean that, to date, there is very little change in the situation regarding Chinese arrivals. On average out of reporting destination, arrivals are down 65.7% and nights down 61% on pre-pandemic levels.

All but one reporting destination country recorded ongoing shortfalls in Chinese tourism when compared with 2019. Serbia has continued to post a recovery, as it did last quarter, but a weaker outturn in recent months has seen growth in nights from China drop to 4.1% on 2019 and arrivals continue to be significantly down. Chinese police have recommenced accompanying Serbian police in patrolling Belgrade, Novi Sad and Smederevo – all cities which tend to attract Chinese tourists. The cooperation between Chinese and Serbian police continues the aim to strengthen international policing and the protection of Chinese tourists.

Spain is now showing the second smallest decline overall, with Chinese visits down 47.4% on 2019. In contrast, Montenegro has slipped down the rankings noticeably since last quarter.

The steepest drops remain drastic. Norway saw a drop in Chinese nights of 83.7%, making it technically the worst performer. But the Czech Republic, Estonia, Austria and Slovakia all continued to see a visitor decline in excess of 80%, with Lithuania (79.6%) and Finland (79.0%) only fractionally better.

Japanese Visits and Overnights to Select Destinations

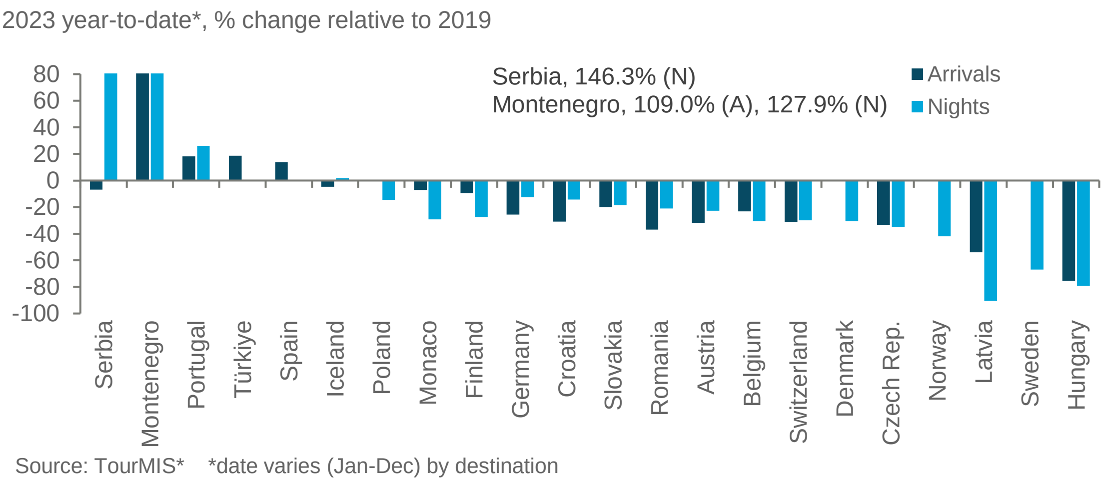


As with China, progress to recovery among Japanese tourists remains slow. Again, the only reporting destination countries registering growth in either metric was Serbia – with nights up by 53.8%. Arrivals to Serbia continued to be down – this time by 41.9%.

Japanese travellers remain reluctant to undertake long haul travel. The ongoing general reluctance to travel overseas at all remains a significant obstacle to airline demand recovery, which is only being offset by strong inbound demand. Both trends are supported by the relative weakness of the yen at present. Japan now has a record travel balance thanks to the surge in foreign visitors.

The poorest performances remain in the Baltic States. However, the majority of countries continued to see levels in Japanese arrivals behind 2019 by 50% or more.

Indian Visits and Overnights to Select Destinations



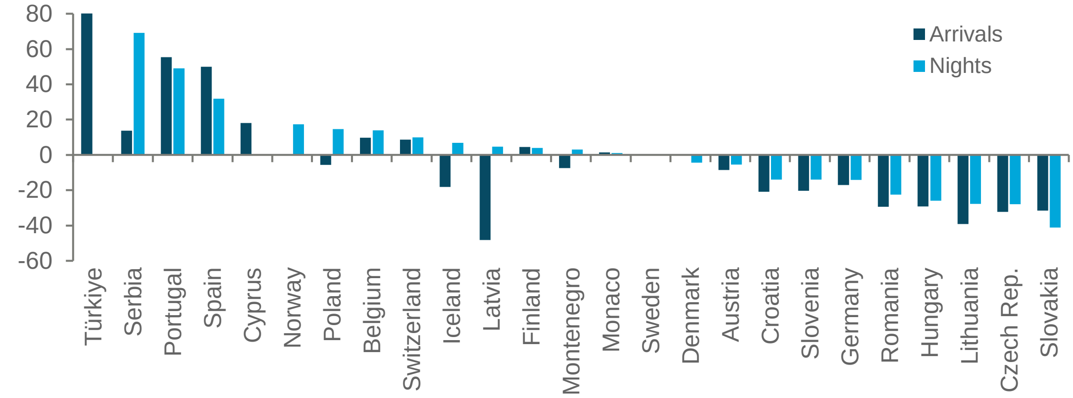
There was relatively little change in the rankings of reporting destination countries with regards to visitation from India. The top five rankings remained in the same order: Serbia, Montenegro, Portugal, Türkiye and Spain. Both Montenegro and Serbia have seen arrivals more than double when compared to the pre-pandemic period. It should be noted that in Montenegro's case, this was from an especially low base. While visa-free entry for Indians remains in force, it is no longer possible for Indians to travel onward by virtue of visa-free entry into Serbia.

Beyond the top five rankings, Iceland was the only other country to report growth in either of the metrics – and this was marginal. Poland is no longer reporting growth in either metric following a weaker end to the year so far.

Most reporting destinations continue to see lower levels of Indian tourism than in pre-pandemic times. Hungary, Sweden and Latvia continue to struggle and have the largest ground to make up in order to recover back to 2019 levels. Reduced appetite to travel to Hungary and Latvia is likely in part due to the ongoing war in Ukraine. Weak performance in Sweden may be associated with changed perceptions in this context on account of its proposed accession to NATO.

Canadian Visits and Overnights to Select Destinations

2023 year-to-date*, % change relative to 2019



Source: TourMIS* *date varies (Jan-Dec) by destination

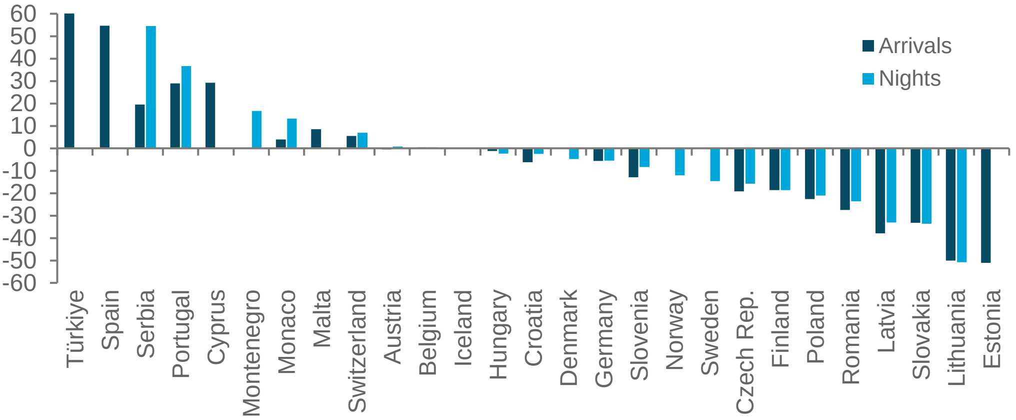
For the first time, more reporting destination countries have registered growth in at least one metric from Canadian travellers than those which have failed to do so.

A strong Q3 has seen Türkiye's growth in Canadian arrivals now rank top with 80.4% growth on 2019 levels (up from 58.8% last quarter), outpacing the growth seen in Serbia. As in the case of the United States, the very rapid expansion in Canadian tourism to Türkiye has resulted in the abandonment of the previous visa scheme for Canadians. Portugal and Spain saw growth in Canadian arrivals in excess of 50% when compared with 2019. Skyscanner data suggests that November 2023 saw a month-on-month increase of 35.0% in Canadian searches for Lisbon as Canadians sought out Portugal's relatively benign off-season climate.

The weakest performers continued to be located in Central and Eastern Europe, no doubt impacted by perceptions of proximity to war between Russia and Ukraine. Germany also stands out as being a considerable way behind a full recovery from Canadian visitors.

Australian Visits and Overnights to Select Destinations

2023 year-to-date*, % change relative to 2019



Source: TourMIS* *date varies (Jan-Dec) by destination

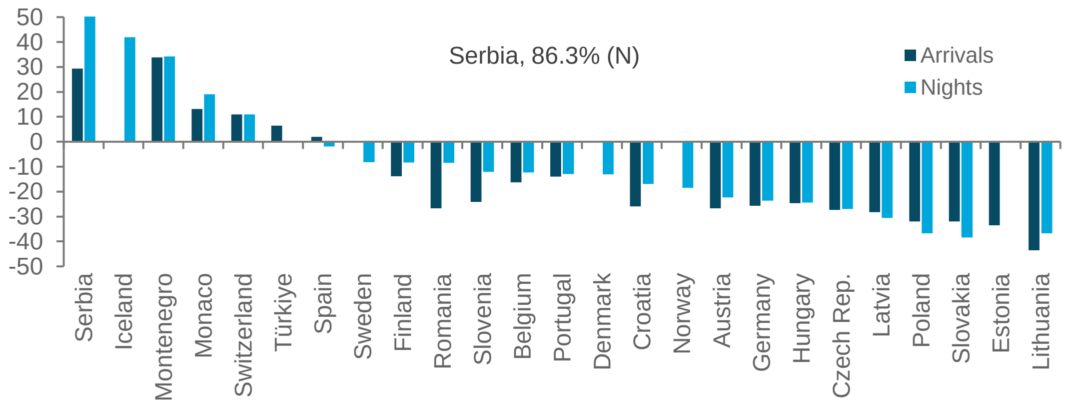
As with other long-haul source markets, visits to European destinations from Australia are taking a long time to recover. However, this quarter, Türkiye and Spain have emerged as the countries with the strongest growth in visitor numbers from Australia relative to 2019, up 61.3% and 54.7%, respectively. Türkiye will have continued to benefit from its exchange rate against the Australian dollar.

Alongside Spain, other Mediterranean destinations also fared relatively well – including Portugal, Cyprus, Monaco and Malta. Visits to both Portugal and Cyprus were both up nearly 30.0%.

As in the last quarterly report, two reporting destinations continue to register declines of over 50.0%. This time the worst performing destination was Estonia, with arrivals down by 51.0% and Lithuania, with arrivals and nights down 50.1% and 50.8%, respectively.

Brazilian Visits and Overnights to Select Destinations

2023 year-to-date*, % change relative to 2019



Source: TourMIS* *date varies (Jan-Dec) by destination

Reporting destination country data on Brazilian visitation shows some considerable improvement relative to the third quarter of 2023, when many destinations were reporting declines of 40% or more in one or both metrics. Now, only Lithuania falls into this category. There continues to be a tendency for the nights recovery to be stronger than the visits recovery, suggesting that the length of stay remains elevated with implications for additional spending.

Serbia and Montenegro remain among the strongest performers – but have also been joined by Iceland, which is only reporting nights. However, all these destinations are from a relatively low base.

Although the Eastern half of the continent continues to lag in terms of performance, some large tourism destinations in central Europe, such as Germany and Austria, also continue to significantly underperform.

6. ORIGIN MARKET SHARE ANALYSIS

Based on Tourism Economics' Global Travel Service (GTS) model, the following charts and analysis show Europe's evolving market position – in absolute and percentage terms – for selected source markets.

Data in these charts and tables relate to reported arrivals in all destinations as a comparable measure of outbound travel for the calculation of market share.

For example, US outbound figures featured in the analysis are larger than reported departures in national statistics as long-haul trips often involve travel to multiple destinations. In 2014, US data reporting shows 11.9 million departures to Europe while the sum of European arrivals from the US was 23.4 million. Thus, each US trip to Europe involved a visit to two destinations on average.

The geographies of Europe are defined as follows:

***Northern Europe** is Denmark, Finland, Iceland, Ireland, Norway, Sweden, and the UK;*

***Western Europe** is Austria, Belgium, France, Germany, Luxembourg, Netherlands, and Switzerland;*

***Southern/Mediterranean Europe** is Albania, Bosnia-Herzegovina, Croatia, Cyprus, North Macedonia, Greece, Italy, Malta, Montenegro, Portugal, Serbia, Slovenia, Spain, and Türkiye;*

***Central/Eastern Europe** is Armenia, Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Poland, Romania, Russian Federation, Slovakia, and Ukraine.*

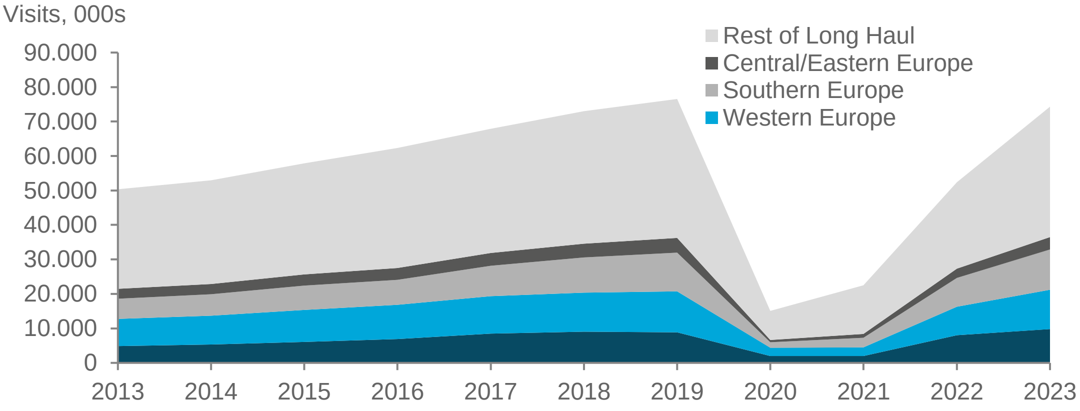
United States Market Share Summary

	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**93,475**	**-**	**11.6%**	**73.2%**	**-**	**-17.4%**	**-**
Long haul	52,352	56.0%	13.5%	88.5%	61.0%	-22.9%	60.0%
Short haul	41,123	44.0%	9.0%	53.6%	39.0%	-9.2%	40.0%
Travel to Europe	**27,352**	**29.3%**	**10.4%**	**64.2%**	**27.8%**	**-14.1%**	**28.1%**
European Union	6,111	6.5%	43.1%	500.9%	22.7%	-73.6%	20.4%
Northern Europe	8,027	8.6%	7.1%	40.9%	7.0%	-5.8%	7.5%
Western Europe	8,276	8.9%	11.0%	68.8%	8.6%	-23.7%	9.6%
Southern Europe	8,340	8.9%	11.3%	70.8%	8.8%	-5.2%	7.8%
Central/Eastern Europe	2,710	2.9%	14.8%	99.2%	3.3%	-26.6%	3.3%

*Shows cumulative change over the relevant time period indicated. 2017-22 includes COVID-19 pandemic related declines.
**Shares are expressed as % of total outbound travel

Source: Tourism Economics

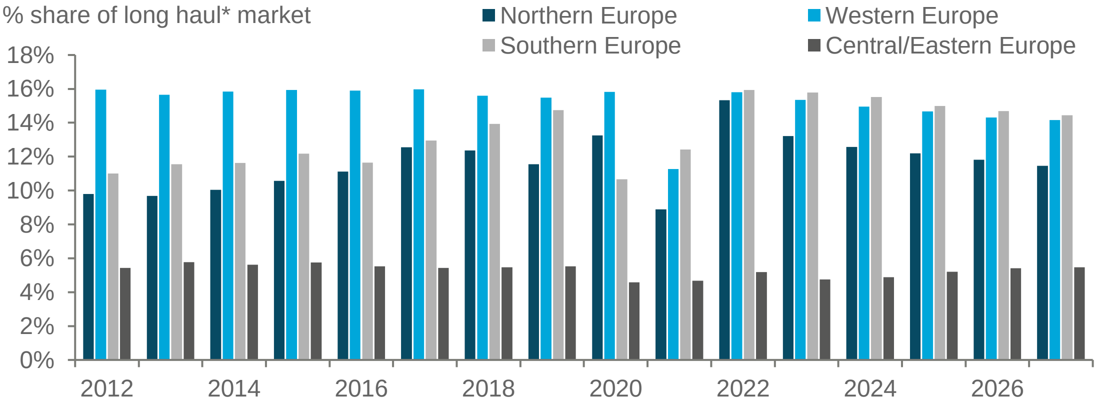
United States Long Haul* Outbound Travel



*Long haul defined as tourist arrivals to destinations outside North America

Source: Tourism Economics

Europe's Share of American Market



*Long haul defined as tourist arrivals to destinations outside North America

Source: Tourism Economics

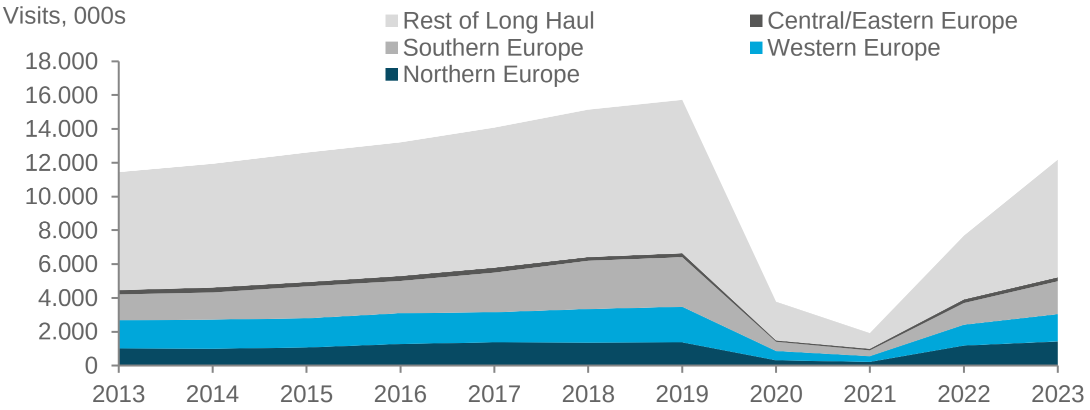
Canada Market Share Summary

	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**23,646**	**-**	**15.1%**	**101.7%**	**-**	**-35.3%**	**-**
Long haul	7,678	32.5%	20.8%	157.3%	41.4%	-45.5%	38.5%
Short haul	15,969	67.5%	11.8%	74.9%	58.6%	-28.9%	61.5%
Travel to Europe	**3,907**	**16.5%**	**13.6%**	**88.9%**	**15.5%**	**-32.6%**	**15.9%**
European Union	1,422	6.0%	34.9%	346.1%	13.3%	-69.9%	12.9%
Northern Europe	1,186	5.0%	7.4%	42.9%	3.6%	-14.0%	3.8%
Western Europe	1,225	5.2%	13.6%	89.6%	4.9%	-31.3%	4.9%
Southern Europe	1,294	5.5%	18.7%	135.9%	6.4%	-44.8%	6.4%
Central/Eastern Europe	201	0.8%	9.0%	53.7%	0.6%	-30.7%	0.8%

*Shows cumulative change over the relevant time period indicated. 2017-22 includes COVID-19 pandemic related declines.
**Shares are expressed as % of total outbound travel

Source: Tourism Economics

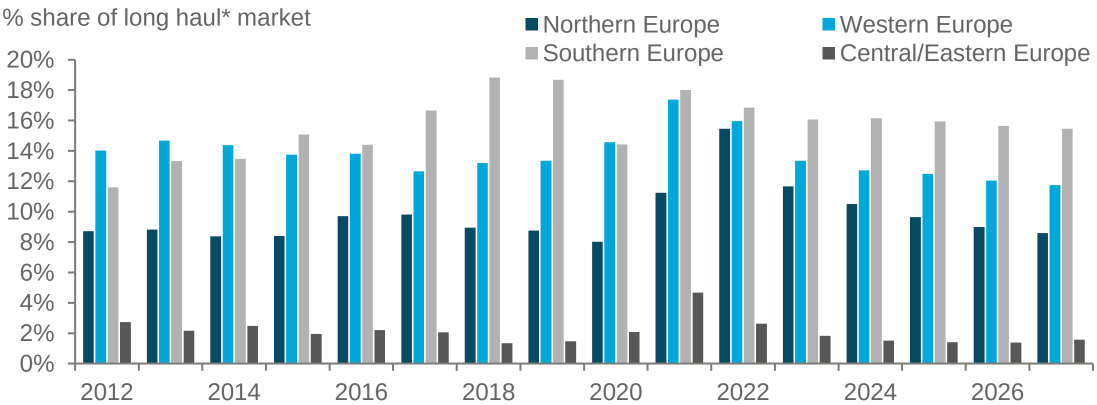
Canada Long Haul* Outbound Travel



*Long haul defined as tourist arrivals to destinations outside North America

Source: Tourism Economics

Europe's Share of Canadian Market



*Long haul defined as tourist arrivals to destinations outside North America

Source: Tourism Economics

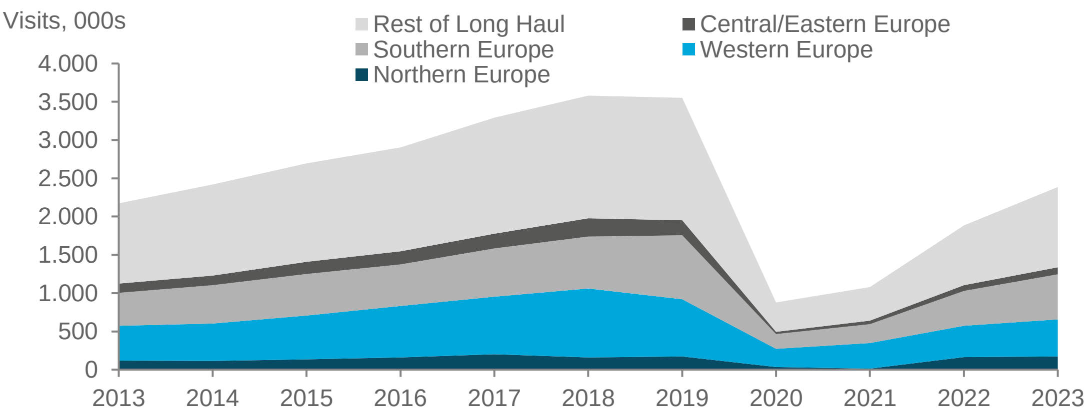
Mexico Market Share Summary

	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**14,790**	**-**	**12.4%**	**79.5%**	**-**	**-31.1%**	**-**
Long haul	1,886	12.7%	14.2%	94.3%	13.8%	-42.8%	15.3%
Short haul	12,904	87.3%	12.1%	77.4%	86.2%	-29.0%	84.7%
Travel to Europe	**1,102**	**7.5%**	**12.4%**	**79.3%**	**7.4%**	**-38.0%**	**8.3%**
European Union	464	3.1%	26.4%	222.7%	5.6%	-64.2%	6.0%
Northern Europe	166	1.1%	4.4%	24.0%	0.8%	-17.4%	0.9%
Western Europe	409	2.8%	12.4%	79.5%	2.8%	-45.8%	3.5%
Southern Europe	454	3.1%	14.2%	94.4%	3.3%	-27.9%	2.9%
Central/Eastern Europe	73	0.5%	15.9%	109.5%	0.6%	-61.8%	0.9%

*Shows cumulative change over the relevant time period indicated. 2017-22 includes COVID-19 pandemic related declines.
**Shares are expressed as % of total outbound travel

Source: Tourism Economics

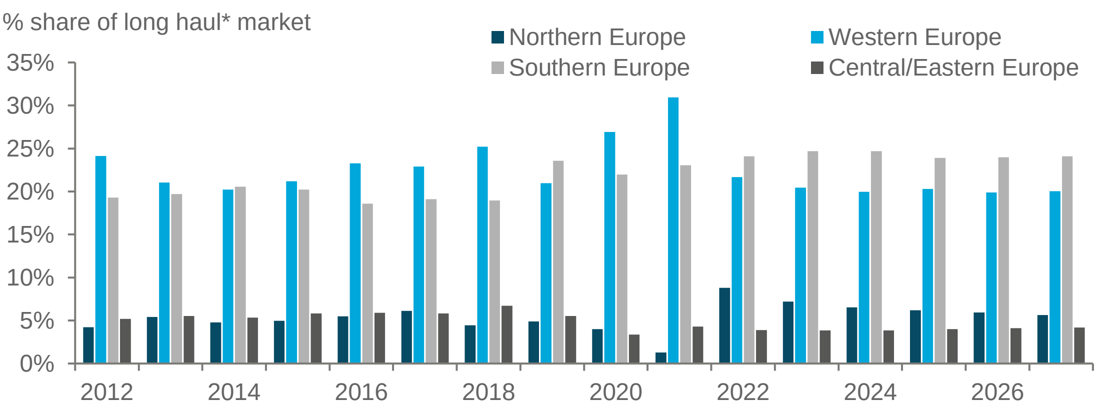
Mexico Long Haul* Outbound Travel



*Long haul defined as tourist arrivals to destinations outside North America

Source: Tourism Economics

Europe’s Share of Mexican Market



*Long haul defined as tourist arrivals to destinations outside North America

Source: Tourism Economics

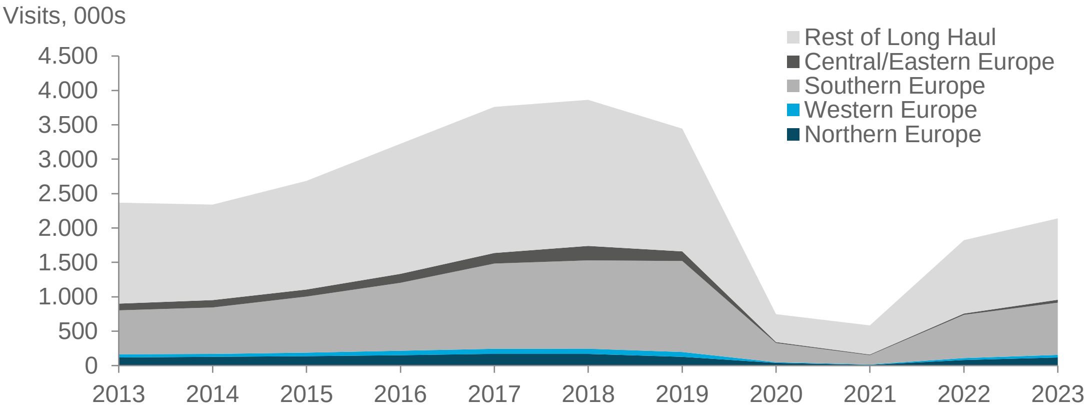
Argentina Market Share Summary

	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**5,254**	**-**	**10.6%**	**65.3%**	**-**	**-62.4%**	**-**
Long haul	1,822	34.7%	10.8%	67.1%	35.0%	-51.6%	26.9%
Short haul	3,432	65.3%	10.5%	64.4%	65.0%	-66.4%	73.1%
Travel to Europe	**756**	**14.4%**	**12.7%**	**81.5%**	**15.8%**	**-53.8%**	**11.7%**
European Union	319	6.1%	24.9%	203.8%	11.2%	-65.9%	6.7%
Northern Europe	81	1.5%	12.3%	79.0%	1.7%	-52.6%	1.2%
Western Europe	28	0.5%	19.4%	142.8%	0.8%	-61.4%	0.5%
Southern Europe	626	11.9%	11.0%	68.6%	12.2%	-49.4%	8.9%
Central/Eastern Europe	20	0.4%	38.3%	406.3%	1.2%	-86.6%	1.1%

*Shows cumulative change over the relevant time period indicated. 2017-22 includes COVID-19 pandemic related declines.
**Shares are expressed as % of total outbound travel

Source: Tourism Economics

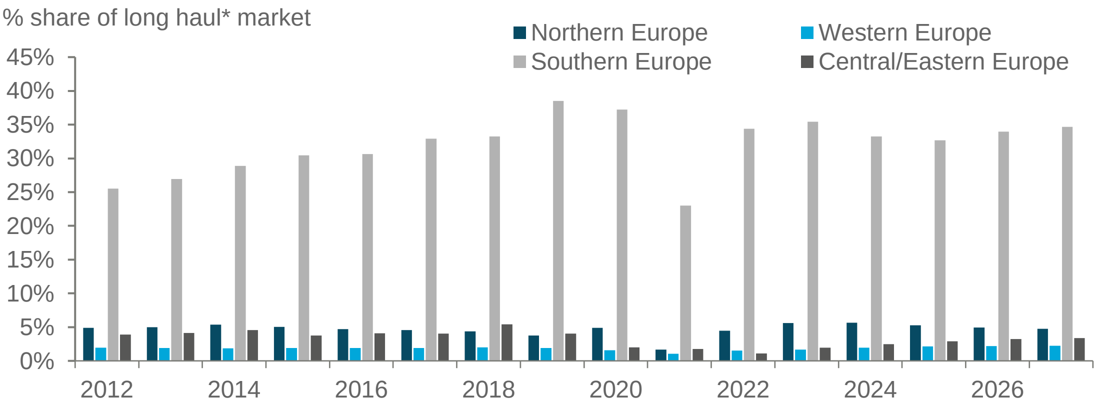
Argentina Long Haul* Outbound Travel



*Long haul defined as tourist arrivals to destinations outside South America

Source: Tourism Economics

Europe's Share of Argentine Market



*Long haul defined as tourist arrivals to destinations outside South America

Source: Tourism Economics

Brazil Market Share Summary

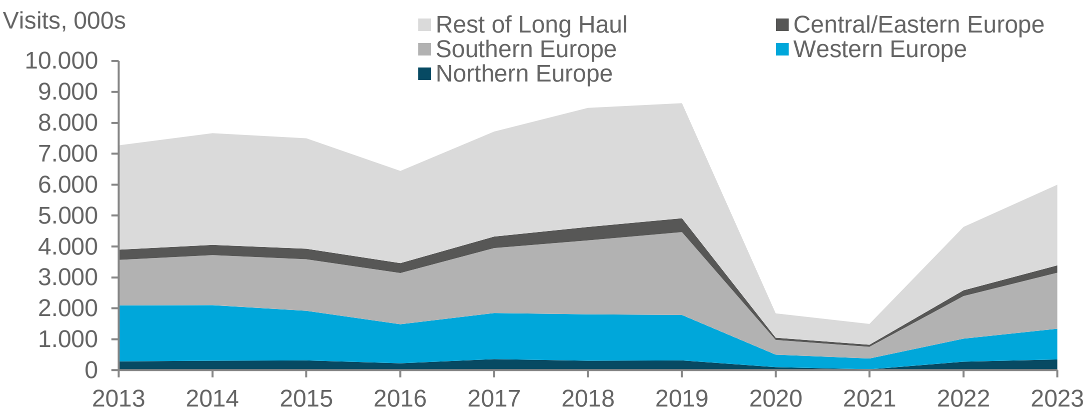
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**6,405**	**-**	**15.7%**	**107.3%**	**-**	**-40.5%**	**-**
Long haul	4,629	72.3%	14.9%	100.3%	69.8%	-40.0%	71.7%
Short haul	1,776	27.7%	17.7%	125.7%	30.2%	-41.8%	28.3%
Travel to Europe	**2,579**	**40.3%**	**14.8%**	**99.8%**	**38.8%**	**-40.3%**	**40.1%**
European Union	954	14.9%	33.7%	327.6%	30.7%	-73.4%	33.3%
Northern Europe	275	4.3%	7.1%	40.8%	2.9%	-22.7%	3.3%
Western Europe	742	11.6%	15.6%	106.1%	11.5%	-50.3%	13.9%
Southern Europe	1,374	21.5%	15.6%	106.8%	21.4%	-34.5%	19.5%
Central/Eastern Europe	187	2.9%	16.0%	110.3%	3.0%	-50.2%	3.5%

*Shows cumulative change over the relevant time period indicated. 2017-22 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

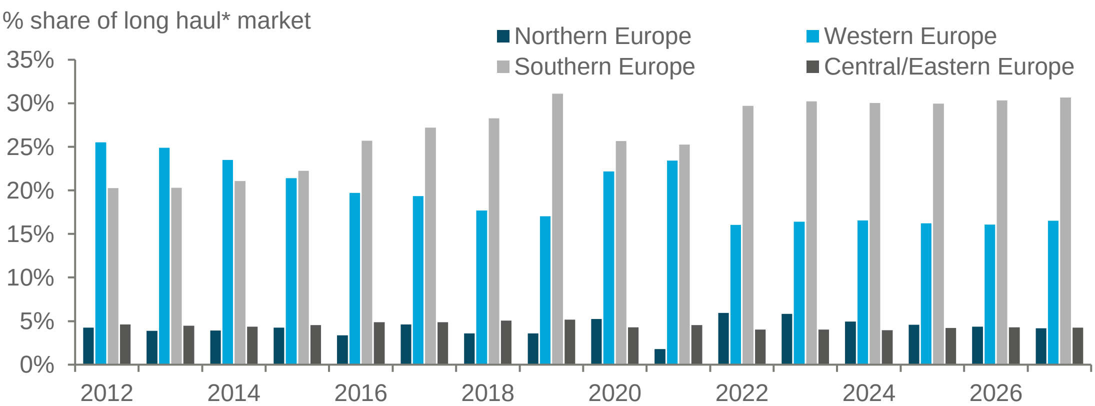
Brazil Long Haul* Outbound Travel



*Long haul defined as tourist arrivals to destinations outside South America

Source: Tourism Economics

Europe's Share of Brazilian Market



*Long haul defined as tourist arrivals to destinations outside South America

Source: Tourism Economics

India Market Share Summary

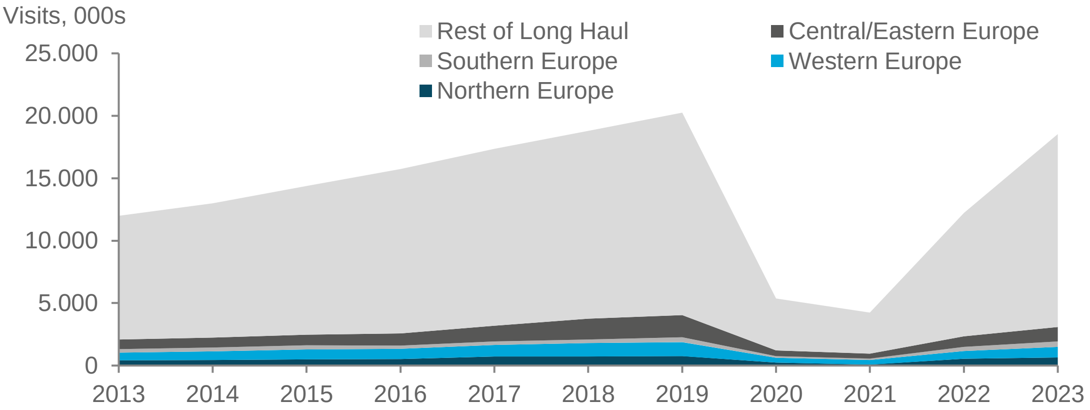
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**12,987**	**-**	**17.6%**	**125.3%**	**-**	**-30.3%**	**-**
Long haul	12,217	94.1%	17.7%	125.9%	94.3%	-29.6%	93.2%
Short haul	770	5.9%	16.7%	116.1%	5.7%	-39.3%	6.8%
Travel to Europe	**2,347**	**18.1%**	**14.7%**	**98.8%**	**15.9%**	**-26.6%**	**17.2%**
European Union	728	5.6%	21.7%	166.9%	6.6%	-45.0%	7.1%
Northern Europe	556	4.3%	11.1%	68.9%	3.2%	-24.6%	4.0%
Western Europe	597	4.6%	14.4%	96.3%	4.0%	-34.0%	4.9%
Southern Europe	343	2.6%	10.4%	64.2%	1.9%	16.0%	1.6%
Central/Eastern Europe	850	6.5%	18.5%	133.9%	6.8%	-32.5%	6.8%

*Shows cumulative change over the relevant time period indicated. 2017-22 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

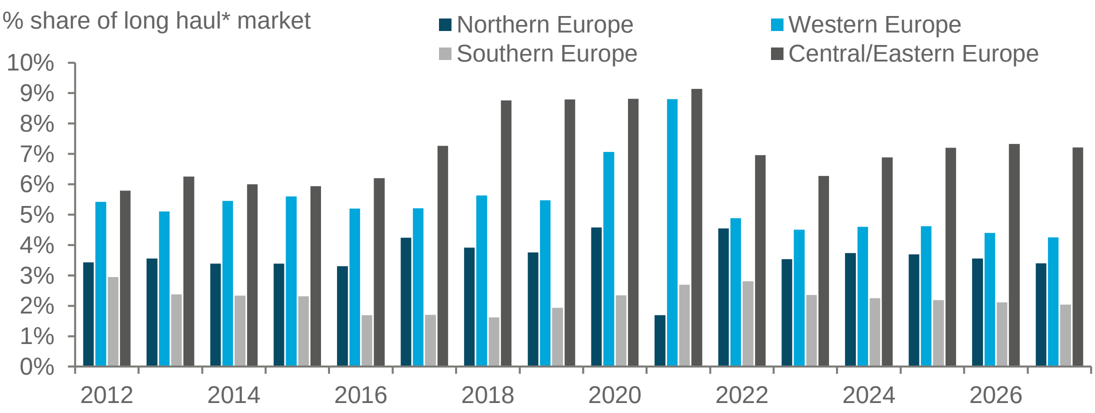
India Long Haul* Outbound Travel



*Long haul defined as tourist arrivals to destinations outside South Asia

Source: Tourism Economics

Europe's Share of Indian Market



*Long haul defined as tourist arrivals to destinations outside South Asia

Source: Tourism Economics

China Market Share Summary

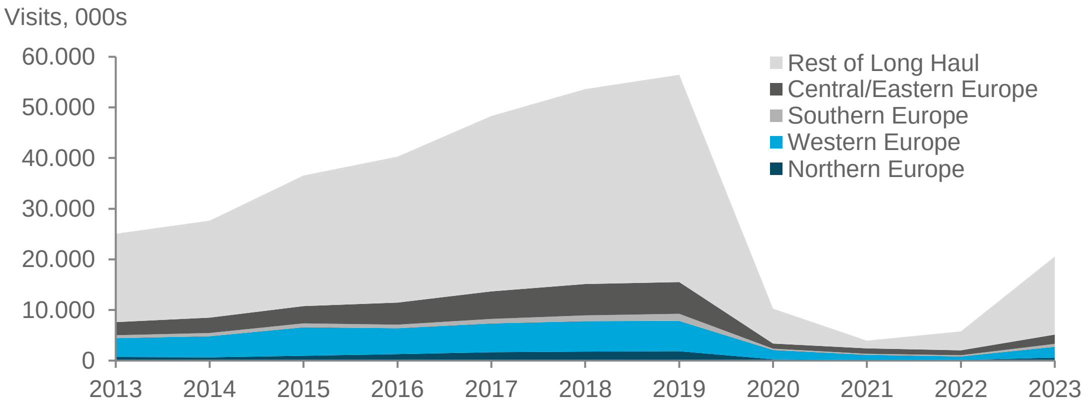
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**9,085**	**-**	**72.3%**	**1419.7%**	**-**	**-90.2%**	**-**
Long haul	5,785	63.7%	65.0%	1124.3%	51.3%	-88.0%	52.0%
Short haul	3,300	36.3%	82.7%	1937.7%	48.7%	-92.6%	48.0%
Travel to Europe	**2,025**	**22.3%**	**52.8%**	**734.2%**	**12.2%**	**-85.2%**	**14.7%**
European Union	2,347	25.8%	29.8%	268.4%	6.3%	-64.7%	7.2%
Northern Europe	151	1.7%	70.7%	1348.1%	1.6%	-90.9%	1.8%
Western Europe	665	7.3%	57.7%	874.8%	4.7%	-88.3%	6.1%
Southern Europe	232	2.6%	39.9%	436.3%	0.9%	-74.3%	1.0%
Central/Eastern Europe	976	10.7%	48.2%	614.0%	5.0%	-82.0%	5.8%

*Shows cumulative change over the relevant time period indicated. 2017-22 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

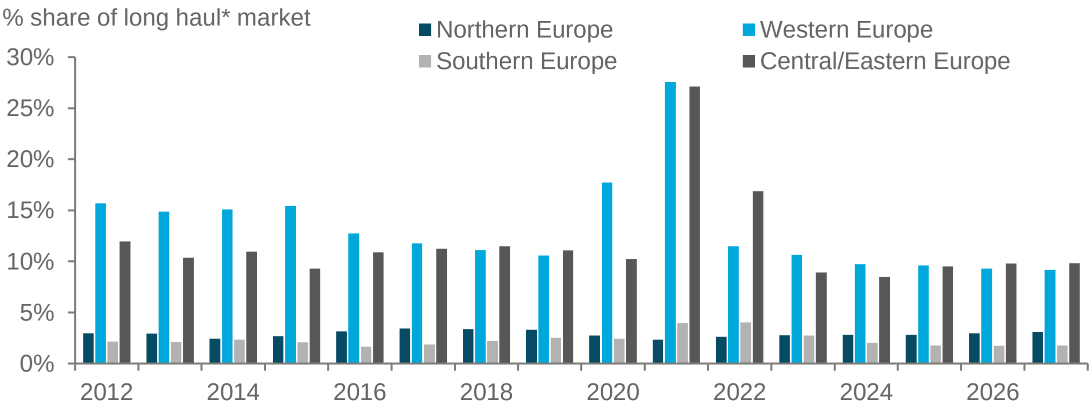
China Long Haul* Outbound Travel



*Long haul defined as tourist arrivals to destinations outside Northeast Asia

Source: Tourism Economics

Europe's Share of Chinese Market



*Long haul defined as tourist arrivals to destinations outside Northeast Asia

Source: Tourism Economics

Japan Market Share Summary

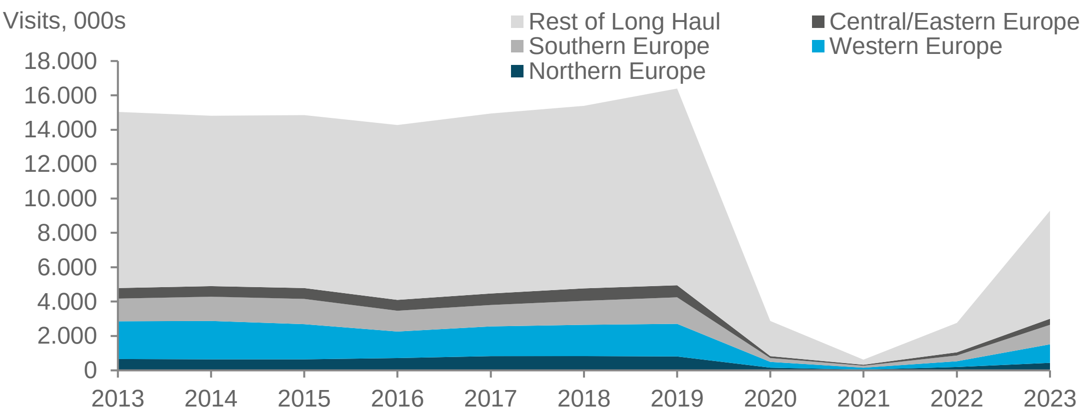
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**3,410**	**-**	**57.1%**	**856.6%**	**-**	**-85.1%**	**-**
Long haul	2,754	80.8%	50.8%	680.5%	65.9%	-81.6%	65.4%
Short haul	656	19.2%	76.2%	1596.1%	34.1%	-91.7%	34.6%
Travel to Europe	**1,045**	**30.6%**	**41.5%**	**466.9%**	**18.2%**	**-76.7%**	**19.6%**
European Union	759	22.3%	42.9%	495.3%	13.8%	-82.2%	18.7%
Northern Europe	197	5.8%	35.1%	350.1%	2.7%	-76.3%	3.6%
Western Europe	333	9.8%	47.6%	600.6%	7.2%	-80.6%	7.5%
Southern Europe	338	9.9%	38.5%	409.1%	5.3%	-72.9%	5.5%
Central/Eastern Europe	177	5.2%	40.9%	455.6%	3.0%	-73.9%	3.0%

*Shows cumulative change over the relevant time period indicated. 2017-22 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

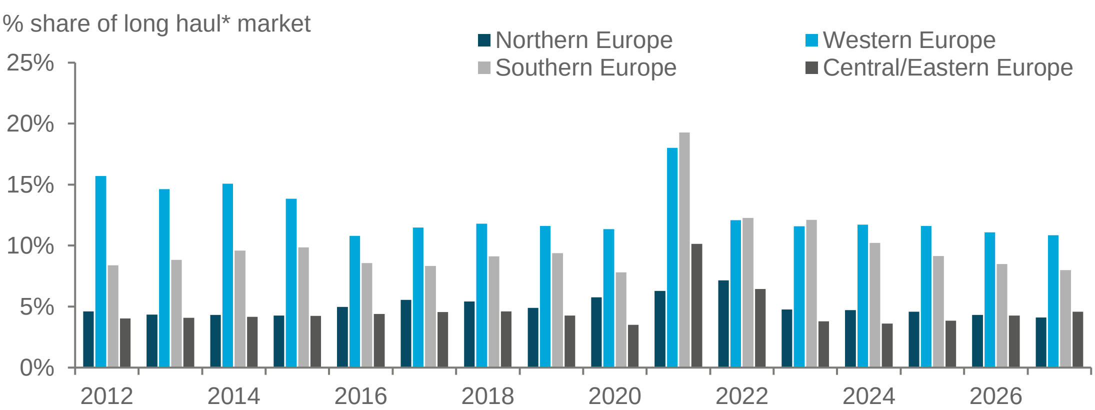
Japan Long Haul* Outbound Travel



*Long haul defined as tourist arrivals to destinations outside Northeast Asia

Source: Tourism Economics

Europe's Share of Japanese Market



*Long haul defined as tourist arrivals to destinations outside Northeast Asia

Source: Tourism Economics

Australia Market Share Summary

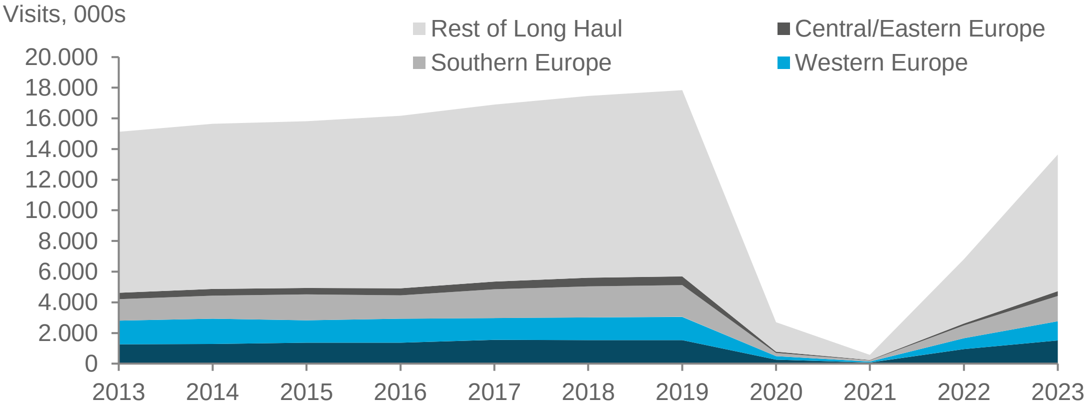
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**7,158**	**-**	**28.9%**	**255.6%**	**-**	**-59.2%**	**-**
Long haul	6,822	95.3%	29.1%	257.9%	95.9%	-59.6%	96.3%
Short haul	336	4.7%	25.3%	208.8%	4.1%	-47.9%	3.7%
Travel to Europe	**2,623**	**36.6%**	**22.3%**	**174.1%**	**28.2%**	**-51.0%**	**30.5%**
European Union	716	10.0%	51.3%	692.6%	22.3%	-84.3%	26.0%
Northern Europe	949	13.3%	14.5%	96.7%	7.3%	-38.7%	8.8%
Western Europe	701	9.8%	20.7%	156.4%	7.1%	-50.7%	8.1%
Southern Europe	833	11.6%	29.0%	257.6%	11.7%	-55.8%	10.7%
Central/Eastern Europe	141	2.0%	31.3%	290.5%	2.2%	-71.8%	2.8%

*Shows cumulative change over the relevant time period indicated. 2017-22 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

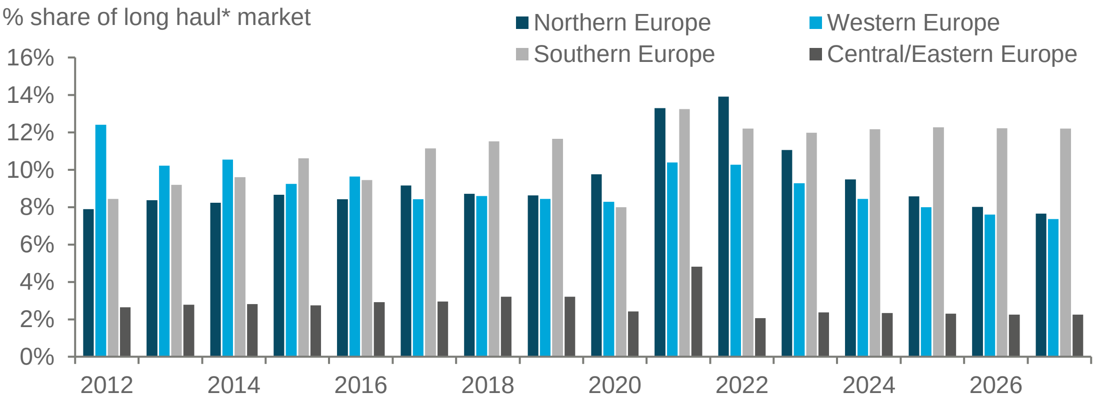
Australia Long Haul* Outbound Travel



*Long haul defined as tourist arrivals to destinations outside Oceania

Source: Tourism Economics

Europe's Share of Australian Market



*Long haul defined as tourist arrivals to destinations outside Oceania

Source: Tourism Economics

Russia Market Share Summary

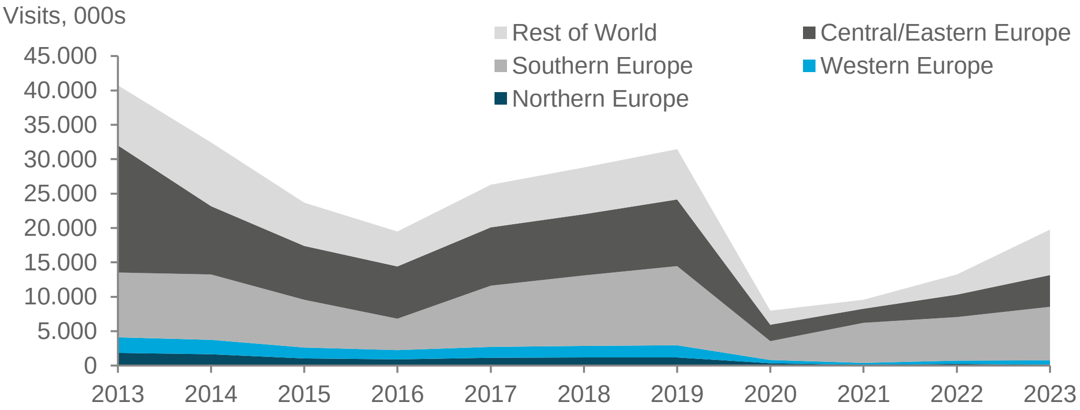
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**13,256**	**-**	**21.3%**	**163.0%**	**-**	**-49.6%**	**-**
Long haul	2,962	22.3%	24.7%	202.0%	25.7%	-52.3%	23.6%
Short haul	10,295	77.7%	20.3%	151.8%	74.3%	-48.7%	76.4%
Travel to Europe	**10,295**	**77.7%**	**20.3%**	**151.8%**	**74.3%**	**-48.7%**	**76.4%**
European Union	2,209	16.7%	23.8%	190.7%	18.4%	-72.9%	31.0%
Northern Europe	249	1.9%	29.4%	262.4%	2.6%	-77.6%	4.2%
Western Europe	461	3.5%	29.3%	262.0%	4.8%	-71.0%	6.0%
Southern Europe	6,344	47.9%	14.1%	93.0%	35.1%	-28.7%	33.8%
Central/Eastern Europe	3,241	24.4%	27.9%	242.7%	31.9%	-61.8%	32.3%

*Shows cumulative change over the relevant time period indicated. 2017-22 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

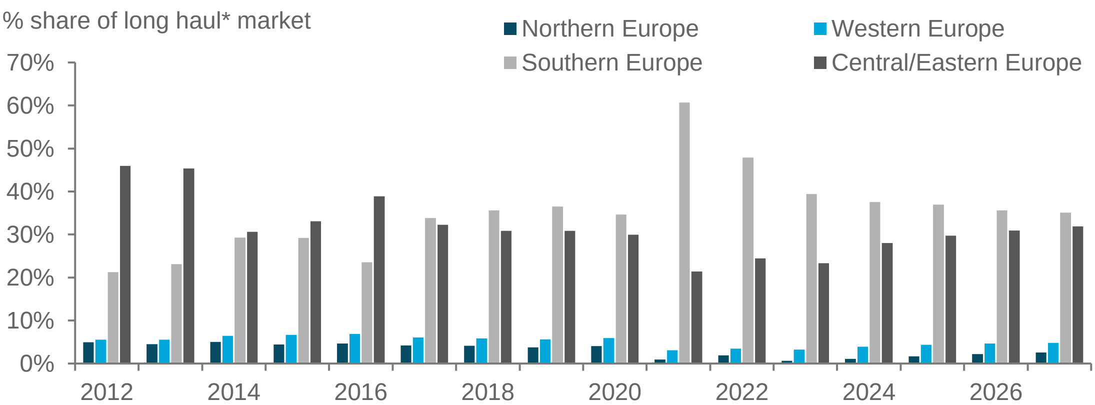
Russia Long Haul* Outbound Travel



*Long haul defined as tourist arrivals to all destinations

Source: Tourism Economics

Europe's Share of Russian Market



*Long haul defined as tourist arrivals to all destinations

Source: Tourism Economics

United Arab Emirates Market Share Summary

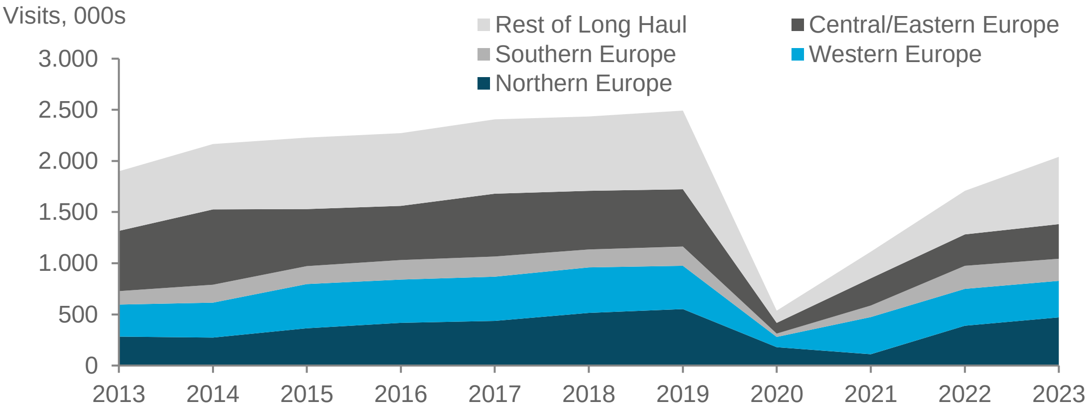
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**3,086**	**-**	**14.1%**	**93.8%**	**-**	**-14.4%**	**-**
Long haul	1,707	55.3%	8.6%	51.2%	43.2%	-29.1%	66.8%
Short haul	1,378	44.7%	19.8%	146.5%	56.8%	15.1%	33.2%
Travel to Europe	**1,283**	**41.6%**	**6.3%**	**35.8%**	**29.1%**	**-23.7%**	**46.6%**
European Union	293	9.5%	26.8%	227.8%	16.1%	-64.5%	22.9%
Northern Europe	388	12.6%	10.1%	61.9%	10.5%	-11.3%	12.1%
Western Europe	362	11.7%	4.1%	22.2%	7.4%	-16.1%	12.0%
Southern Europe	225	7.3%	-4.9%	-22.1%	2.9%	13.7%	5.5%
Central/Eastern Europe	308	10.0%	10.0%	61.4%	8.3%	-49.9%	17.0%

*Shows cumulative change over the relevant time period indicated. 2017-22 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

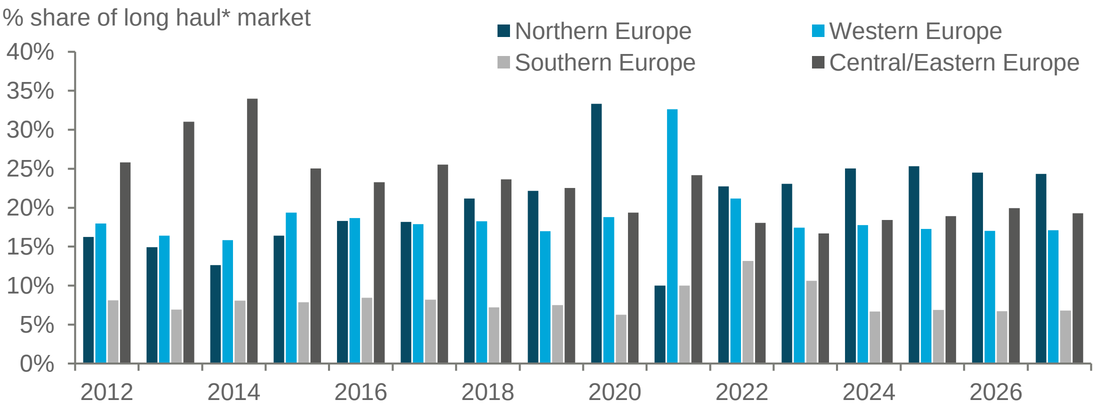
United Arab Emirates Long Haul* Outbound Travel



*Long haul defined as tourist arrivals to destinations outside Middle East

Source: Tourism Economics

Europe's Share of Emirati Market



*Long haul defined as tourist arrivals to destinations outside Middle East

Source: Tourism Economics

7. ECONOMIC OUTLOOK

Assessing recent tourism data and industry performance is a useful way of directly monitoring the key trends for travel demand across Europe. This can be complemented by looking at key trends and relationships in macroeconomic performance in Europe's key source markets, which can provide further insight into likely tourism developments throughout the year.

The linkages between macroeconomics and tourism performance can be very informative. For example, strong GDP or consumer spending growth is an indication of rising prosperity with people more likely to travel abroad. It is also an indication of rising business activity and therefore stronger business travel. Movements in exchange rates against the euro can be equally important as it can influence choice of destination. For example, if the euro appreciated (gained value) against the US dollar, the Eurozone would become a more expensive destination and therefore potentially less attractive for US visitors. Conversely, depreciation (lost value) of the euro against the US dollar would make the Eurozone a relatively cheaper destination and therefore more attractive to US travellers.

Disclaimer: the opinions expressed in the forthcoming section [Economic Outlook] are those of Oxford Economics ("we, us, our"). They do not purport to reflect the opinions or views of ETC or its members.

OVERVIEW

Evidence of a soft landing in the US is building and weakening inflation prospects around the world should allow central banks to start cutting interest rates in H1 2024. But global GDP growth still looks set to be subdued, even by the standards of the 2010s, and we think that the pace of policy rate cuts by the US Federal Reserve this year will be less than markets envisage.

A key development over the last quarter has been the downward revision to our global inflation forecasts. A swathe of weaker-than-expected inflation data towards the end of 2023 and a reduction in our oil price forecast – we now expect the Brent oil price will remain around US$75 per barrel this year – are the main drivers.

We expect world CPI inflation to average 4.1% in 2024, still above the 2.5%-3% average range in the late 2010s, but considerably lower than the 6% increase in 2023. The path for inflation remains uncertain and there are still plenty of potential shocks that could slow the normalisation, including the recent Red Sea shipping attacks. Even so the risk around our forecast are becoming more evenly balanced.

However, the likely further easing of both headline and core inflation over the next few months, along with the soft economic backdrop, means that it is increasingly likely the Fed and other major advanced economy central banks will begin to reduce policy rates towards mid-2024.

We now expect the Fed will start to reduce the policy rate in May and will lower rates by a cumulative 75bps – 25bps more than we assumed a month ago. A faster pace of cuts is possible, but the five or six cuts that markets have recently been pricing in for 2024 look excessive without a material weakening in the economy.

Summary of Economic Outlook, % change*

	2022					2023				
Country	GDP	Consumer expenditure	Unemploy-ment**	Exchange rate***	Inflation	GDP	Consumer expenditure	Unemploy-ment**	Exchange rate***	Inflation
UK	4.3%	4.8%	4.1%	0.9%	9.1%	0.3%	0.5%	4.0%	-2.0%	7.3%
France	2.5%	2.3%	7.1%	0.0%	5.2%	0.8%	0.6%	7.1%	0.0%	4.9%
Germany	1.9%	3.9%	5.3%	0.0%	6.9%	-0.2%	-0.9%	5.7%	0.0%	5.9%
Netherlands	4.4%	6.5%	3.5%	0.0%	10.0%	0.0%	-0.2%	3.5%	0.0%	3.8%
Italy	3.9%	5.0%	8.1%	0.0%	8.2%	0.7%	1.5%	7.7%	0.0%	5.6%
Spain	5.8%	4.7%	12.9%	0.0%	8.4%	2.4%	2.1%	12.1%	0.0%	3.5%
Russia	-2.1%	-1.4%	3.9%	20.1%	13.7%	3.2%	5.6%	3.2%	-21.2%	5.9%
US	1.9%	2.5%	3.6%	12.3%	8.0%	2.5%	2.2%	3.6%	-2.6%	4.1%
Canada	3.8%	5.1%	5.3%	8.3%	6.8%	1.0%	2.0%	5.4%	-6.1%	3.8%
Brazil	3.1%	4.1%	9.3%	17.5%	9.3%	2.9%	3.1%	8.2%	0.7%	4.6%
China	3.0%	0.3%	3.2%	7.8%	2.0%	5.2%	8.7%	3.6%	-7.6%	0.3%
Japan	0.9%	2.1%	2.6%	-5.9%	2.5%	2.0%	0.9%	2.6%	-9.2%	3.2%
India	6.7%	8.1%	7.6%	5.7%	6.7%	7.0%	3.8%	8.2%	-7.4%	5.7%

Source: Tourism Economics based on GEM as of 11.01.2024

* Unless otherwise specified

** Percentage point change

*** Exchange rates measured against the euro. A positive change indicates stronger local currency against the euro and therefore a positive impact on outbound tourism demand. A negative change indicates weaker local currency against the euro and therefore a negative impact on outbound tourism demand.

EUROZONE

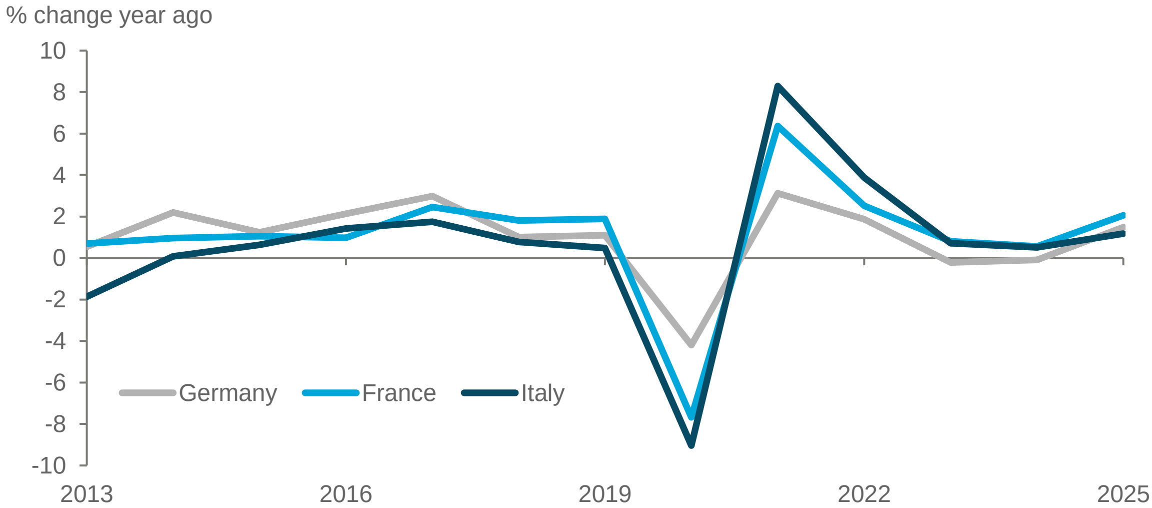
The eurozone economy likely entered a very mild recession in H2 2023. GDP contracted by 0.1% in Q3. The full GDP breakdown for Q3 showed some reasonable growth in private consumption, while investment stagnated due to weak global demand and monetary tightening.

We think that the eurozone economy contracted in Q4 2023. Despite some improvements in the surveys, the economic situation remains grim and weak data for Germany suggest the eurozone remains trapped in an environment of low growth. The eurozone economy has stagnated recently, dragged down by contractionary monetary policy, the impact of high inflation on consumers' real incomes, weak external demand, and an industrial recession.

Recent surveys signal that the expected recovery in 2024 will start from a low base and the recovery has not yet gained pace. However, there are initial signs that the worst might be over, and that momentum stabilised rather than deteriorated. The December Economic Sentiment Indicator (ESI) improved for the third consecutive month, reaching the highest reading since May 2023.

December inflation data will not offer any major insights on the effects of the ECB easing cycle, but the upcoming January inflation print will be key given the large price adjustments at the start of recent years. Our dovish inflation forecast means that we expect the ECB will cut rates aggressively this year. We believe the ECB will embark on a cycle of rate cuts starting in April 2024 that will bring the deposit rate to 2.5% by the end of this year.

Economic Performance in Key Eurozone Economies, Real GDP



Source: Oxford Economics

UNITED KINGDOM

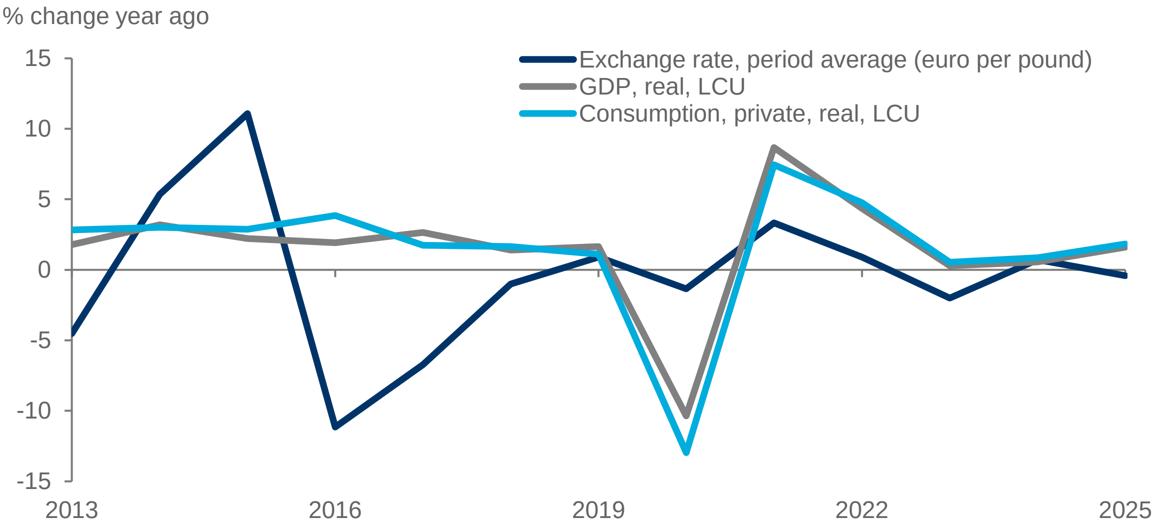
The Office for National Statistics revised down its estimates for GDP in Q2 and Q3 2023, and output fell by a surprisingly large 0.3% on the month in October. Though we think October's weakness was largely noise, the rebound will be limited by the impact of further strikes in the health sector.

Business survey results suggest the weakness persisted into Q4, although the composite PMI did edge back into expansionary territory in November. But we think the number of days lost to strikes in the public and transport sectors has continued to fall and the reduced drag on public sector output will likely result in some GDP growth in Q4. Absent revisions to historical data, this would mean that the economy grows by 0.3% in 2023, down from 0.7% last quarter.

UK inflation is set to drop much more quickly than previously anticipated due to falling oil and gas prices and weaker services inflation. This will boost real incomes, so we've upgraded our forecast for GDP growth in 2024 by 0.1ppt to 0.6%. The upward revision would have been larger, but the drag caused by large historical data revisions in the latest national accounts limited the upgrade. Lower inflation should also mean the Bank of England can cut interest rates faster.

Even before recent developments, the BoE appeared too pessimistic on how long it would take inflation to drop back to target. The Monetary Policy Committee will be keen to see that 2024 pay settlements are coming in much lower than last year. But we expect the MPC will start cutting rates by May and forecast Bank Rate will fall to 4.25% by year-end, from 5.25% now. However, any boost to activity from looser monetary policy is unlikely to be seen until 2025.

United Kingdom Economic Outlook



Source: Oxford Economics

UNITED STATES

The second estimate of GDP confirmed that the US economy expanded by more than 5% annualised in Q3, driven by a remarkably buoyant consumer. But since then, we've upgraded our baseline forecast to reflect the underlying strength of the labor market, a quicker moderation in inflation, looser financial market conditions, and signs that the Federal Reserve is set to pivot sooner than we had previously anticipated.

With inflation set to edge towards the Fed's 2.0% target by mid-year, we now expect the first rate cut by the Federal Open Market Committee will occur in September, rather than May. The forecast still assumes that the Fed will cut rates by 25bps at every other meeting until reaching the neutral rate, which we estimate at 2.25%.

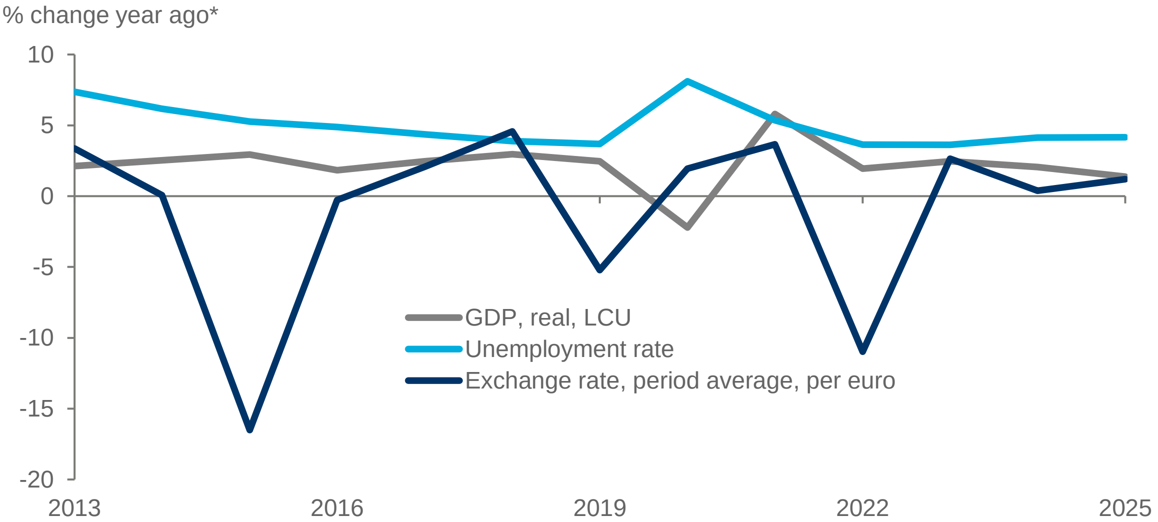
Lower retail gasoline prices should provide a welcome boost to consumer, as they've fallen US$0.76 per gallon since late September, which should boost consumption by roughly US$1 trillion over the course of the year. Another support for consumer spending is the anticipated faster growth in real disposable income.

Though we expect the US economy will do better this year than we previously thought, it won't be booming. The economy will still endure the cumulative impact of past tightening in monetary policy, less accommodative lending conditions, restrictive fiscal policy, and heighted policy uncertainty. The supply-side of the economy is key to the near-term outlook, as it should help tame wage growth and inflation without pushing the unemployment significantly higher.

As a result, risks around our new baseline forecast are more balanced. Among the key upside risks are further easing in financial market conditions, more significant disinflation in core services (excluding housing) that leads to a more aggressive easing cycle by the Fed, and a larger wealth effect from higher equity prices.

Key downside risks include significant weakness in the supply-side of the economy, a sudden shift by households to replenish savings at the expense of spending, and for fiscal policy uncertainty to weigh more heavily than anticipated on real business investment.

United States Economic Outlook



Source: Oxford Economics *Unemployment rate is absolute

JAPAN

According to the revised estimate, GDP was downgraded to a 0.7% quarterly contraction in Q3 from a 0.5% decline. After reflecting corporate financial statement statistics, the contribution from inventories was downgraded, whereas business investment was upgraded slightly.

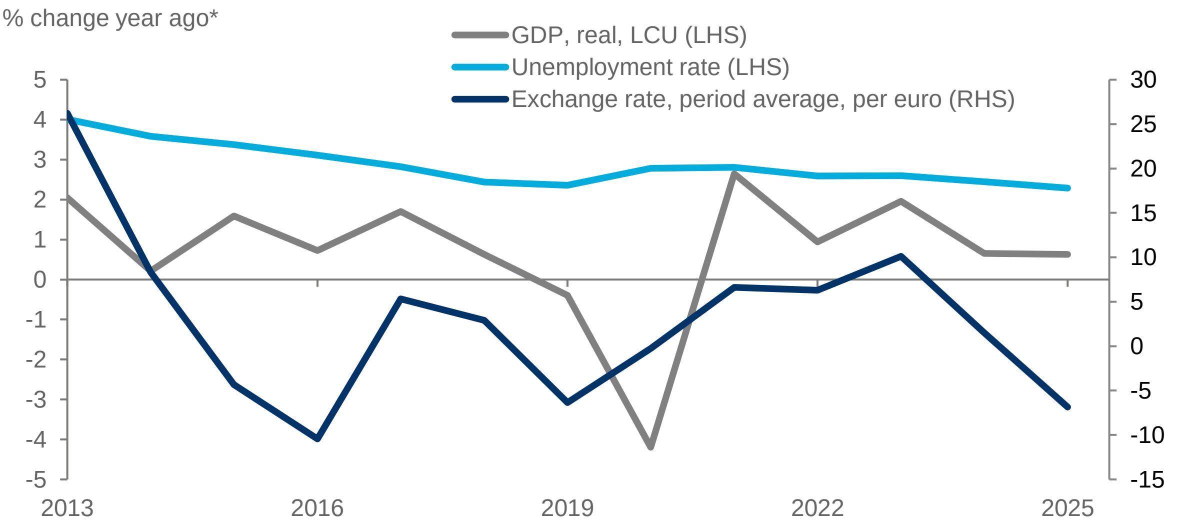
Consumption dipped slightly in Q3, when an increase in services consumption supported by pent-up demand was offset by weak goods purchases due to a one-off impact from unseasonably high temperatures in September. We expect consumption to recover gradually as one-off weather effects fade and the strain from cost-push inflation eases. But the recovery's pace will remain moderate as pent-up demand fades.

The CPI (excluding energy and fresh foods) slowed to 3.8% in November from 4.0% in October on the year due to easing prices for non-fresh foods. Service inflation slightly accelerated in November, largely due to changes in base effects in hotel prices reflecting the travel subsidising program during Q4 2022. We believe inflation will continue to recede as pressures from past import price rises abate, particularly for food. We expect the CPI (excluding energy and fresh foods) will slow to around 2% by the end of Q1 2024.

The yen extended its moderate appreciation trend, gaining to a five-month high of JPY140/USD by mid-December, with the market expecting an earlier pivot from the US Federal Reserve and betting on a quick policy change by the BoJ. However, as we still believe a Fed pivot in early-2024 is unlikely and the BoJ will not rush to change its policy, we think the currency will remain weak in the coming quarters before gradually appreciating from H2 2024.

We expect GDP to have expanded by 2.0% in 2023, up from 1.6%, but expect slower growth of just 0.7% in 2024 reflecting less favourable external economic momentum.

Japan Economic Outlook



Source: Oxford Economics *Unemployment rate is absolute

EMERGING MARKETS

GDP growth in 2023 forecast for emerging markets (EMs) have been upgraded by 0.1ppt to 4.1%. GDP growth surpassed our expectations in several EM countries that have released flash estimates for Q3. However, our nowcasts point to a softer performance in Q4 amid weak external demand. Some central banks are prioritising concerns about inflation over those about growth.

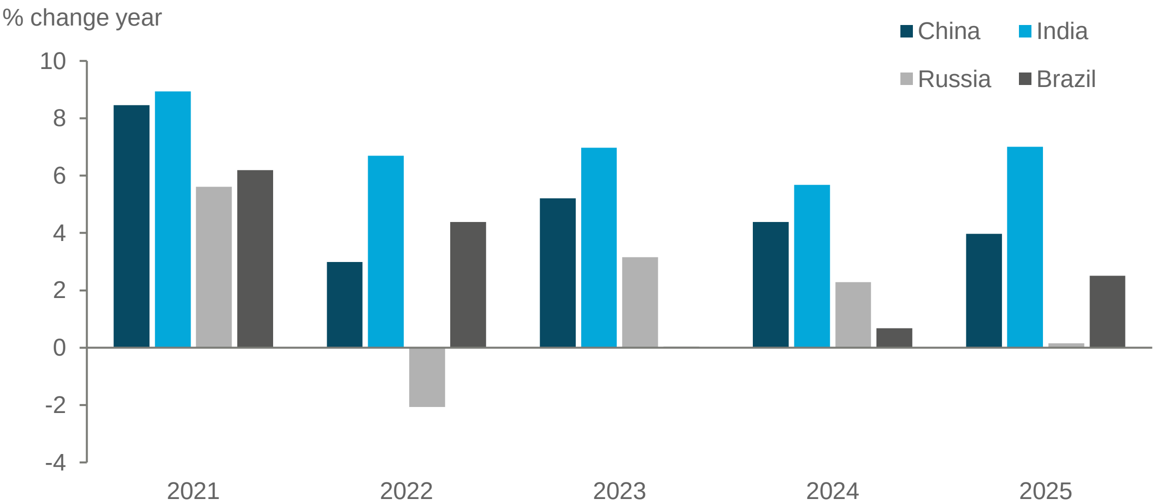
Russian GDP growth jumped to 5.5% in Q3 from 4.9% in Q2, according to official data. On the supply side, retail and wholesale trade was the main driver of growth in Q3, contributing 1.8ppts to the annual growth. The mining sector contracted due to Russia's voluntary cut in oil production under its agreement with OPEC+, which weighed on overall growth in Q3. We now expect GDP to expand by 3.2% in 2023, before slowing to 2.3% in 2024.

GDP growth in Brazil for Q3 confirmed a sharp domestic demand slowdown, as the economy grew by just 0.1% on the quarter, 0.8ppts less than in Q2. The slowdown was exacerbated by a 2.5% on the quarter contraction in investment, an expected outturn considering how tight credit conditions currently are. On a positive note, household consumption growth remained strong over the same period at 1.1%. We expect services to correct marginally, which along with strong base effects from a bumper crop harvest will result in a technical recession that we estimate will last from Q4 2023 to Q1 2024.

Our near-term growth profile for China is one of a managed deceleration. That reflects a recognition of the powerful and persistent macro drags from the ongoing housing and local government debt clean-up processes, offset in part by cautious policy support that will largely follow the 2023 playbook – targeted infrastructure and business investments which are supported by loose monetary and funding conditions.

We forecast India's GDP will grow by 7.0% in 2023. High-frequency indicators suggest the economy remained resilient throughout Q3, but activity was weaker than in Q2 and is set to soften further. Consumer spending has so far been fuelled by a release of pent-up demand, a draw-down in savings, and greater borrowing, all of which is unlikely to be sustained in the face of a cooling labour market and tightening financial conditions.

Economic Growth in Select Emerging Markets, GDP Real



Source: Oxford Economics

NON-EUROPEAN INFLATION OUTLOOK

The 0.3% rise in US headline and core consumer prices in December was stronger than the 0.2% increases we forecast. That pushed headline inflation back up to 3.3% from 3.1%, though core inflation still ticked lower, to 3.9%, from 4%. Both are still too strong for the Fed, though the trend in inflation momentum is still lower. As a result, we do not expect the first rate cut to come in until May.

Headline CPI inflation in Canada held steady at 3.1% year-on-year in November, the same rate as in October. The Bank of Canada's core inflation measures were also unchanged in November, still above the Bank's 1%-3% target range. Growing slack from the deepening economic downturn, alongside an easing of global oil and food prices will help return CPI inflation to the 2% target by late 2024.

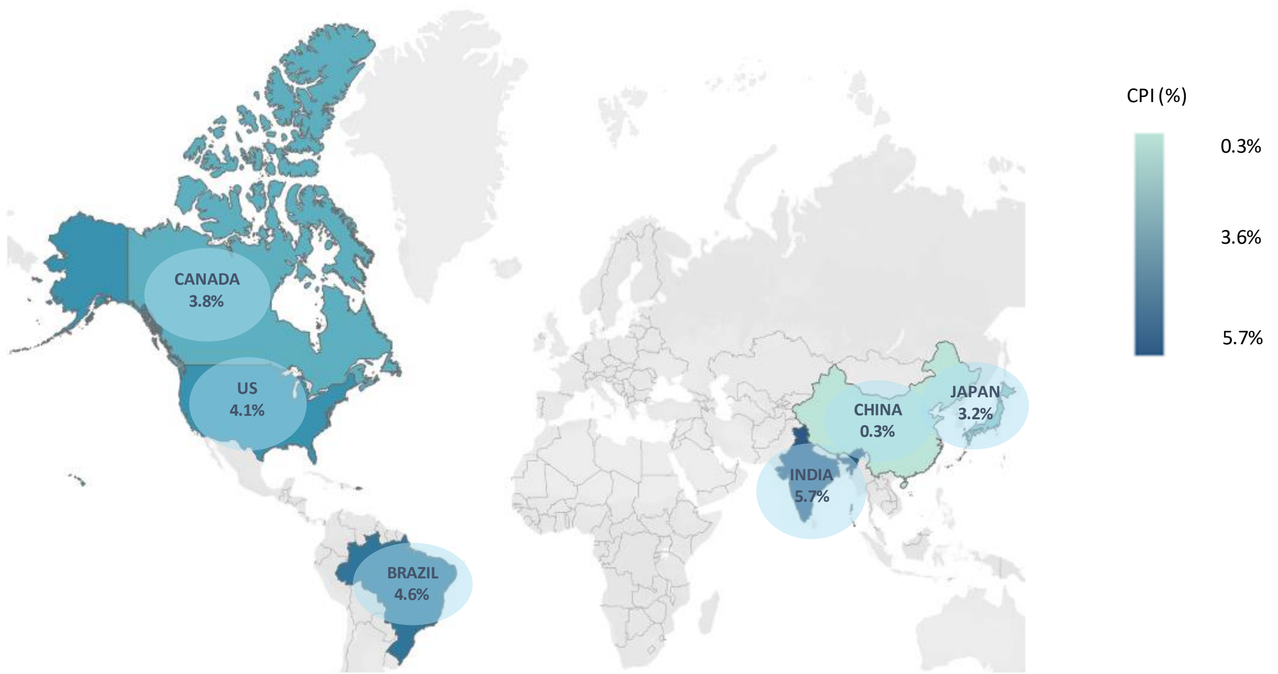
Consume prices in Brazil rose 0.6% on the month in December, slightly above consensus but in line with our below its 15-year seasonal median of 0.7%. Annual inflation ended the year at 4.6% on the year, 7.5ppts below its peak in April 2022. This disinflationary trend is both a result of sound monetary policy response and external sector tailwinds.

India's consumer price index rose 5.7% on the year in December, up marginally from the 5.6% recorded in November, bringing inflation to 5.7% for 2023 as a whole. Food and beverage prices surged 8.7% year-on-year. Core inflation continued its downward trend falling below the RBI's midpoint target, but we don't expect a rate cut at the Monetary Policy meeting in February.

CPI (excluding energy and fresh foods) in Japan slowed to 3.8% year-on-year in November from 4% in October due to easing prices for non-fresh foods. Service inflation slightly accelerated in November, largely due to changes in base effects in hotel prices reflecting the travel subsidising programme.

The combination of supply outperformance versus relatively weak demand conditions in China drove a deeper price deflation in November. CPI declined 0.5% on the year, the sharpest decrease in three years. While transitory factors, such as pork and egg price deflation were the main culprits, core CPI (excluding food and energy) softened too, underscoring waning demand-pull inflation momentum.

CPI Growth, 2023



EUROPEAN INFLATION OUTLOOK

Eurozone inflation rose to 2.9% in December, mainly as a consequence of energy-driven base effects in Germany. But underlying measures of inflation suggest that the disinflationary process remains in place. Core inflation fell to 3.4% in December from 3.6% in November, driven by lower non-energy industrial goods inflation. Services inflation remained at 4% over 2023, but the monthly dynamic offers some optimism.

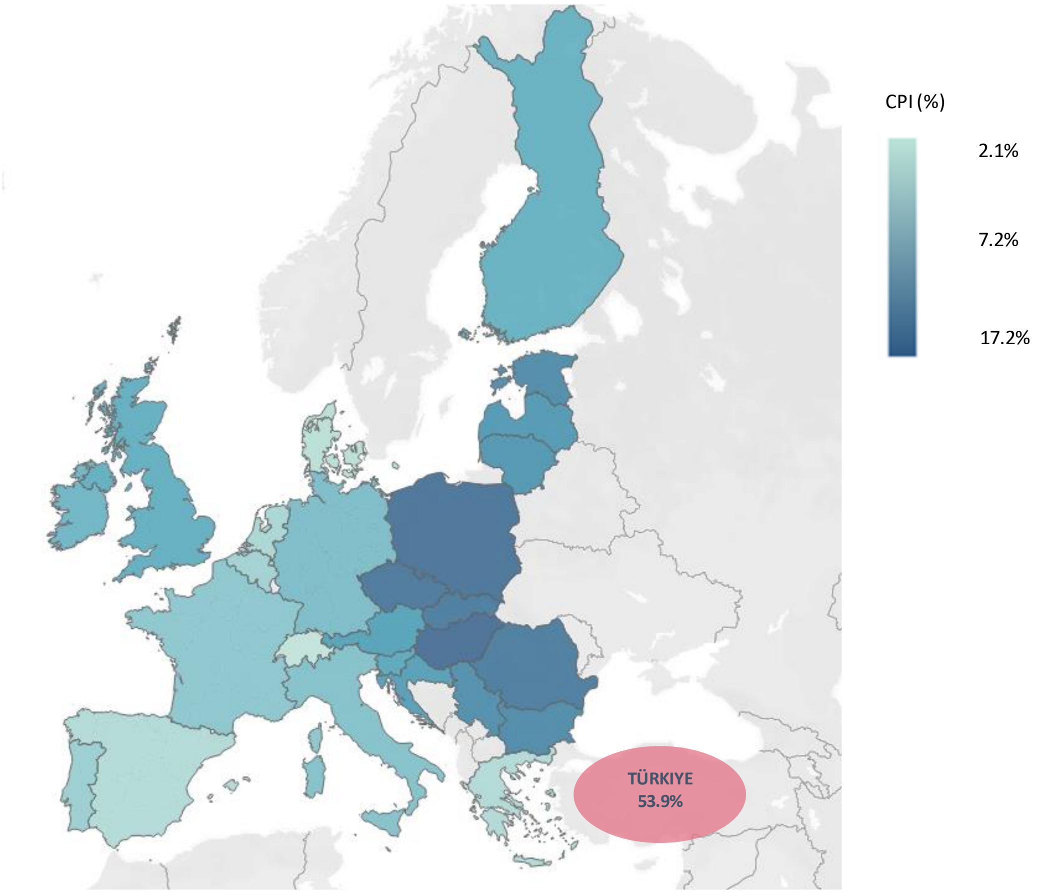
The latest outturn was slightly less than expected by the ECB. So, we don't see any reason for concern but caution that some further bumps are likely to lie ahead, making it even more important to distinguish the signs from the noise in eurozone inflation figures.

A closer look at the details confirms the role that base effects played in December. Energy prices fell for a third consecutive month. A disinflationary trend is still clearly visible in all other components, with food inflation easing to 6.1% in December from 6.9%, and core inflation falling by 0.2ppts to 3.4%.

The steady reading in services inflation at 4% also didn't trouble us as monthly dynamics continue to signal that price growth momentum is cooling, with this category set to experience quicker falls in annual inflation in H1 2024 owing to base effects.

Overall, the latest inflation report didn't alter the recent trend of easing inflationary pressures. The first report of 2024 will be more significant as a number of crosswinds results in an uncertain outlook. Tax changes are likely to boost normal January repricing, but base effects will be supportive from a disinflation perspective.

CPI Growth, 2023



INFLATION OUTLOOK SUMMARY

Country (Region)	CPI% year		Currency % change vs euro (Q4 2023)
	2023	Q4 2023	
Austria	7.7%	5.0%	-
Belgium	4.0%	0.8%	-
Bulgaria	9.4%	5.2%	5.4%
Croatia	7.9%	4.9%	-
Czech Rep	10.7%	7.7%	7.1%
Denmark	3.3%	0.5%	0.2%
Estonia	9.2%	4.5%	-
Finland	6.2%	3.8%	-
France	5.0%	3.7%	-
Germany	5.8%	3.6%	-
Greece	3.5%	3.4%	-
Hungary	17.2%	8.3%	16.5%
Ireland	6.0%	4.4%	-
Italy	5.6%	1.0%	-
Latvia	8.6%	1.3%	-
Lithuania	8.9%	2.0%	-
Malta	5.5%	3.9%	-
Netherlands	3.8%	0.8%	-
Poland	11.5%	6.2%	13.7%
Portugal	4.3%	1.7%	-
Romania	10.4%	7.1%	6.2%
Serbia	9.2%	8.0%	-
Slovakia	10.5%	6.3%	-
Slovenia	7.5%	5.3%	-
Spain	3.5%	3.3%	-
Switzerland	2.1%	1.6%	4.7%
Türkiye	53.9%	62.7%	0.7%
UK	7.3%	4.1%	4.4%
US	4.1%	3.2%	-2.0%
Canada	3.8%	3.0%	-2.5%
Brazil	4.6%	4.7%	5.5%
China	0.3%	-0.1%	-6.6%
Japan	3.2%	2.5%	-7.0%
India	5.7%	5.4%	-1.3%

Source: Oxford Economics

Notes: currency % change vs the euro is CPI inflation adjusted for the euro, making it comparable to inflation across euro-denominated countries

APPENDIX 1

GLOSSARY OF COMMONLY USED TERMS AND ABBREVIATIONS

AIRLINE INDUSTRY INDICATORS

ASK – Available Seat Kilometres. Indicator of airline supply, available seats * kilometres flown;
RPK – Revenue Passenger Kilometres. Indicator of airline demand, paying passenger * kilometres flown;
PLF – Passenger Load Factor. Indicator of airline capacity. Equal to revenue passenger kilometres (RPK) / available seat kilometres (ASK);
Xmth mav – X month moving average.

HOTEL INDUSTRY INDICATORS

ADR – Average Daily Rate. Indicator of hotel room pricing, equal to hotel room revenue / rooms sold in a given period;
Occ – Occupancy Rate. Indicator of hotel performance, equal to the number of hotel rooms sold / room supply;
RevPAR – Revenue per Available Room. Indicator of hotel performance, equal to hotel room revenue / rooms available in a given period.

CENTRAL BANKS

BoE – Bank of England;
MPC – Monetary Policy Committee of BoE;
BoJ – Bank of Japan;
ECB – European Central Bank;
Fed – Federal Reserve (US);
RBI – Reserve Bank of India;
OBR – Office for Budget Responsibility;
PBoC – People's Bank of China.

ECONOMIC INDICATORS AND TERMS

BP – Basis Point. A unit equal to one-hundredth of a percentage point;
Broad money – Key indicator of money supply and liquidity including currency holdings as well as bank deposits that can easily be converted to cash;
CPI – Consumer Price Index. Measure of price inflation for consumer goods;
FDI – Foreign Direct Investment. Investment from one country into another, usually by companies rather than governments;
GDP – Gross Domestic Product. The value of goods and services produced in a given economy;
LCU – Local Currency Unit. The national unit of currency of a given country, e.g., pound, euro, etc.;
PMI – Purchasing Managers' Index. Indicator of producers' sentiment and the direction of the economy;
PPI – Purchase Price Index. Measure of inflation of input prices to producers of goods and services;
PPP – Purchasing Power Parity. An implicit exchange rate which equalises the price of identical goods and services in different countries, so they can be expressed with a common price;
QE – Quantitative Easing. Expansionary monetary policy pursued by central banks involving asset purchases to reduce bond yields and increase liquidity in capital markets;
G7 – Group of seven industrialised countries comprising the United States, the United Kingdom, France, Germany, Italy, Canada, and Japan;
SAAR – Seasonally adjusted annual rate.

APPENDIX 2

ETC MEMBER ORGANISATIONS

Austria – Austrian National Tourist Office (ANTO)
Belgium: Flanders – Visit Flanders, Wallonia – Wallonie-Belgique Tourisme
Bulgaria – Bulgarian Ministry of Tourism
Croatia – Croatian National Tourist Board (CNTB)
Cyprus – Deputy Ministry of Tourism, Republic of Cyprus
Czech Republic – CzechTourism
Denmark – VisitDenmark
Estonia – Estonian Tourist Board – Enterprise Estonia
Finland – Business Finland Oy, Visit Finland
France – Atout France
Germany – German National Tourist Board (GNTB)
Greece – Greek National Tourism Organisation (GNTO)
Hungary – Hungarian Tourism Agency Ltd.
Iceland – Icelandic Tourist Board
Ireland – Fáilte Ireland and Tourism Ireland Ltd.
Italy – Agenzia Nazionale del Turismo (ENIT)
Latvia – Investment and Development Agency of Latvia (LIAA)
Lithuania – Ministry of the Economy and Innovation, Tourism Policy Division
Luxembourg – Luxembourg for Tourism (LFT)
Malta – Malta Tourism Authority (MTA)
Monaco – Monaco Government Tourist and Convention Office
Montenegro – National Tourism Organisation of Montenegro
Netherlands – NBTC Holland Marketing
Norway – Innovation Norway
Poland – Polish Tourism Organisation (PTO)
Portugal – Turismo de Portugal, I.P.
Romania – Romanian Ministry of Economy, Entrepreneurship and Tourism
San Marino – State Office for Tourism
Serbia – National Tourism Organisation of Serbia (NTOS)
Slovakia – Slovakia Travel
Slovenia – Slovenian Tourist Board
Spain – Turespaña – Instituto de Turismo de España
Switzerland – Switzerland Tourism
Ukraine – State Agency for Tourism Development of Ukraine (SATD)