EUROPEAN TOURISM - TRENDS & PROSPECTS

QUARTERLY REPORT - Q1/2023

EUROPEAN TRAVEL COMMISSION

EUROPEAN TOURISM: TRENDS & PROSPECTS

Quarterly report (Q1/2023)

A report produced for
the European Travel Commission
by Tourism Economics

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ETC Market Intelligence Report

EUROPEAN TOURISM: TRENDS & PROSPECTS (Q1/2023)

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Cover: Cosy street in Tallinn old town, Estonia. Saiakang street in old Tallinn city
Image ID: 1972610216
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FOREWORD

Europe's tourism performance in 2022 has showcased the region's resilience as it continued to recover from the Covid-19 pandemic and persistent global challenges. Despite most of these challenges weighing on the disposable income of households, willingness to travel remained strong in 2022, benefitting mostly budget-friendly destinations. While it is encouraging to observe travel normalcy returning, the extent to which travel disruptions in 2022 will affect the sector this year remains to be seen. Having recovered 82% of pre-pandemic volumes, international travel to Europe will continue to pick up in 2023 but at a slower and steadier pace.

As the recovery takes place and we approach the summer peak season, it is fundamental to acknowledge that "business-as-usual" travel would not be the ideal scenario today and in the years to come. To preserve the sector for future generations, tourism businesses, stakeholders, policymakers, and destinations are called on to continue strengthening their efforts to minimise tourism's impact on the environment and local communities. At the same time, travellers must understand their carbon footprint and their impact on the destinations they visit, while the sector encourages more responsible practices and makes more sustainable travel options available. Ultimately, these approaches will allow travellers to make a positive contribution to the places they visit and have more meaningful travel experiences.

As a force for good, travel and tourism should continue to be used as a tool to foster dialogue among businesses, governments, and local communities under a common goal, to adopt more responsible strategies that offer long-term preservation of the sector's future to benefit the planet and all who inhabit it. Implementing appropriate and more innovative strategies will not only allow us to address current challenges but also maximise the benefits of sustainable tourism.

This edition of *European Tourism Trends & Prospects* contains a special feature on the impact on tourism of the Russia-Ukraine war more than a year after the Russian invasion. This issue also provides insights on full year 2022 data, including for the first quarter of this year, as well as a detailed analysis of Europe's tourism performance, macroeconomic developments, and persistent challenges

Jennifer Iduh
Head of Research & Insights
European Travel Commission (ETC)

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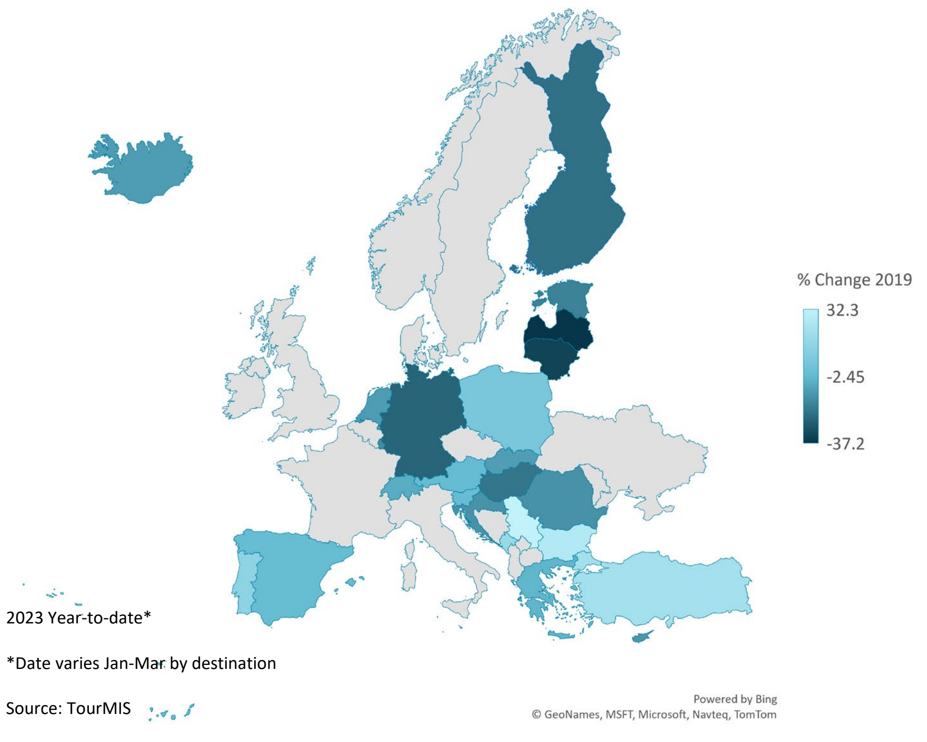
EUROPEAN TOURISM PROVED RESILIENT IN 2022 DESPITE PERSISTENT HEADWINDS

European tourism continues to regain lost ground during the pandemic as foreign tourist arrivals now sit 18% below 2019 levels for the full-year 2022. Despite concerns about increasing costs of living, consumers refused to cut back on travel, particularly over the year's second half. Inflation peaked in the Eurozone[1] and has since been slowing; however, it remains high, adding more pressure on households[2].

The risks of recession and gas shortages have dissipated, while falling energy prices and stable labour market developments in the EU[3] will also sustain European tourism in 2023. The challenges from 2022, however, are expected to spill into 2023 in terms of elevated food and jet fuel prices, higher operating costs for airlines and hospitality establishments and risks and uncertainty around Russia's war against Ukraine.

European tourism demand has entered 2023 on a firm footing. Year-to-date data indicates that almost one third of reporting destinations have surpassed 2019 levels of tourist arrivals, while one fourth are just 10% below. In arrival terms, Serbia (32%) and Türkiye (21%) outperformed, benefitting mostly from the influx of Russian travellers taking advantage of the visa-free regime in both countries. In contrast, the absence of Russian tourists is mostly felt in Finland (-22%) and the Baltic states[4]. Bulgaria also saw a strong performance (+27%), which, alongside Türkiye, is benefitting from its position as the best-value holiday destination in times of rising travel costs.

Foreign Visits Growth to European Destinations 2023 Year-to-Date



[1] Euro area annual inflation is expected to be 6.9% in March 2023, down from 8.5% in February

[2] The euro area annual inflation rate was 8.5% in February 2023, down from 8.6% in January.

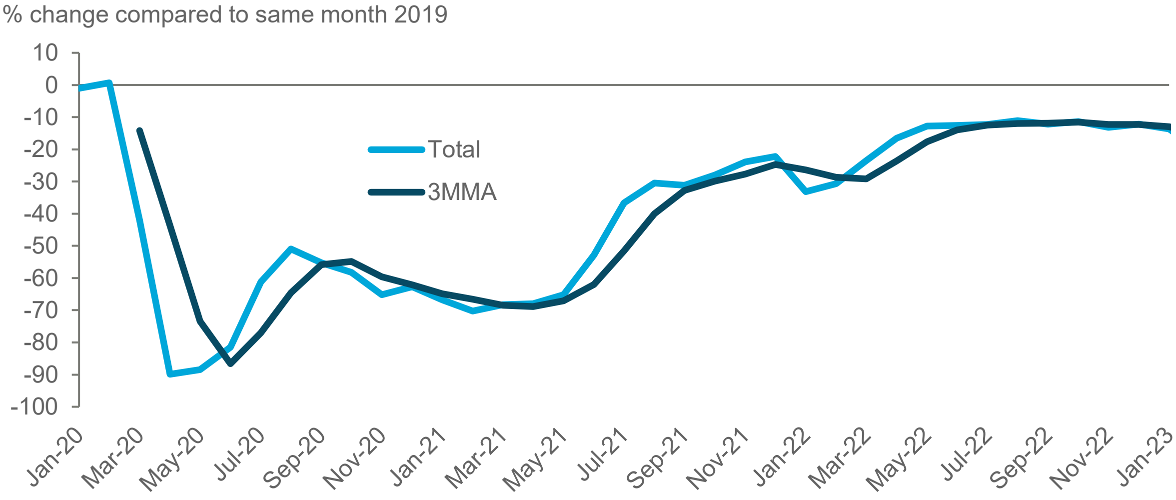
[3] Euro area unemployment.

[4] Estonia -17%, Lithuania -34% and Latvia -37%

DISRUPTIVE MONTHS AHEAD FOR THE EUROPEAN AVIATION INDUSTRY?

Data from Eurocontrol indicates that European flight volumes remained down 14.4% in January 2023 compared to January 2019. This data shows that the recovery in flight volumes has continued to plateau, signalling supply constraints that continue to hold back recovery. European flight activity is expected to follow an upward trend towards pre-pandemic levels in 2023, though not achieving those until 2025[5]. However, many factors are expected to slow the sector's recovery, such as limited capacity, reduced Russian airspace, understaffing, sector bottlenecks or surging demand. According to a report published by Eurocontrol, "*2023 is set to be the most challenging year of the last decade*", and adding, "*Keeping summer delays down will be an immense task for all actors, with airspace issues due to the Ukraine war, new aircraft delivered, possible industrial action, system changes and the progressive reopening of Asian markets all asking real questions of the system".*

Flight volumes in the European network area



Source EuroControl

STRONG PENT-UP TRAVEL DEMAND FROM BRITAIN FACES TRANSPORTATION HURDLES

Significant pent-up demand post-covid remains for British holidaymakers which should support travel recovery across European destinations. The most recent data from 2023 suggests that two in five reporting countries have surpassed 2019 levels of British tourist arrivals. High inflation and soaring living costs in the UK weigh heavily on British households, increasing the appeal of more affordable destinations among price-sensitive travellers. Türkiye leads the ranking in British tourist arrivals, up 69% compared to 2019, helped by the declining value of the Turkish lira over major currencies, including sterling. Croatia (64%) and Montenegro (54%) also attracted sizable numbers of British arrivals. According to ETC's latest study on Monitoring Sentiment for Domestic and intra-European Travel, the UK ranks first among top European source markets in terms of travel intention between April and September 2023. This rapid recovery of UK travel demand will continue to pressure Britain's airports, ports and railways as they try to meet demand and minimise delays.

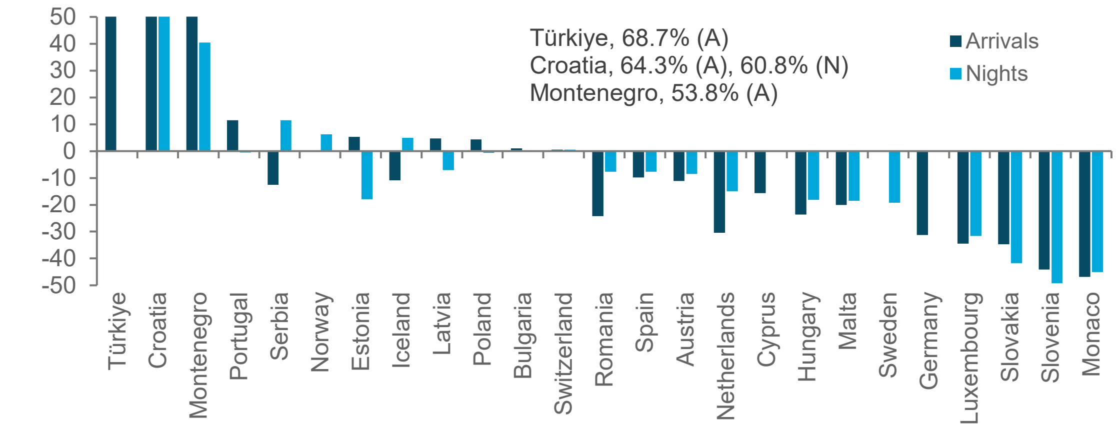
Over the Easter holidays, Britons have been challenged by travel chaos at UK ports and airports brought on by strikes, understaffing, delays and more thorough post-Brexit border controls. Travellers flying out of Heathrow Airport experienced severe delays and cancellations this Easter due to airport security staff strikes. Meanwhile, industry experts predict that summer 2023 could see a

[5] Eurocontrol

similar level of disruption to 2022. During a press conference, Ryanair's Chief Executive, Michael O'Leary, stated that, "disruption will probably affect tourists leaving UK travel hubs due to ongoing strikes and higher traffic" and warns Brits to expect travel chaos in the summer of 2023.

British visits and overnights to select destinations

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



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

As Europe's tourism economy continues to recover, and destinations get closer or even surpass 2019 levels of tourist arrivals, it is fundamental that the tourism industry revisits its definition of success.

"Today, the relationship between Tourism and Climate Change is unquestionable, as is the need for action to avoid the predicted devastating impacts for people and our planet that a changing climate will incur. The tourism industry has both a responsibility and an opportunity to protect the resources on which it depends, including the natural environment, wildlife, and cultural heritage that bring travel experiences to life. This requires understanding the challenges we face as an industry, collaboration, and a clear pathway to achieve global commitments to halve emissions by 2030 and reach Net Zero as soon as possible before 2050." said Eduardo Santander, Executive Director of the European Travel Commission (ETC).

Jennifer Iduh (ETC Executive Unit)
With the contribution of the ETC Market Intelligence Committee

1. TOURISM PERFORMANCE SUMMARY 2022

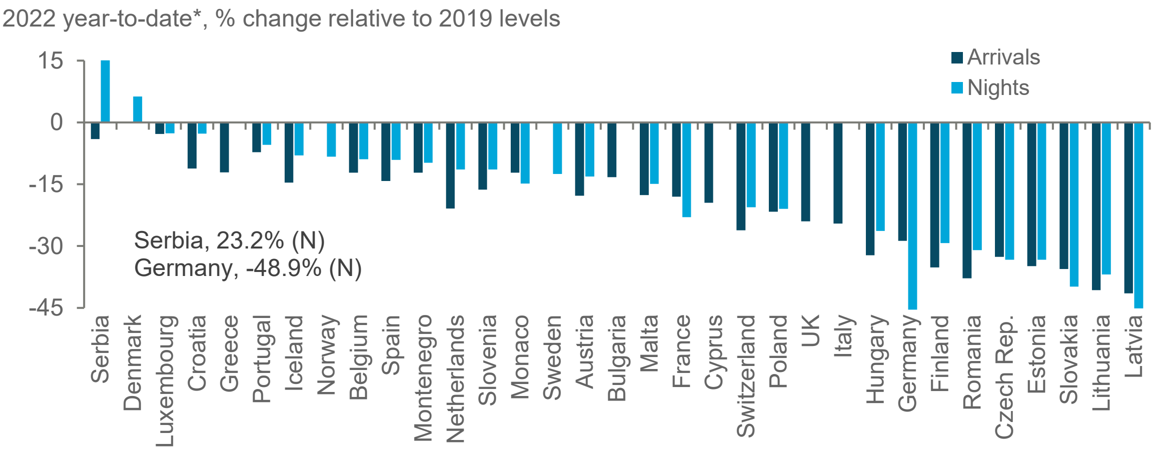
SUMMARY

- Foreign tourist arrivals in Europe recovered to 18% below 2019 levels by the end of 2022, despite rising prices and affordability concerns, but it is likely pent-up demand contributed to consumers being less price sensitive on travel purchases than usual.
- The peak summer season seemed to be extended due to strong pent-up demand to travel as arrivals and nights remained strong throughout Q4.
- The ongoing war in Ukraine has played a role in the slower recovery across various Eastern European destinations in 2022.
- Demand from long-haul markets, such as those in Asia Pacific, continue to lag behind short- and medium-haul, but saw a boost from the reopening of various borders during 2022.
- December's announcement of China reopening to international tourists should provide a further boost to long-haul travel demand to Europe.

The European travel and tourism sector experienced a more typical peak summer season in 2022 and was firmly on the road to normalisation, with most Covid-restrictions lifted throughout the second half of the year. Some challenges remained, however, stemming from staff shortages across airlines, airports, and hospitality establishments, as well as inflation reaching uncomfortably high levels.

Foreign arrivals and overnights continued to improve in Q4 2022, as pent-up demand drove up travel outside of the typical high season. Out of the reporting countries, on average year-to-date growth for 2022 saw arrivals improve from -25.9% below 2019 levels to -18.4% below, and nights from -18.3% to -16.1% respectively, reflecting a stronger outturn from October onwards. It is likely that households feeling the pinch of inflation were prioritising travel ahead of other discretionary spending and that some of these trips were paid for before prices rose, contributing to a stronger year-end.

Foreign visits and overnights to select destinations



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

Out of the reporting countries, Eastern European destinations tended to be more skewed below this average for both metrics, possibly an effect of the war in Ukraine resulting in a significant drop in Russian travellers and consumer sentiment about the region as a whole.

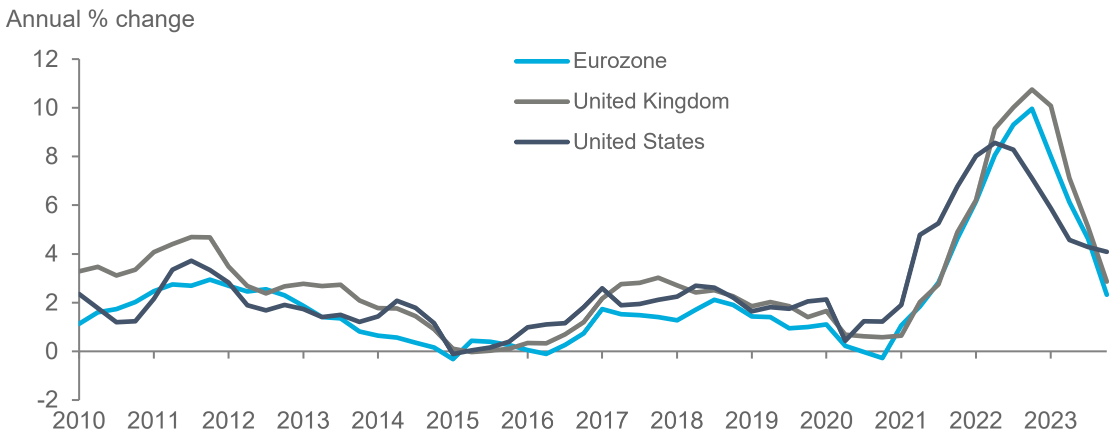
Serbia remained an outlier for both foreign nights and arrivals, building on its recovery from Q4 2021. Some of this demand came from India due to Serbia's early adoption of more relaxed Covid-19 policies compared to the rest of the region. Further, Serbia provided a means for some Russians to escape military mobilisation for the war in Ukraine, hence a sharp uptick in Russian demand. In addition, the number of foreign overnights in Denmark picked up strongly in the last few months of 2022 as it ended the year being the second strongest in terms of recovery relative to 2019 at 6.3% above 2019 levels.

Türkiye remained a popular destination within Europe, with summer bookings benefiting from a weaker Turkish lira. However, arrivals dropped off slightly in Q4 as the winter season approached. The Düzce earthquake close to Istanbul in November 2022 was likely a contributing factor to this, potentially impacting travel choices from travellers in near-by destinations.

Inflation was a major drag on discretionary spending, more so from the middle of the year. Price rises were exacerbated by Russia's invasion of Ukraine in terms of necessities such as food and energy due to supply chains to both countries. Inflation looks to have peaked in terms of growth by the end of 2022, but it is now expected that prices will remain higher for longer.

The Eurozone's Consumer Price Index (CPI) rose by 8.4% in 2022 as a whole after peaking at 10% in Q4 2022. Higher prices continued to impact the tourism sector through elevated jet fuel prices and higher operating costs for airlines and hospitality establishments.

Headline CPI inflation in the US, UK, and eurozone



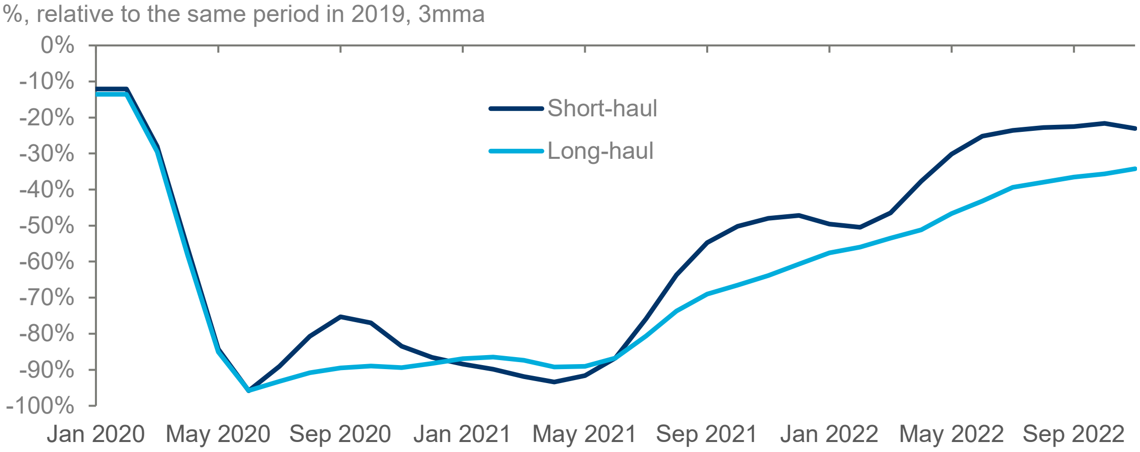
Source: Oxford Economics / Haver Analytics

Overall, the recovery in travel remained resilient throughout 2022 due to strong pent-up demand following the Covid-19 pandemic and supported by excess savings accumulated during the same period. Despite the economic outlook becoming gloomier in the latter part of the year, travel was largely shielded from this. A likely reason is that consumer spending preferences became more tilted towards the service sector and experiences as opposed to goods, a reversal of what was seen at the height of the pandemic. Even when inflation was gathering pace over the summer, consumers were becoming less price sensitive to travel costs than under typical circumstances, prioritising travel over other spending.

The war in Ukraine has had a direct impact on European travel and tourism in 2022 for both leisure and business travel. It continues to limit the pace of recovery in the region as a whole and within this many Eastern European and Baltic states are seeing the effect of reduced Russian tourists. This is accentuated for those countries which have imposed tourist visa restriction on Russia, such as Finland, Latvia and Lithuania.

Long-haul travel to Europe remained a key weakness in the post-pandemic rebound, driven by a delayed response among some Asian Pacific countries in reducing and removing Covid-19 restrictions. However, 2022 did see the reopening of a number of countries in the region including Australia, in February 2022 after a prolonged pursuit of zero-Covid; consequently, outbound demand saw the most significant recovery in the second and third month of the year as restrictions were dropped. Japan reopened its borders to international visitors and lifted its daily cap on tourists after more than two years on 11 October 2022. On 26 December 2022, China announced it was to reopen its borders in the following month. The reopening of large markets in this region had a positive impact on the recovery of international air passenger volumes throughout 2022.

Air passenger volumes to Europe, by haul, 2020-22



Source: Tourism Economics/IATA

Summary Performance, 2022 YTD vs. 2019

	International Arrivals		International Nights	
Country	% YTD vs. 2019	to month	% YTD vs. 2019	to month
Austria	-17.8%	Jan-Dec	-13.1%	Jan-Dec
Belgium	-12.2%	Jan-Dec	-8.9%	Jan-Dec
Bulgaria	-13.3%	Jan-Dec		
Croatia	-11.2%	Jan-Dec	-2.7%	Jan-Dec
Cyprus	-19.5%	Jan-Dec		
Czech Rep.	-32.6%	Jan-Dec	-33.3%	Jan-Dec
Denmark			6.3%	Jan-Dec
Estonia	-34.9%	Jan-Dec		
Finland	-35.2%	Jan-Dec	-29.3%	Jan-Dec
France	-18.0%	Jan-Dec	-23.0%	Jan-Dec
Germany	-28.7%	Jan-Dec	-48.9%	Jan-Dec
Greece	-12.1%	Jan-Dec		
Hungary	-32.2%	Jan-Dec	-26.3%	Jan-Dec
Iceland	-14.6%	Jan-Dec	-8.0%	Jan-Dec
Italy	-24.5%	Jan-Dec		
Latvia	-41.5%	Jan-Dec	-45.1%	Jan-Dec
Lithuania	-40.7%	Jan-Dec	-36.9%	Jan-Dec
Luxembourg	-2.8%	Jan-Dec	-2.6%	Jan-Dec
Malta	-17.6%	Jan-Dec	-14.9%	Jan-Dec
Monaco	-12.2%	Jan-Dec	-14.8%	Jan-Dec
Montenegro	-12.2%	Jan-Dec	-9.8%	Jan-Dec
Netherlands	-20.9%	Jan-Dec	-11.4%	Jan-Dec
Norway			-8.3%	Jan-Dec
Poland	-21.7%	Jan-Dec	-21.0%	Jan-Dec
Portugal	-7.2%	Jan-Dec	-5.4%	Jan-Dec
Romania	-37.8%	Jan-Dec	-31.0%	Jan-Dec
Serbia	-4.0%	Jan-Dec	23.2%	Jan-Dec
Slovakia	-35.6%	Jan-Dec	-39.8%	Jan-Dec
Slovenia	-16.3%	Jan-Dec	-11.4%	Jan-Dec
Spain	-14.2%	Jan-Dec	-9.1%	Jan-Dec
Sweden			-12.5%	Jan-Dec
Switzerland	-26.2%	Jan-Dec	-20.6%	Jan-Dec
Türkiye	-1.1%	Jan-Dec		
UK	-24.0%	Jan-Dec		

Source: TourMIS (http://www.tourmis.info)
Measures used for nights and arrivals vary by country. Available data as of 27.4.2023

2. TOURISM PERFORMANCE SUMMARY 2023

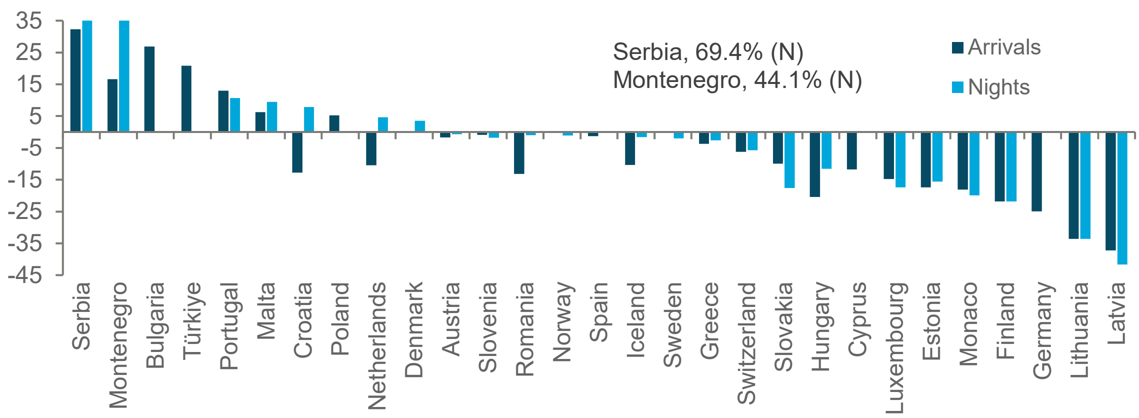
SUMMARY

- No technical recession is expected across Europe for 2023, however higher-for-longer inflation will continue to put a strain on household income and discretionary spending, slowing down the rate of recovery in travel.
- Travel restrictions on Russian tourists brought on by the war in Ukraine continues to redirect travel from this market to Serbia and Türkiye with stronger than average arrivals so far this year, and levels higher than in the same months in 2019.
- Air traffic across Europe continues to stall in the early months of 2023, as supply continues to lag demand.
- Inflation will continue to exert price pressures on tourists throughout the region, despite easing energy prices, as pandemic savings are further eroded.
- Long-haul travel should start to regain market share this year, with notable growth from the US, while an influx of Chinese travellers is not expected immediately following the reopening in January.

The recovery of international travel in Europe will continue in 2023, although the pace of this recovery may be slightly slower than last year against a challenging backdrop of higher-for-longer inflation and slow economic growth. The balance of risks has slightly improved over the last few months, with a clearer upside, as we now do not expect a technical recession in Europe. However, household finances and discretionary spending will remain strained. Long-haul travel, which has continued to be a missing element in the recovery across Europe, is expected to gather momentum over the coming year.

Foreign Visits and Overnights to Select Destinations

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



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

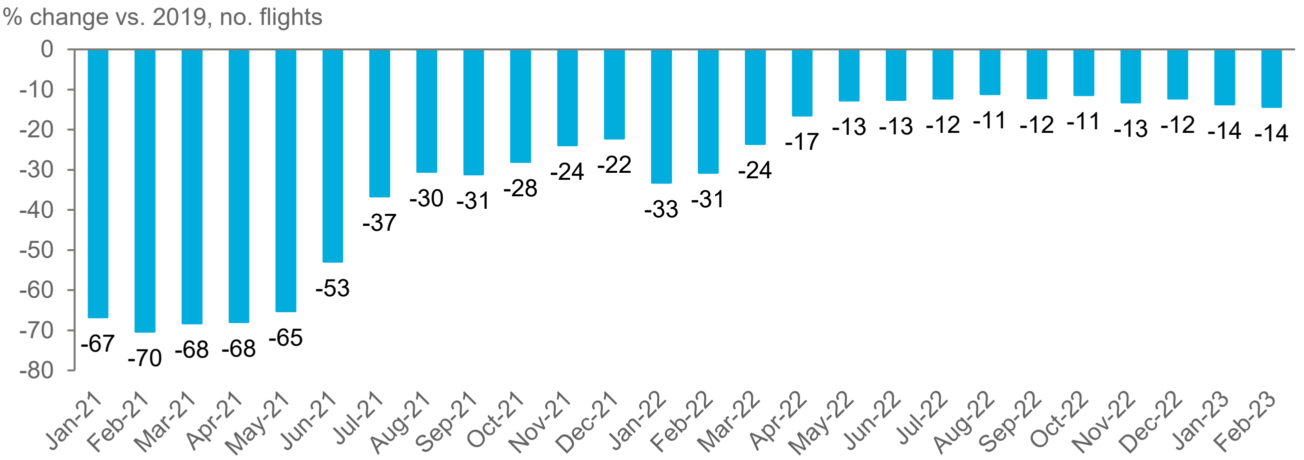
Within reporting destinations, on average, arrivals and nights are -5.6% and -1.9%, down respectively on 2019 levels in 2023 so far. Around a third of all destinations are now reporting a full recovery in arrivals and nights since the global pandemic hit the industry.

The absence of Russian travel has been a factor weighing on markets such as Finland and the Baltic states, and this looks to continue with no end in sight for visa restrictions. But Russian outbound travel has not stopped entirely – just the destinations have changed. Data for Q1 shows that Serbia remains the strongest destination relative to pre-covid norms among reporting countries, as it was for most of last year. Some of this was owing to its favourable Covid-19 travel policies, and its reopening to travel earlier than elsewhere in the region. But Russian tourists have also played a significant role with large numbers of arrivals to Serbia due to visa-free travel and cultural cohesion between the countries. In addition, Air Serbia has expanded its air routes to a wide range of markets and extended partnerships with overseas airlines such as American Airlines, bolstering their flight capacity in time for the peak summer season.

Türkiye has also become one of the top destinations for Russian tourists since the outbreak of the war. Russian arrivals accounted for 13% of total arrivals into Türkiye within the first few months of this year. This trend looks to continue into the peak summer season with more flights scheduled between the two countries. Russian arrivals are not the only factor supporting the recovery in Türkiye, its favourable exchange rate has made this destination more affordable relative to others across the region at a time when travellers have less disposable income. In Western Europe, the winter/ski season has helped push up the recovery across Austria and Switzerland.

Elsewhere more than half of the weakest destinations are in Eastern Europe such as Latvia, Lithuania and Slovakia, a similar trend to what was reported last year. The travel sentiment for this area could still be somewhat affected by the war in Ukraine.

European air traffic by country, total flights arriving and departing

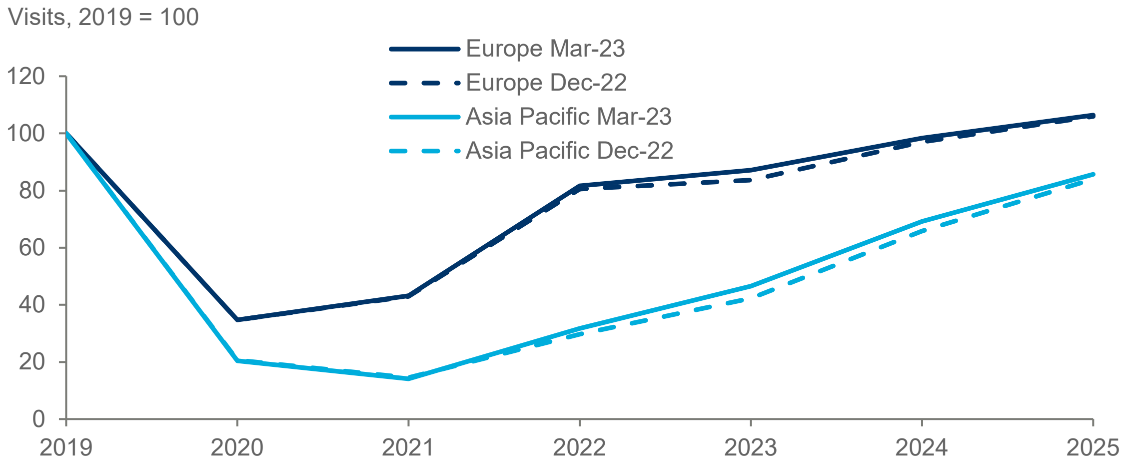


Source: Eurocontrol

Flight volumes had started to stall from the middle of last year and have continued to contract going into 2023, with volumes falling 14% below 2019 levels in January. This, along with the passenger load factor remaining above trend, suggests that the supply of flights is still below demand (see section 4 for further details). This will contribute to rising prices and will slow down the recovery across the region until supply catches up. There are some signs that increased capacity will be hitting the market this year, in time for peak summer months, with American Airlines planning to run additional routes to and from the UK and with Lufthansa purchasing additional aircrafts.

Inflation will remain a key headwind for holiday affordability throughout this year, despite inflation looking to have peaked. Prices will continue to rise for tourists because demand for flights is currently ahead of supply, despite carriers adding additional routes for the summer. But they may rise even further because, as of February, the EU initially approved an update of the bloc's carbon pricing rules. This update, aimed at tackling aviation emissions, will be an additional cost taken on by carriers and likely to be passed down on to the consumer. Furthermore, the war in Ukraine has limited the airspace for the Asia Pacific to Europe routes adding between one and three hours to each journey. This will result in higher demand for fuel and possibly prices.

European arrivals by source region comparing GTS forecast for Q1 2023 and Q4 2022



Source: Tourism Economics

The reopening of China in January this year should provide a boost to long-haul travel to Europe in 2023. The benefit will not be immediate for a number of reasons, first of all the announcement was unexpected for travel operators and they need time to get flight schedules re-organised. There will also be a backlog of visa applications and passport renewals following the announcement, reducing the scale of the immediate rebound. In addition, the start of the year saw Covid-19 cases rise which would have also limited any near-term travel and financially, more household's savings in long term accounts rather than accessible short term, which would have delayed more expensive holidays. But travel volumes should start to pick up from the middle of the year and into 2024, with a full recovery in the Asia Pacific region by 2027.

Summary Performance, 2023 YTD vs. 2019

Country	International Arrivals		International Nights	
	% YTD	to month	% YTD	to month
Austria	-1.7%	Jan-Feb	-0.7%	Jan-Feb
Bulgaria	26.9%	Jan-Feb		
Croatia	-12.8%	Jan-Mar	7.9%	Jan-Mar
Cyprus	-11.8%	Jan-Feb		
Denmark			3.5%	Jan-Feb
Estonia	-17.4%	Jan-Feb	-15.6%	Jan-Feb
Finland	-21.8%	Jan-Feb	-21.8%	Jan-Jan
Germany	-24.9%	Jan-Jan		
Greece	-3.7%	Jan-Jan	-2.6%	Jan-Jan
Hungary	-20.4%	Jan-Mar	-11.6%	Jan-Mar
Iceland	-10.4%	Jan-Feb	-1.6%	Jan-Feb
Latvia	-37.2%	Jan-Jan	-41.7%	Jan-Jan
Lithuania	-33.6%	Jan-Feb	-33.6%	Jan-Feb
Luxembourg	-14.8%	Jan-Feb	-17.4%	Jan-Feb
Malta	6.2%	Jan-Feb	9.5%	Jan-Feb
Monaco	-18.1%	Jan-Mar	-19.9%	Jan-Mar
Montenegro	16.6%	Jan-Jan	44.1%	Jan-Jan
Netherlands	-10.5%	Jan-Feb	4.6%	Jan-Feb
Norway			-1.1%	Jan-Feb
Poland	5.2%	Jan-Jan	0.1%	Jan-Jan
Portugal	13.0%	Jan-Jan	10.7%	Jan-Jan
Romania	-13.2%	Jan-Feb	-1.0%	Jan-Feb
Serbia	32.3%	Jan-Feb	69.4%	Jan-Feb
Slovakia	-10.0%	Jan-Feb	-17.6%	Jan-Feb
Slovenia	-0.9%	Jan-Feb	-1.8%	Jan-Feb
Spain	-1.3%	Jan-Feb	0.0%	Jan-Feb
Sweden			-2.0%	Jan-Feb
Switzerland	-6.2%	Jan-Jan	-5.7%	Jan-Jan
Türkiye	20.8%	Jan-Feb		

Source: TourMIS (http://www.tourmis.info)

(f) denotes forecast provided by member

Measures used for nights and arrivals vary by country. Available data as of 24.4.2023

3. 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	**-72.6%**	**8.6%**	**100.3%**	**25.1%**	**24.7%**	**-71.9%**	**7.0%**	**101.8%**	**25.0%**	**24.8%**
Americas	**-68.5%**	**9.2%**	**111.6%**	**16.1%**	**16.9%**	**-68.6%**	**10.8%**	**116.9%**	**15.4%**	**16.5%**
North America	-68.4%	1.8%	130.1%	16.3%	18.2%	-67.7%	11.2%	119.8%	16.0%	16.6%
Caribbean	-70.0%	89.3%	42.4%	13.8%	11.5%	-68.3%	42.0%	69.9%	9.4%	18.1%
Central & South America	-67.9%	-10.7%	125.1%	17.1%	16.2%	-72.3%	5.6%	111.0%	13.3%	15.9%
Europe	**23.8%**	**97.5%**	**8.0%**	**14.1%**	**9.2%**	**19.5%**	**98.9%**	**9.6%**	**14.5%**	**9.6%**
ETC+2	19.7%	108.3%	7.3%	13.0%	8.4%	16.6%	108.4%	8.9%	12.9%	8.4%
EU 27	13.7%	114.9%	8.2%	13.3%	7.7%	15.1%	112.1%	9.6%	12.7%	8.3%
Non-EU	70.1%	44.3%	7.3%	17.8%	15.6%	39.4%	49.8%	9.5%	23.6%	15.9%
Northern	-7.9%	195.6%	8.3%	12.6%	7.8%	-1.1%	197.1%	14.5%	13.9%	9.2%
Western	-5.0%	108.8%	5.0%	14.4%	5.1%	16.7%	91.8%	7.2%	11.9%	7.3%
Southern/Mediterranean	58.7%	92.4%	7.5%	9.8%	7.9%	23.8%	116.0%	8.4%	12.1%	7.9%
Central/Eastern	34.4%	39.1%	15.7%	28.5%	22.0%	37.1%	49.1%	8.9%	21.9%	14.7%
- Central & Baltic	13.9%	114.8%	10.0%	17.7%	16.3%	27.3%	75.8%	7.2%	14.2%	9.6%
Asia & the Pacific	**-84.0%**	**-63.7%**	**269.6%**	**151.3%**	**55.1%**	**-83.9%**	**-58.7%**	**226.0%**	**139.8%**	**55.9%**
North East	-88.2%	-46.4%	42.5%	392.8%	80.6%	-85.8%	-55.4%	109.8%	237.7%	72.3%
South East	-81.2%	-88.1%	1200%	109.6%	42.3%	-82.2%	-76.9%	670.8%	106.0%	38.6%
South	-76.0%	-29.9%	187.2%	45.4%	23.7%	-73.6%	-25.6%	152.7%	36.5%	26.2%
Oceania	-76.3%	-43.3%	234.0%	53.5%	30.5%	-82.7%	-67.8%	527.4%	49.1%	45.6%
Africa	**-74.4%**	**18.0%**	**78.7%**	**33.5%**	**24.2%**	**-70.7%**	**7.1%**	**87.5%**	**29.6%**	**24.0%**
Middle East	**-72.5%**	**15.0%**	**127.4%**	**23.0%**	**19.3%**	**-71.6%**	**52.6%**	**97.2%**	**20.4%**	**18.8%**

* 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,

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 27.03.2023

4. RECENT INDUSTRY PERFORMANCE

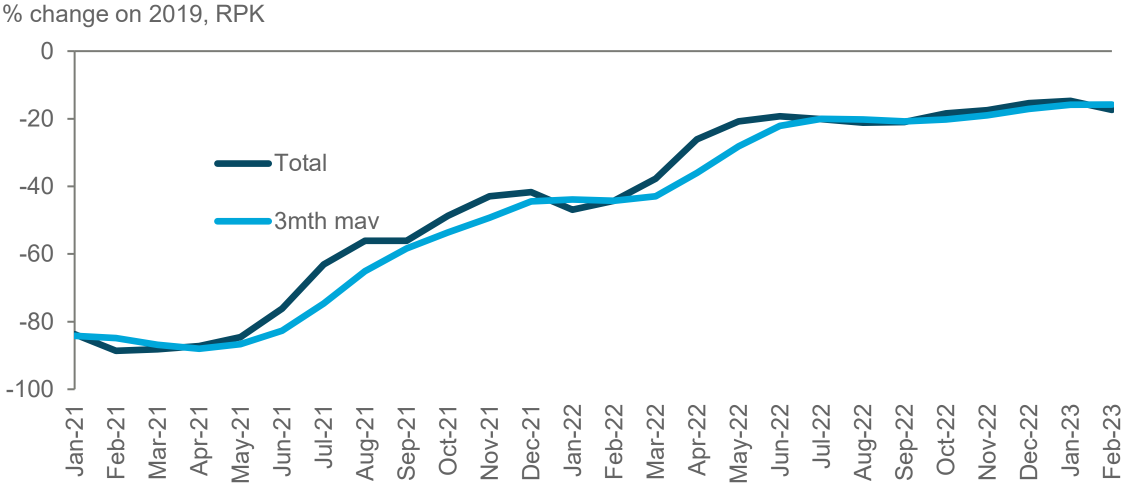
AIR TRANSPORT

The beginning of 2023 saw an acceleration in global passenger demand recovery. This was helped by the earlier than expected reopening of the Chinese market. In February 2023, global passenger volumes were 55.5% higher than a year earlier, although this was still 15.1% below pre-pandemic levels. When confined to international travel, global RPKs remained 22.5% below 2019 level in February 2023.

In Europe, international RPKs were down 17.3% in February compared to the same month in 2019. Improvements in European RPKs have generally continued but have been at a slower pace since the summer of 2022. Furthermore, February saw a relative reversal when compared to January 2023 (-15%). However, there remains considerable pent-up demand despite expected macroeconomic headwinds in many European countries. As Eurocontrol data by country and this quarter's special feature show, some countries further east in Europe are seeing an impact from the war in Ukraine. In terms of domestic RPKs, Europe has now exceeded levels seen in the pre-pandemic period.

In the coming months there is also likely to be some impact from a wave of strikes in France which have created considerable disruption through March and into April. Obviously, the impact will be concentrated in France, but the industrial action will have wider effects on other European markets as well as having a global knock-on effect, thanks to France's extensive global connectivity.

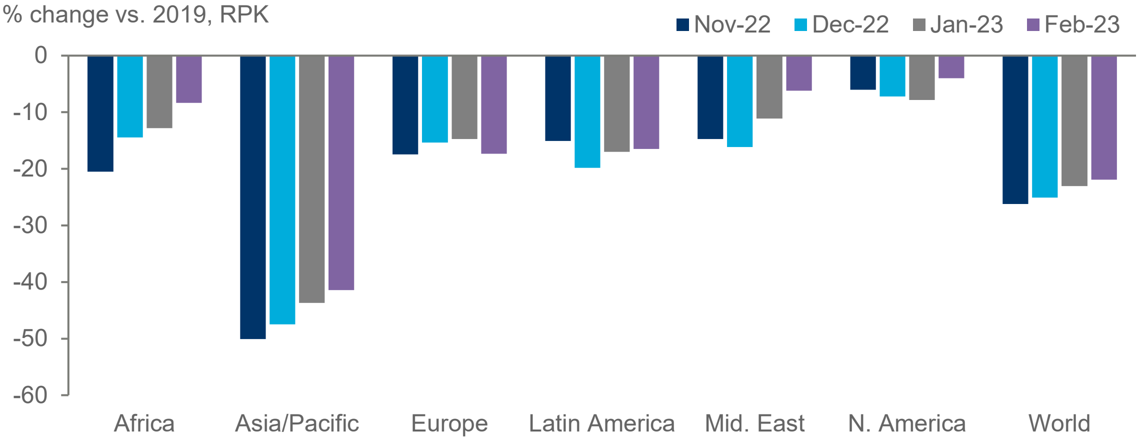
International air passenger growth, Europe



Source: IATA

The Middle East has overtaken North America as the best performing region in terms of international air passenger recovery, being only 6.2% down on levels in February 2019. The poorest performing region continued to be Asia-Pacific, 41.5% lower than the same month in 2019, although with China's reopening to international travel, this will improve in the coming months.

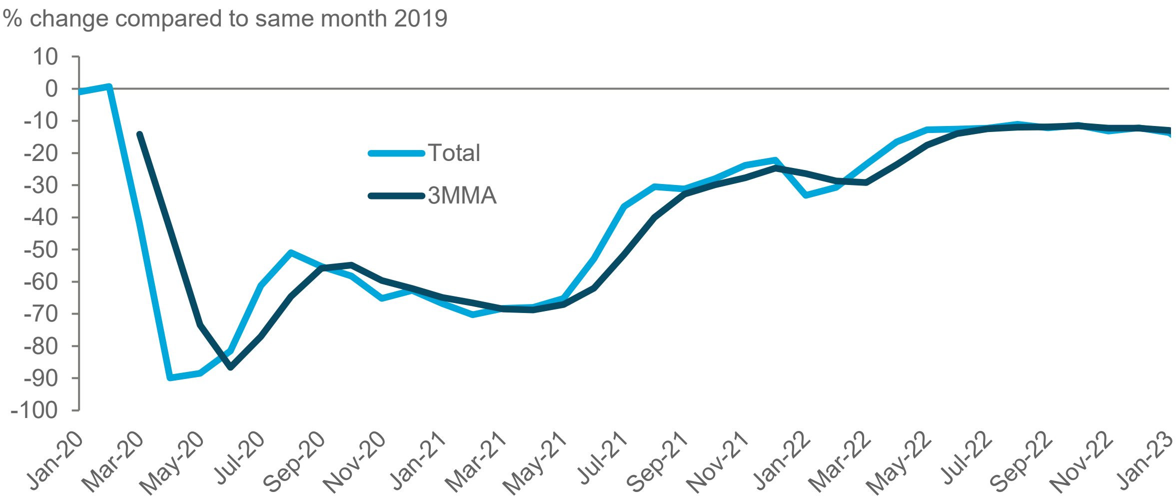
International Monthly Air Passenger Growth



Source: IATA

Meanwhile data from Eurocontrol show that, compared to January 2019, flight volumes remained down 14.4% in January 2023. This dataset shows that the recovery in flight volumes has continued to plateau which is indicative of supply constraints hampering continued recovery. These should ease as staffing levels within the industry are restored to pre-pandemic, while reported schedules point to an increase in flight volumes for the peak summer months.

Flight Volumes in European Network Area

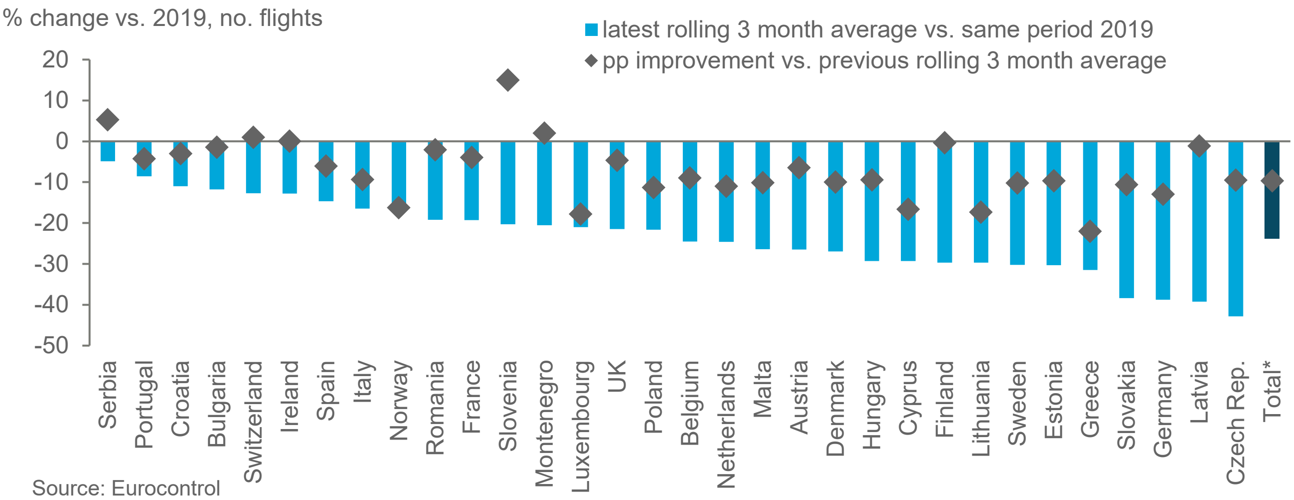


Source EuroControl

There remains considerable divergence between European countries in terms of recovery rates. On a three-month moving average basis in terms of flight volumes, no country in Europe is ahead of 2019, but several have moved closer to that benchmark. However, declines are relatively marginal in Serbia, Croatia, Portugal, and Ireland. Slovenia has seen the strongest improvement when compared with the previous three month moving average period.

The weakest performing country is now the Czech Republic (-42.8%). However, Latvia, Germany and Slovakia all have declines exceeding 30%. Germany has consistently lagged in air travel recovery. This finding is also broadly supported by OAG, which found that the total number of scheduled airline seats from the country totalled 1.85 million during the first week of January; down by 27 per cent on January 2020.

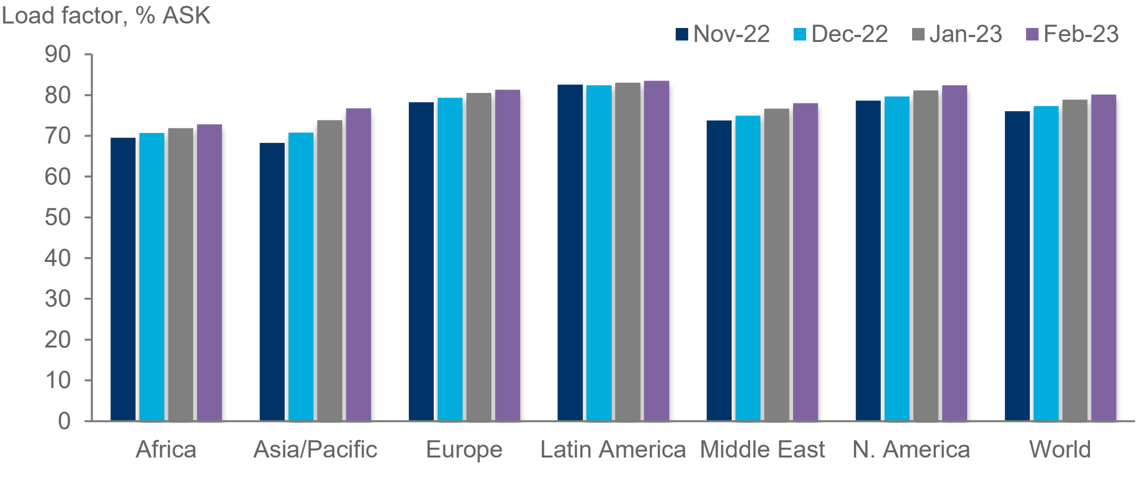
European air traffic by country, total flights arriving and departing



Source: Eurocontrol

Global passenger load factors have continued to increase since the last quarterly report on a twelve-month moving average basis, rising to 80.2% in February. This supports the view that supply is lagging demand and may still be causing some constraint to recovery. Europe was slightly higher at 81.3% but lagging behind both Latin and North America. Recovery in load factors continues to lag in the Asia-Pacific region but, even here, there has been considerable improvement, rising to 76.7% in February.

Monthly passenger load factor



Source: IATA

Overall, industry confidence for the remainder of 2023 is upbeat, according to IATA's latest Business Confidence Survey. Passenger demand is expected to continue its strong recovery over the year ahead. Much of the industry's optimism surrounds the reopening of China and the impacts it will have on all global regions. However, some concerns remain around the impact of macroeconomic headwinds, especially continued high inflation in many markets and high fuel prices. The vast majority of operators expect input prices to remain high during 2023 with fewer respondents to the confidence survey expecting prices to moderate significantly.

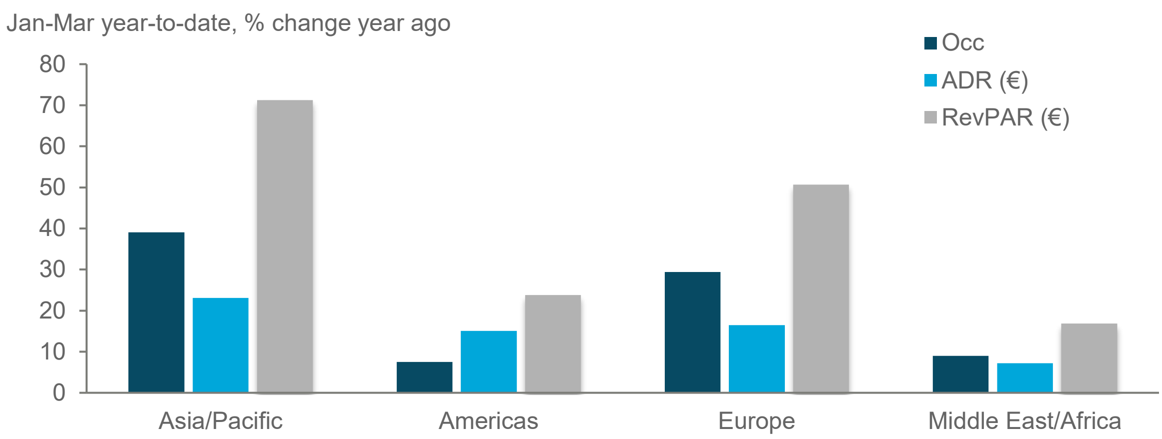
IATA's measure of air connectivity also started 2023 much stronger than it was in early 2022. This index takes into account the economic importance of individual city pairs. Despite the improvement, globally, air connectivity is still estimated to be around 17% below its pre-pandemic level with impacts not just on tourism but also on trade and investment.

ACCOMMODATION

Hotel performance data collected by STR demonstrates a considerable slowing in Europe's RevPAR growth, as might be expected given growth last year. RevPAR growth of 50.7% was driven primarily by occupancy growth (29.4%) although there was significant growth in ADR as well (16.4%).

All global regions saw increases in occupancy, ADR and RevPAR. However, Asia-Pacific saw the strongest growth on the back of stringent conditions in the first quarter of last year and this expansion can be expected to continue over the coming months. RevPAR in the region increased by 71.2%. In contrast, both the Americas (23.8%) and the Middle East (16.8%) experienced far more moderate growth in RevPAR.

Global hotel performance



Source: STR

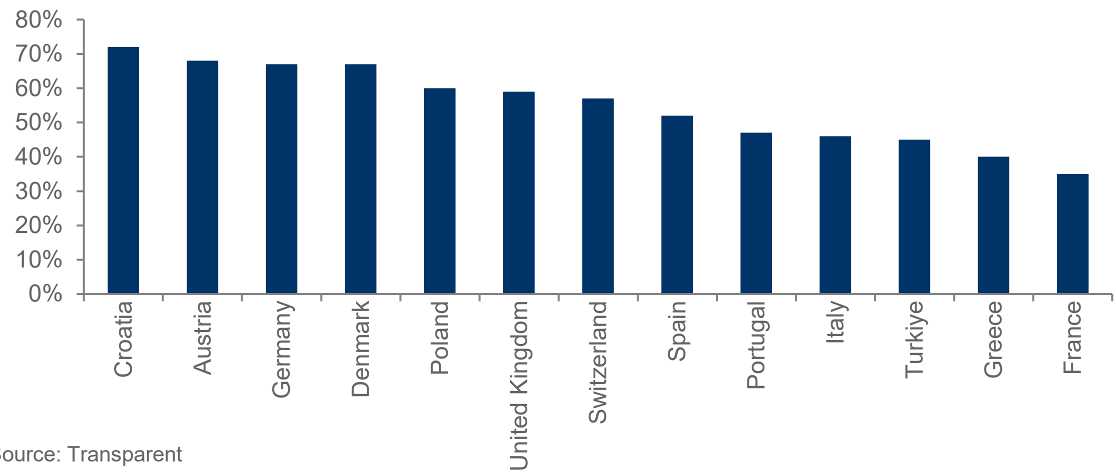
SHORT-TERM RENTALS

In Q1 2023, Transparent short-term rental data story has shown that all top STR supply nations are enjoying increased demand since last year. Austria (32%), Denmark (29%), Poland (22%), and the United Kingdom (20%) sit in the top ten for demand growth.

As for booking trends, booked nights in European countries are up 14% over the same point in 2019, with Spain and Italy most positive (32% increase). This demand also looks slightly different. The average percentage of domestic guests in Great Britain, Spain, and France was 61% in January. We see a positive trend towards the end of Q1 as domestic demand grew to 64%. Last minute demand analysis meanwhile has shown that European short-term rentals receive 43% of all bookings in the final 2 weeks before check in. Beach/lake and ski markets however have the lowest proportion of last-minute bookings at 35%.

Looking at supply, the evolution of vacation rental listings in Europe shows rising inventory surpassing 7 million listings in March. France and Italy may have the highest count of properties but countries excelling in terms of growth are again Poland (53%), Denmark (45%) and the UK (32%). In turn, supply is also evolving. Overall, the share of professionally managed inventory has increased 9% across the global top 25 supply nations since 2021. Of those, the top growers in Europe are Denmark (17%), Germany (16%) and Austria (15%). Croatian stock is a huge operation with 72% professionally managed as of March 2023. These changes impact the industry and also guests, as professional inventory generates more revenue but marginally worse review scores.

Share of professionally managed inventory by country, March 2023



Source: Transparent

Pivoting focus to 2023 regulation sentiment, European short-term rental property managers are not so decisive between the need for more or fewer regulations and feel that existing regulations should be better enforced.

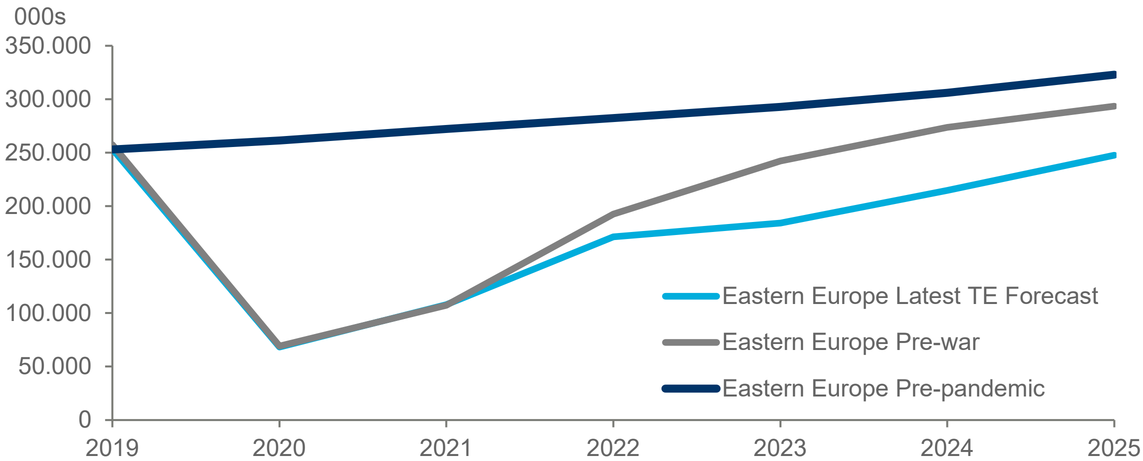
5. SPECIAL FEATURE: A YEAR OF THE WAR IN UKRAINE

SUMMARY

- War continues in Ukraine, with no imminent resolution, millions of displaced people and altered travel patterns across the continent.
- Eastern European countries are struggling with the perception of being closer to the conflict zone than they are, with Riga, Krakow and Tallinn all reporting softer visitor numbers than anticipated.
- Within Europe, Russian tourists are favouring Türkiye, Serbia, and Georgia, while Cyprus and Montenegro, who normally rely heavily on the Russian market have diversified their source markets over the summer period.
- Closure of Ukrainian and Russian airspace has also increased distances and flight times for long-haul travel between Europe and Asia-Pacific, with associated increased fares dragging slightly on the recovery of this travel pair this year.

A year on from the Russian invasion of Ukraine, the conflict has reached something of a stalemate, with Ukraine receiving support from the West but with Russia expected to attempt a counterattack before weapons arrive. Both economies are reeling from the war, albeit with a less evident impact on the Russian economy than was anticipated a year ago. As a result of sanctions against Russia, the government has had to step in and spend heavily in order to support economic activity. This, coupled with spending to support the war, means that the fall in GDP has not been as severe as previously expected. However, the depreciating Rouble paired with government cash injections is adding to inflationary pressures. In Ukraine, domestic demand, including leisure travel, is collapsing, and inflation is currently sitting around the 30% mark, with the economic outlook for the year equally bleak. A year on from the beginning of the conflict, travel patterns across Europe and beyond have been altered, but not entirely as we anticipated.

Changes to the travel outlook for arrivals to Eastern Europe



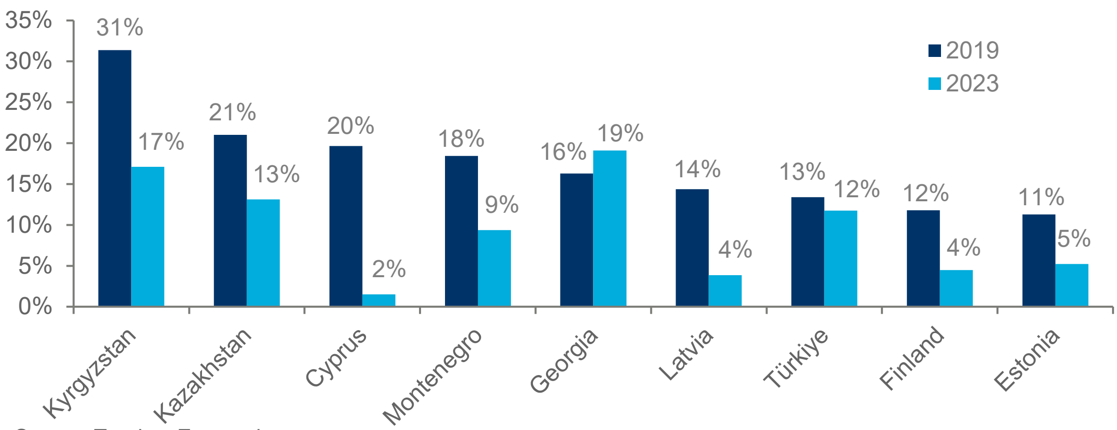
Source: Tourism Economics

The impact of the conflict is focused across four strands: the countries missing out on Russian visitors due to the EU flight bans; countries benefitting from increased Russian tourists due to the reduced number of destinations open to them; the wider impact across Europe of the perception of the conflict; and finally, the wider impact of flight bans to and across Russian and Ukrainian airspace.

Since the conflict began, unsurprisingly, global connectivity to Russia has fallen. The Middle East, Türkiye, and Serbia have, however, seen an increase in visitors across the same period, due to not imposing flight bans on Russia. A travel-related class divergence has also been observed within Russia since the beginning of the conflict. From the invasion of Ukraine to December 2022, premium class tickets for outbound Russian travel increased 10 percent on pre-pandemic levels. For the equivalent period, Russian outbound economy tickets were down 70%. Within Europe, Türkiye received the most inbound Russian visitors, while outside of Europe, Thailand, the UAE, Egypt, and the Maldives are proving popular destinations for Russian travellers. There appear to be two distinct types of travel emerging too; short-term holidays and longer-term relocation, the latter of which is concentrated in the more affluent sections of society.

With the outbreak of the conflict, the EU put flight bans to Russia in place, and over time suspended the processing of visas and increased the costs associated with applications, so that possible destinations for Russian visitors were significantly reduced. Russia is a key source market for many countries within Europe. Those with the highest anticipated 'cost' of visitor sanctions against Russia were those with the highest Russian market share. In 2019, the countries with the highest Russian market share were Cyprus (20% of all arrivals were from Russia), Montenegro (18%), Georgia (16%) and Türkiye (12%). Of these destinations, only Cyprus is part of the EU and has explicit bans on Russian visitors, the rest have experienced varying levels of access. Over 9 months following the invasion, Cyprus and Montenegro lost out the most on Russian visitors, where in both cases Russian visitors comprised of less than 10% of the total visitors share. In contrast, Türkiye maintained a consistent share to pre-pandemic levels, and Georgia saw an increase in pre-pandemic levels.

Comparison Russian visitor share to European destinations pre- and post-invasion



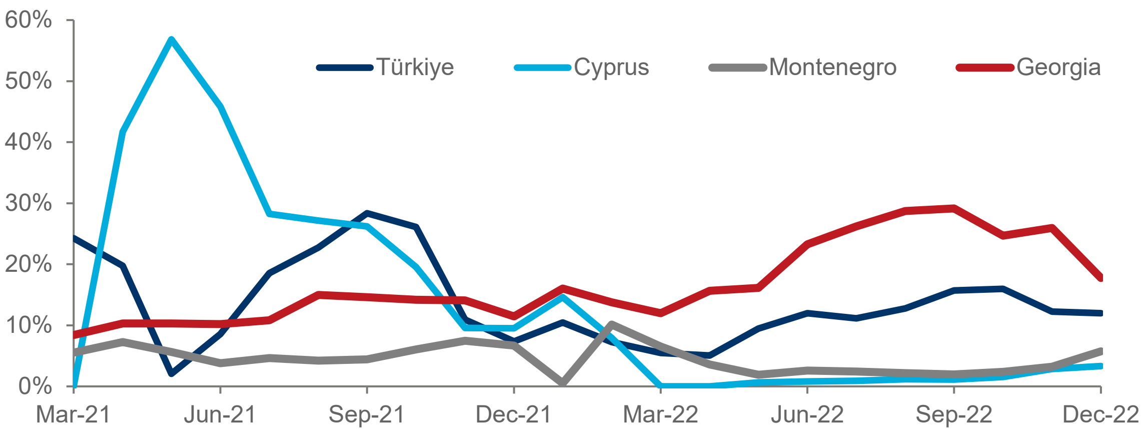
Source: Tourism Economics

Cyprus saw the greatest fall in source market share of Russian visitors due to the movement restrictions on Russian visitors as part of the EU. The loss of this market segment alone resulted in a loss of 600€ million in 2022. Ukraine was also an important source market for Cyprus in 'normal' times, albeit markedly smaller than Russia, with 2% of visits to Cyprus in 2019 being from Ukraine. However, since the invasion total visitor arrivals were 17% below pre-pandemic levels, with the final quarter of 2022 being just 7% below, showing strong recovery ahead of the Eastern European average.

The Cypriot government has taken this as an opportunity to both develop a more diverse source market mix, to reduce reliance on Russian visitors and to diversify the tourism products on offer within Cyprus. In an effort to widen Cyprus' reputation outside of 'sun and sand', the Cypriot Deputy Ministry of Tourism is promoting colourful villages, such as Vouni and Laneia, which will also help to encourage greater geographic dispersion of tourism beyond coastal hotspots. At the same time, increased air connectivity to Cyprus across Europe has helped substitute the Russian segment of arrivals. Both Ryanair and Wizz Air have increased flight frequency to Germany, Poland, France, and Hungary explaining their increased visitor shares across this period. Further expansion can be expected, with Wizz Air announcing doubling its fleet of aircraft from Larnaca as of mid-December 2023. This bodes well for Cyprus mid-term, though the loss of Russian tourists coincides with increased energy costs and was still felt in the summer season of 2022.

In contrasting fate, Türkiye has seen an influx of Russian visitors. As one of the few destinations in Europe that does not have sanctions in place, and having been a popular destination for Russians pre-pandemic, Turkish destinations are garnering the benefits of a reduced selection of destinations for Russian travellers. Pre-pandemic, Türkiye was the most popular international destination for Russian travellers, with the same holding in 2022 and so far in 2023. This status is helped by its appeal to the economy and premium travel markets within Russia, as a short-haul destination. Across the Russian mass market, Antalya was the most popular destination in 2022, with number of flights from Moscow up to nearly double pre-pandemic levels in the final months of last year. This too is reflected in Türkiye's visitor numbers, where arrivals from Russia in December 2022 were 120% above the same month in 2019. Türkiye also became a more affordable destination over summer when its currency tanked, losing 20% against the US dollar across the year. This too will likely have played some role in attracting Russian visitors, as well as the ability to effectively purchase citizenship through substantial investment in property.

Share of Russian visitors to key short-haul destinations since the invasion of Ukraine



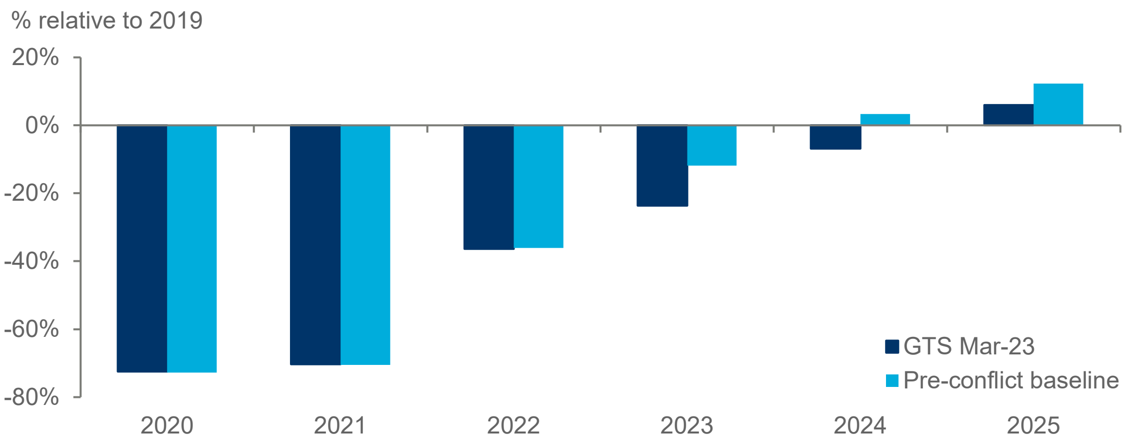
Source: Tourism Economics

Montenegro has seen a similar decline in the share of Russian visitors as Cyprus, though it has made a remarkable recovery in 2022 with total arrivals just 13% below 2019 levels despite this absence. Montenegro is a member of NATO and Montenegro's president has taken a hard-line stance on Russia since the conflict, banning Russian flights into Montenegrin airspace and mirroring EU sanctions. Russia, Belarus, and Ukraine together comprised nearly a quarter of all arrivals in 2019, and though their absence from the market has been felt, recovery to close to pre-pandemic levels from Serbia, Germany, and France have gone some way to offset this.

Georgia, by contrast has remained open to Russian tourists throughout, refusing to put sanctions in place against Russia. Over the 9 months following the invasion, Russian arrivals to Georgia have recovered to 17% of pre-pandemic levels, where overall arrivals are at 35% of total. Tensions are fraught within Georgia with much of the population being pro-EU and NATO but the government being more lenient towards Russia. High inflation, and the influx of Russian arrivals pushing up rent prices only further exerts this pressure.

There are also wider impacts of the conflict in Ukraine on European travel, due to the reduced Russian visits as well as some associated sentiment effects. Some Eastern European countries further from the conflict zone with a small Russian source market share are seeing stilted visitor figures. This has been largely attributed to a perception that certain Eastern European countries are closer to the fighting than they are, as media coverage of refugee arrivals in neighbouring countries has conflated the geography of Eastern Europe in public perception. One could even go as far to say that the concepts of 'East' and 'West' Europe are not helping. This is supported by research published by the European Travel Commission[6] which found that 37% of those interviewed said they would avoid countries bordering Russia and Ukraine, and 7% said they would avoid all of Eastern Europe.

Share of Russian visitors to key short-haul destinations since the invasion of Ukraine



Source: Tourism Economics

Krakow, Budapest, and Riga are all cities reporting visitors showing hesitancy due to the conflict in Ukraine. Tallin has also seen decreased visitor flows, with 50% of cruises scheduled to dock there not doing so, as itineraries for all Baltic cruises have been affected by the removal of St. Petersburg as a destination. Some destinations also noted an unwillingness by visitors to visit countries affected by an influx of Ukrainian refugees, as leisure travel where some people are relocating from war felt insensitive. Some destinations also have reduced accommodation options, as some are currently sheltering refugees. As the conflict draws on, this perception is likely to weaken a little, as flows of refugees slow from highs at the outbreak of the war. However, it is unlikely that this perception will disappear completely and will likely be responsive to events unfolding in Ukraine and the associated news coverage.

Finally, airspace closures across Ukrainian and Russian airspace have impacted long-haul travel between Europe and Asia for the duration of the conflict, with the flight time increasing the further East one goes; 37% of air traffic is now over 8 hours, 14% higher than in pre-pandemic times, with routes worst affected being between South Korea and Japan to France, Germany, the UK, and Scandinavia. Chinese carriers are also garnering competitive advantage as a result of the conflict, as they are still permitted to fly through Russian airspace, meaning these carriers can offer lower ticket prices and shorter journey times.

[6] Research carried out by ETC involved in-depth interviews with consumers having travelled to or within Europe in 2022. The survey focused on traveller attitudes, behaviour, as well as how recent economic and geopolitical events have impacted travel preferences. Sample size = 46

For long-haul travel between Asia-Pacific and Europe, average airfares are up 53% on last year and 20% above pre-pandemic levels. Carriers are benefitting from pent-up demand making consumers less price-elastic than in pre-pandemic times, as the wish to travel goes some way to covering higher prices. The price of jet fuel is now 30% below levels seen a year ago but will not automatically feed through into lower air fares due to hedged prices across the industry combined with significant debt servicing requirements. The delayed return of Asia-Pacific does not help matters but will take time, as capacity is ramped back up and staff and logistics incur higher costs.

6. KEY SOURCE MARKET PERFORMANCE

Trends discussed in this section in some cases relate to the period January to March 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

- Relative to the same period in 2019, arrivals across reporting European destinations were an estimated 4.8% lower in 2023 based on the latest year-to-date data for January and February.
- The Netherlands as a source market continues to be the most advanced with a broadly even balance of destination countries reporting growth and declines on 2019 levels.
- Efforts by the Serbian tourism industry to expand their guest mix such as new flight routes and airline partnerships is paying off. This destination continues to perform strongly across most key source markets so far in 2023, with travel volumes in many of these already exceeding pre-pandemic volumes.
- There are distinctly separate trends for reporting destinations in the eastern half of the continent, driven by concerns over the ongoing war in Ukraine.
- Visitors from Canada and the US continue to benefit from a stronger dollar relative to the euro. In the face of a mild recession and less disposable income, Europe remains a good value holiday destination.

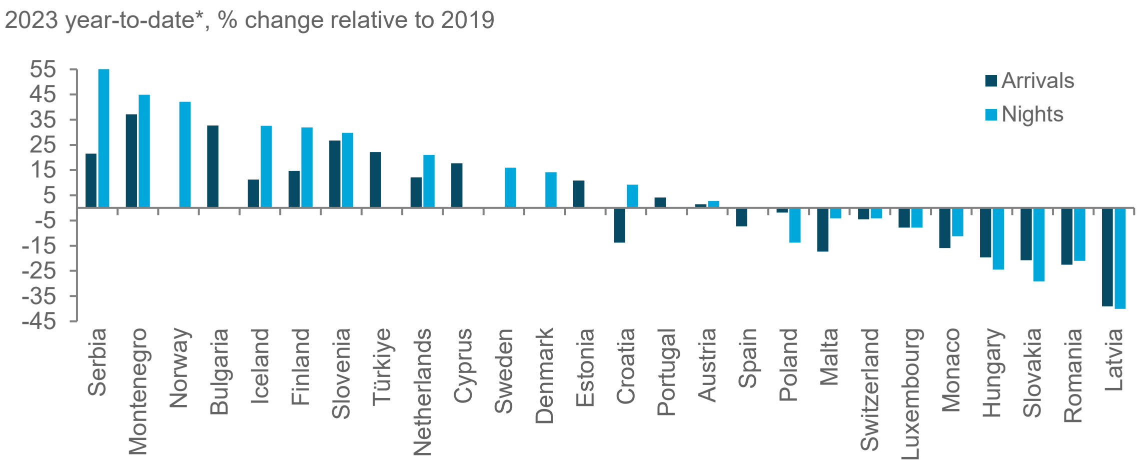
KEY INTRA-EUROPEAN SOURCE MARKETS

The broad overall trend is for continued recovery in intra-European travel as it edges closer to normalisation. Recovery from key source markets in Q1 relative to 2019 are more balanced than they have been in previous quarters for the most part.

The Netherlands continues to be the most advanced source market in terms of recovery with a more destination countries reporting growth than declines on 2019 levels. However, travel from the US also grew in a majority of countries in early 2023 and it remains the most important long-haul market for recovery. In terms of destinations, Serbia continually ranks as one of the fastest markets to come back from the pandemic across major source markets as the country and main airline continues to develop partnerships with European destinations.

There are distinct trends for reporting destinations in the eastern half of the continent, driven by concerns over the situation in Ukraine. Furthermore, the Russian source market continues to show very marked declines relative to 2019, given its political isolation from the rest of the continent. However, a few countries including Serbia, Türkiye, and Montenegro have taken advantage of this welcoming an increasing volume of Russian tourists.

German Visits and Overnights to Select Destinations



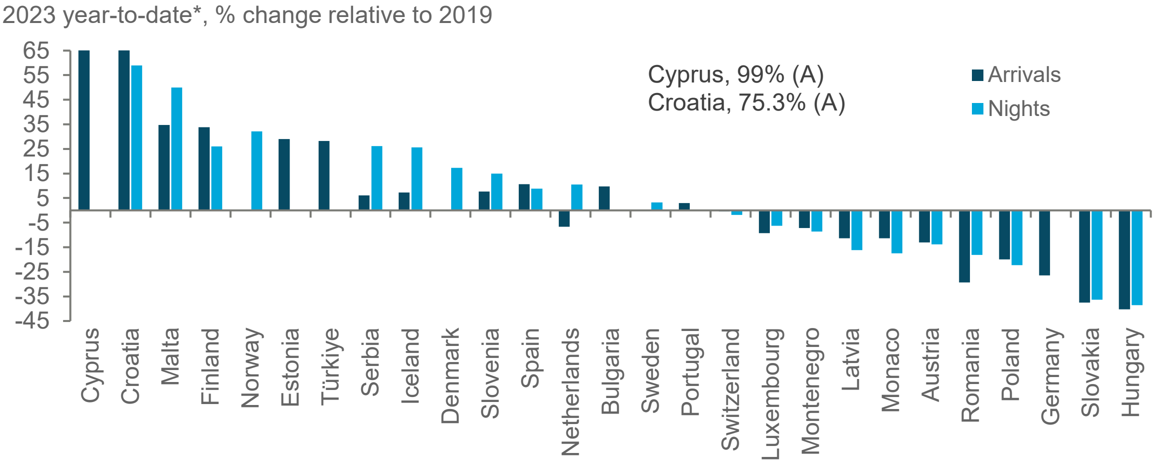
Source: TourMIS*   *date varies (Jan-Mar) by destination

For German tourism, 52% of all reporting destinations showed growth in arrivals relative to 2019 levels for the first part of this year and with those that have not reported growth, half of these were down just 10% or less relative to 2019. For both metrics, Eastern European countries such as Latvia, Slovakia, Romania, and Hungary continued to underperform. There is possibly still some hesitancy among travellers for these destinations given their proximity to Russia and/or Ukraine. Overall, the outcome for Q1 so far has been positive, but the improvement has likely been weighed down by the widespread strikes in February affecting seven different airports across Germany.

Of all reporting destination countries, Serbia, Montenegro, Bulgaria, and most of the Nordic region have reported some of the strongest improvement in tourism from Germany in Q1 so far. The Nordics have likely benefitted from an increasing appetite for winter holidays by German tourists, although travel to Austria and Switzerland was slightly more subdued. Türkiye which is typically a popular destination has shown a slight improvement despite the earthquake in February as all international airports have remained open.

Germany’s air travel recovery has lagged some of its neighbours, but a wide range of new routes are being launched in 2023 which should support further demand growth. Amongst these are Icelandic PLAY’s new route to Düsseldorf and the connection of Belfast George Best Airport to Frankfurt by Lufthansa. Lufthansa have also placed an order for 22 Airbus and Boeing long-haul jets in March, increasing Germany’s long-haul travel capacity.

French Visits and Overnights to Select Destinations



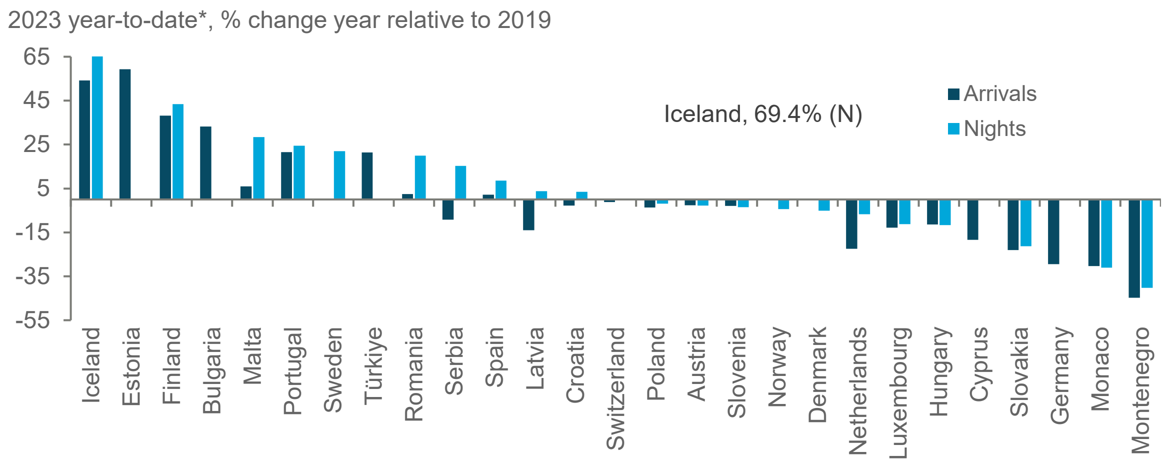
Source: TourMIS* *date varies (Jan-Mar) by destination

In terms of demand from France, around 50% of reporting countries saw an increase over Q1 for both arrivals and nights. In addition to Cyprus (with arrivals at +99%), Croatia and Malta are currently leading the tourism recovery, with arrivals up 75.3% and 34.8% and nights 59% and 50% on 2019 levels respectively. This improvement would likely have been better and more widespread if there had not have been extensive strikes by air traffic controllers in France over February, resulting in more than 3,000 flights cancelled.

Eastern European markets have continued to improve, but destination countries close to the ongoing war in Ukraine have continued to record the largest falls when compared to 2019 lagging behind more Western European and Nordic destinations. These include Hungary and Slovakia which saw a decline in French arrivals and nights between 40.3% and 37.5%.

While growth may slow due to the above factors, there is also potential for further expansion due to new capacity. Several airlines have announced new routes from French airports, including to destinations in the UK. Ryanair has announced 62 routes in total including 9 new summer routes covering Bordeaux and Lourdes in France, benefiting both travel to and from the country. Furthermore, young people from Ireland will be able to travel to France on a single ‘sail and rail’ ticket from summer 2023.

Italian Visits and Overnights to Select Destinations



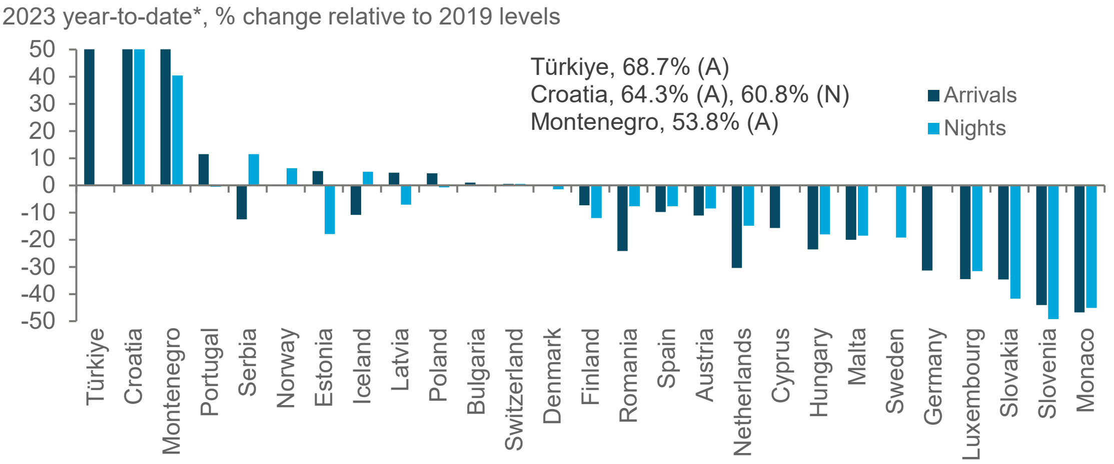
Source: TourMIS* *date varies (Jan-Mar) by destination

Across all reporting destinations, arrivals from Italy were on average 0.4% up on 2019 and nights 4.5% up across the first few months of this year. Iceland was the destination reporting the greatest increase in both Italian arrivals and nights up 54.2% and 69.4% on 2019 levels respectively. The country's continued expansion of transatlantic demand – for which Iceland has positioned itself as a stopover destination has made it more of an attractive destination for Italians. The recovery in Finland is consistently strong for both metrics, suggesting Italian visitors are not being put off by its proximity to Russia during the ongoing war in Ukraine.

High inflation is notable in Italy and is making consumers more price conscious than before, which is hampering the recovery of more expensive destinations such as Monaco which arrivals are 30.4% below 2019 levels so far this year. Cheaper destinations such as Bulgaria and Türkiye have been recovering at a stronger pace, with Italian arrivals up by 33.2% and 21.4% on 2019 levels.

Both Ryanair and Wizz Air are increasing routes from Italy in 2023. Italy topped the rankings for the number of new routes in 2022 with 410 new routes. This has facilitated improvement in both inbound and outbound travel over the past year for Italy and should support continued recovery and growth.

British Visits and Overnights to Select Destinations



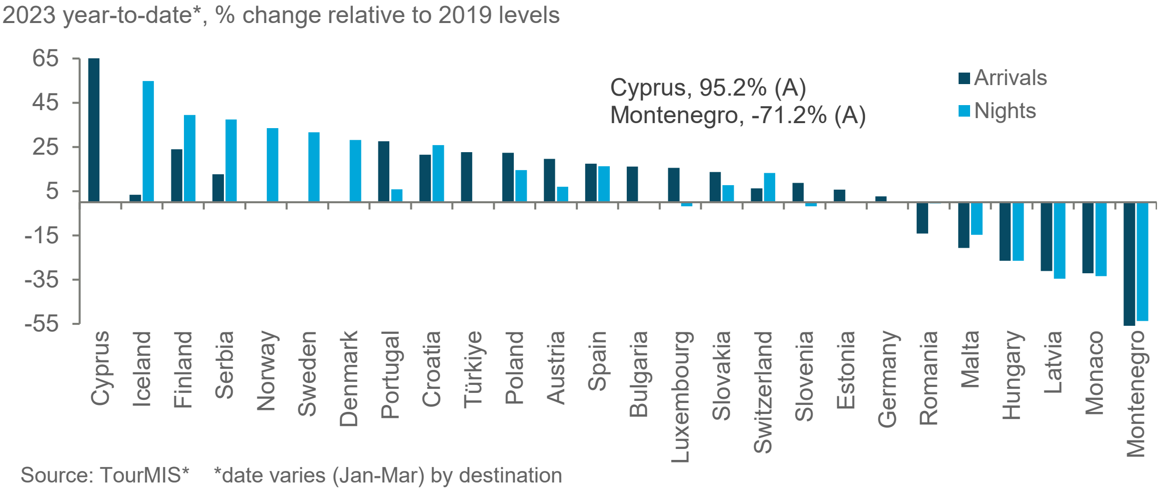
Source: TourMIS* *date varies (Jan-Mar) by destination

For arrivals from Britain, Türkiye continues to top the rankings with an increase of 68.7% compared to 2019. Türkiye's success in attracting demand from the UK is likely to be on the basis of price with British travellers hit by particularly high inflation, while weaker sterling relative to the euro (and many other major currencies) continues to affect affordability. The Turkish lira continued to decline in value over major currencies including sterling, providing a real-terms affordability gain. Croatia has had a consistently strong start to the year across both metrics, up 64.3% and 60.8% in British arrivals and nights respectively on 2019 levels. Its recent move to the Euro Area should not play a huge factor in terms of affordability as the euro was already widely used. But now being part of the Schengen area means trips to Croatia by British tourists will now be subject to the 90/180-day rule which means a limit of 90 days in any 180 days whereas it did not before.

The poorest performing reporting destinations are not limited to the block of Central and Eastern European countries but also include some relatively close countries such as Austria and the Netherlands. Some of this is likely to have been driven by increased costs concerns and a decline of sterling against the euro.

An upside to this year for British travellers is that the [ETIAS visa]() as of March 2023 has been delayed until 2024 due to concerns about increased airport processing delays from a wide range of European countries.

Dutch Visits and Overnights to Select Destinations



Compared to last quarter, significantly more reporting countries have registered growth above 2019 levels in both arrivals and nights for 2023 so far. This makes travel demand from the Netherlands still one of the strongest in terms of recovery going into this year. 20 out of 25 reporting destinations recorded growth in travel from Netherlands.

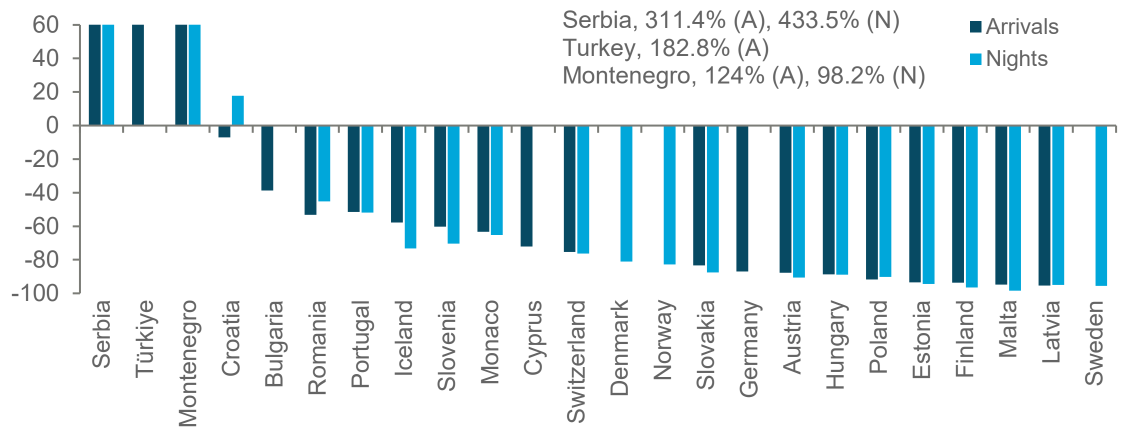
Like many other European markets, the recovery in Monaco continues to lag behind elsewhere in Europe and even some Eastern European destinations close to the ongoing war in Ukraine. Monaco is one of the more expensive destinations to visit across the region and its slow recovery highlights the impact of falling disposable income across households as a result of high inflation. Suggesting destinations that seem more value for money and budget-friendly will do better this year.

The impact of the war in Ukraine does not seem to be overly affecting where the Dutch choose to travel. Countries which are close to either Russia and Ukraine such as Finland and Slovakia are recovering well whereas the recovery in Latvia and Hungary is less advanced.

Many airlines such as Easy Jet, Ryanair are expecting stronger demand over the summer in the Netherlands and as a result are expanding their routes. Furthermore, the European Sleeper train service will be launching its first route from Brussels to Berlin via Amsterdam in May which is likely to spur on the trend for flight-free travel across Europe, just in time for the summer peak season.

Russian Visits and Overnights to Select Destinations

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



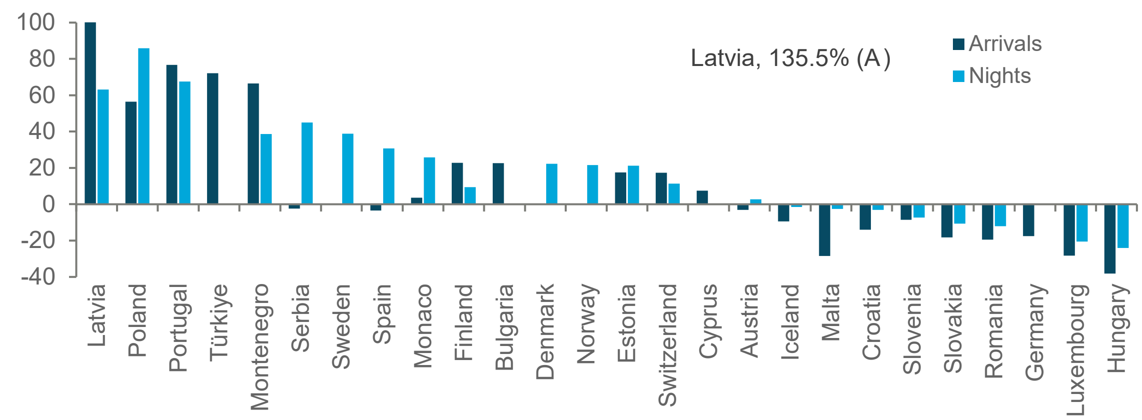
Source: TourMIS* *date varies (Jan-Mar) by destination

Most European destination countries continue to report major declines in arrivals from Russia. Only Serbia, Türkiye, and Montenegro have seen growth in arrivals and nights so far in 2023. Serbia is not an EU member state and has consequently not been obliged to implement EU restrictions on Russian entry. Although not immediately obvious, one source of 'arrivals' to Belgrade from Russia may be Russian citizens wanting to avoid 'mobilisation'. Many choose Serbia because it is one of the few places that still allow Russian entry without a visa and both countries share cultural heritage such as being Slavic and Eastern Orthodox Christian countries. The premium travel market from Russia has been supporting the rise in arrivals to Türkiye since the war began and countries across Europe imposed visa restrictions.

NON-EUROPEAN SOURCE MARKETS

US Visits and Overnights to Select Destinations

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



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

The recovery of US arrivals and overnights continues its upward trajectory going into 2023. So far out of the reporting countries, arrivals are on average 13.4% above 2019 levels and nights even stronger at 18.3%. 17 out of 26 European reporting destinations have recorded growth in travel from the US at the start of 2023.

Latvia and Poland are two of the strongest destinations so far, relative to 2019 levels, and a possible reason for this is that the US has some of the largest diaspora of Latvian's and Poles outside of Europe. The data just for January suggests that this improvement could be driven by more family visits and related holidays. However, the outlook elsewhere in Eastern Europe is less upbeat, with four out of five of the weakest markets being in this region.

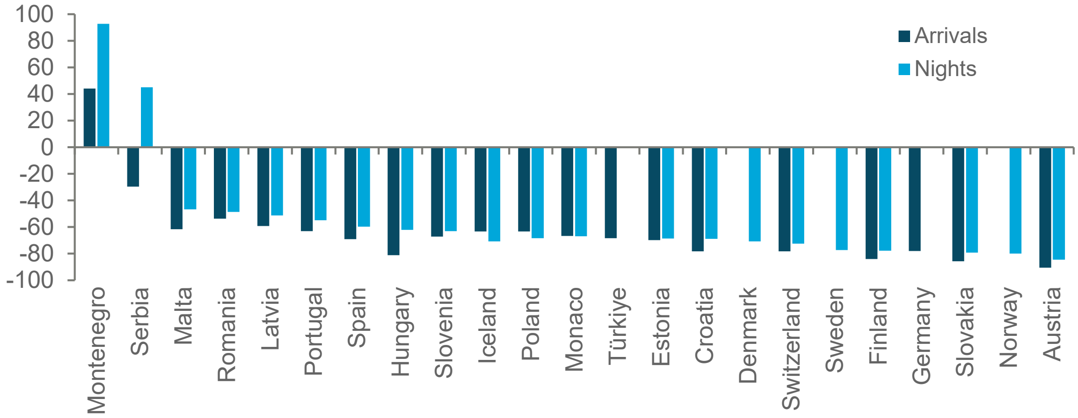
The recovery in Serbia is underway but there is a lot of upside potential as the year progresses. Air Serbia is set to launch additional routes from Serbia to Chicago in May this year with its expanded partnership with American airlines.

The strong dollar relative to European currencies is an important driver at a time when US consumers are more price conscious due to the economic backdrop but continue to have strong intentions to travel.

Türkiye is one of the main beneficiaries of the exchange rate fluctuations through last year and into 2023, with US arrivals 72.2% above the same period in 2019. Since our last report one US dollar was worth 19 Turkish lira, and as of writing it is holding up well having ranged between 18.7 lira and 19.3 lira since the start of the year as the upward trend starts to stabilise.

Chinese Visits and Overnights to Select Destinations

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



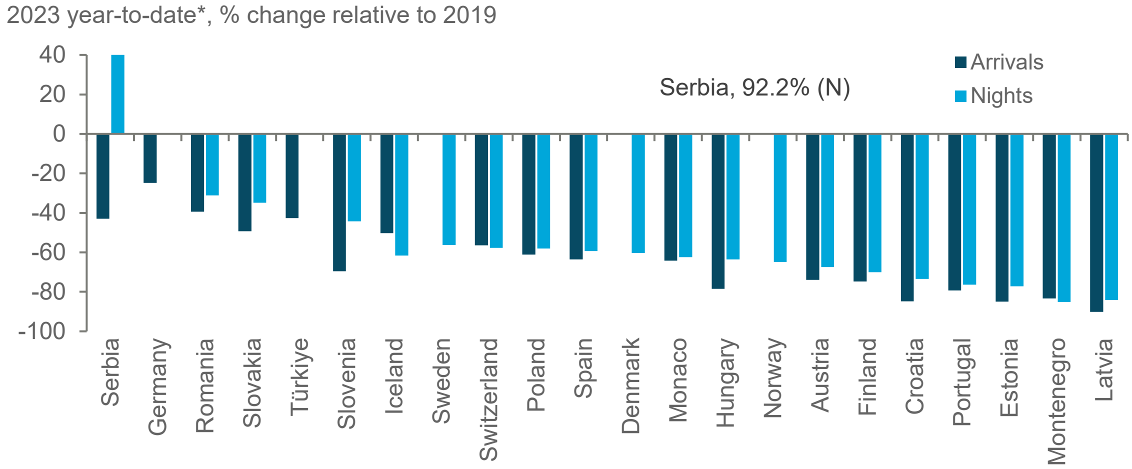
Source: TourMIS* *date varies (Jan-Mar) by destination

Following China's unexpected announcement on December 26 to reopen its borders in January 2023, there has been some improvement across destinations.

Montenegro and Serbia are the only two destinations reporting an improvement in one or both metrics so far this year. Arrivals from China to Montenegro are up 44.1% on 2019 levels and nights even higher at 92.7%, whereas arrivals to Serbia are still down, albeit less than elsewhere at -29.5% and nights up 45%. The initial boost in travel reported in these markets can be attributed to visa policies and warm government relations with China. For example, since 2017 Serbia has offered visa-free entry to Chinese passport holders and Montenegro allows entry to holders of a Schengen visa. This suggests that these destinations were the most convenient and friendly to travel to once borders reopened given the expected backlog on visas, the related paperwork, and the volume of enquires. These were also relatively small markets for Chinese travel in 2019 with significant scope for growth.

Elsewhere recovery continues to lag across both Western and Eastern European destinations as travel slowly resumes. The unexpected announcement caught the airline and travel industry off guard, so *Tourism Economics* expect it will take some time for systems to reach pre-pandemic capacity once more.

Japanese Visits and Overnights to Select Destinations



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

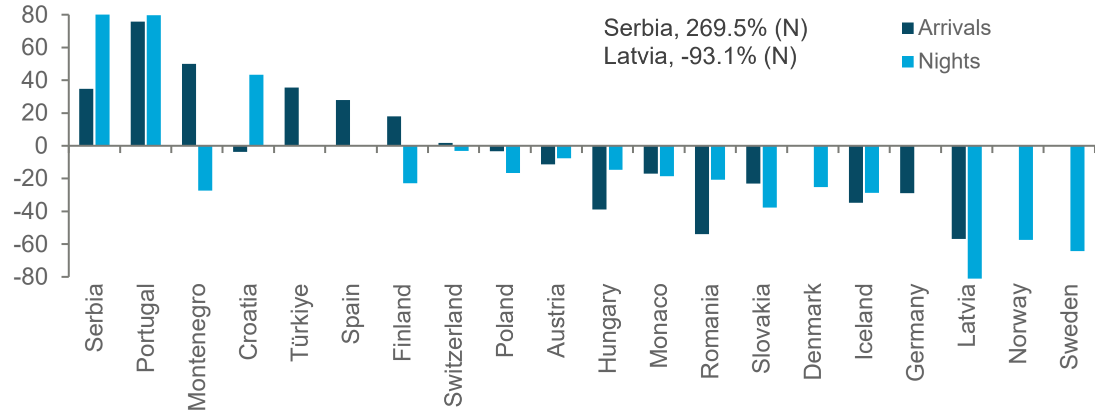
To date, Serbia is the only reporting destination to see an improvement from the Japanese market on 2019 levels. Nights increased by 92.2% relative to 2019 based on data for January and February. However, arrivals are still down, consistent with all the other destinations. Air Serbia have been proactive in adding routes and improving partnerships with other airlines, a factor which has likely made Serbia stand out as a destination for Japanese tourists.

Currency shifts have remained unfavourable for outbound travel to Europe, pricing out Japanese travellers and thereby reducing travel demand. Although the yen strengthened against the euro in Q1, the movement was very minor with one euro equivalent to 142 yen, compared to just 120 yen in the same period in 2019.

The travel recovery has faced an additional set-back due to the closure of Russian air space as a result of the war in Ukraine. Airlines for routes from Europe to Asia have seen an increase in travel time and distance due to this diversion. Routes from Finland to Asia are disproportionately affected with flights to Asia increasing between one and a half and nearly four hours. These diversions will increase fuel usage and costs for airlines which is likely to have been reflected in the prices for consumers.

Indian Visits and Overnights to Select Destinations

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



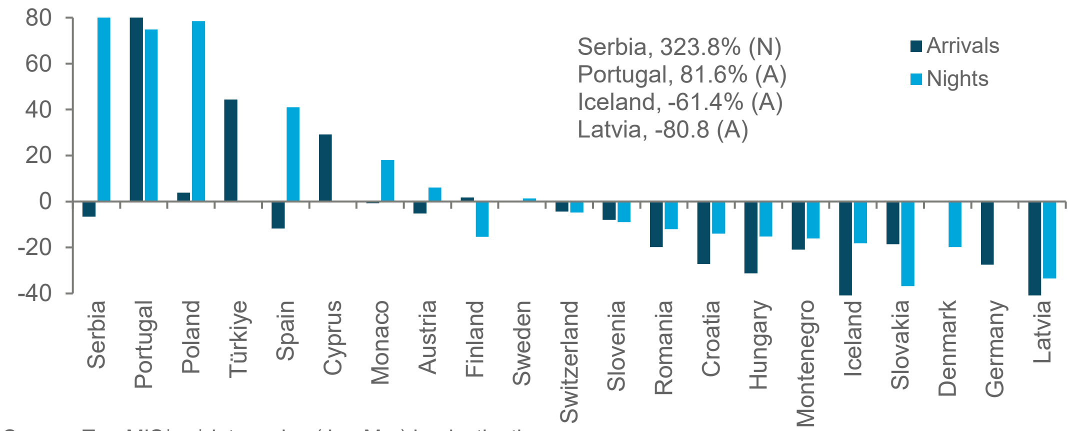
Source: TourMIS* *date varies (Jan-Mar) by destination

Indian arrivals to reporting destinations continue to fare better than nights, with 41% of total destinations showing an increase in arrivals relative to 2019 levels, compared to just 18% for nights.

Serbia continues to report exceptional growth in arrivals. Momentum facilitated by a loophole in the travel requirements of other countries which allowed vaccinated travellers with a negative Covid-19 test to stay in Serbia visa-free looks to be continuing into 2023. The recovery in both arrivals to and nights spent in Portugal have had a strong and consistent start to this year up 75.7% and 79.6% respectively relative to 2019, faring better than other comparable Western European markets. Scandinavian destinations have had a weak start to the year with Sweden, Norway, and Iceland being amongst the destinations with the worst outturns for nights.

Canadian Visits and Overnights to Select Destinations

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



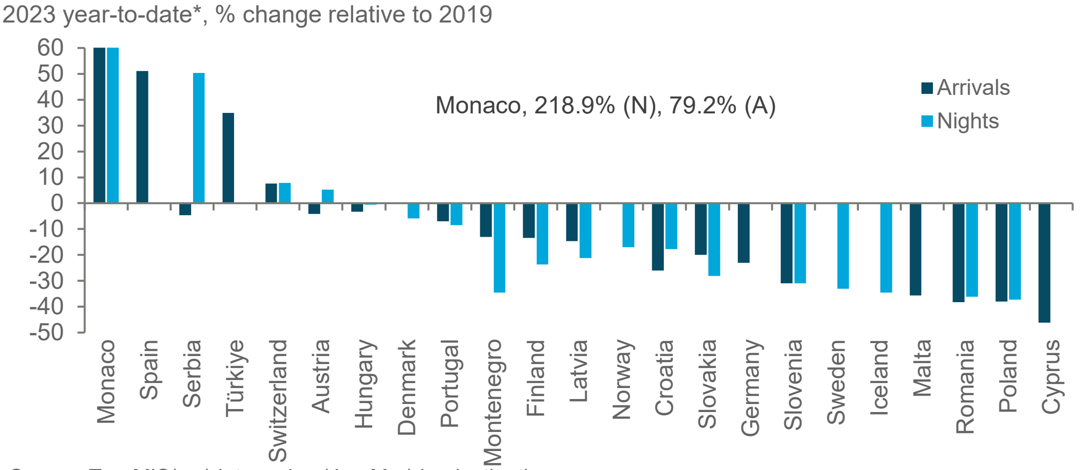
Source: TourMIS* *date varies (Jan-Mar) by destination

As of Q1 so far, around half of reporting destinations (10 in total) have registered an increase in either arrivals or nights from Canada. Out of these, Türkiye remains a top destination for Canadian tourists, with arrivals up 44.4% relative to 2019, significantly above the average of the reporting destinations as a whole. The strong Canadian dollar relative to the Turkish lira continues to make Türkiye an affordable long-haul destination in Europe.

Serbia continues to lead the recovery in nights from Canada to European destinations, but there is a clear disconnect in the recovery in arrivals which are still below 2019 levels, albeit by just 6.6%. This suggests there are fewer but longer trips made by Canadians to Serbia, which implies some of these arrivals could be for VFR purposes (visiting friends and relatives).

Latvia continues to lag most other destinations, as its border with Russia and Belarus is seemingly generating some hesitancy from tourists when choosing destinations to visit.

Australian Visits and Overnights to Select Destinations



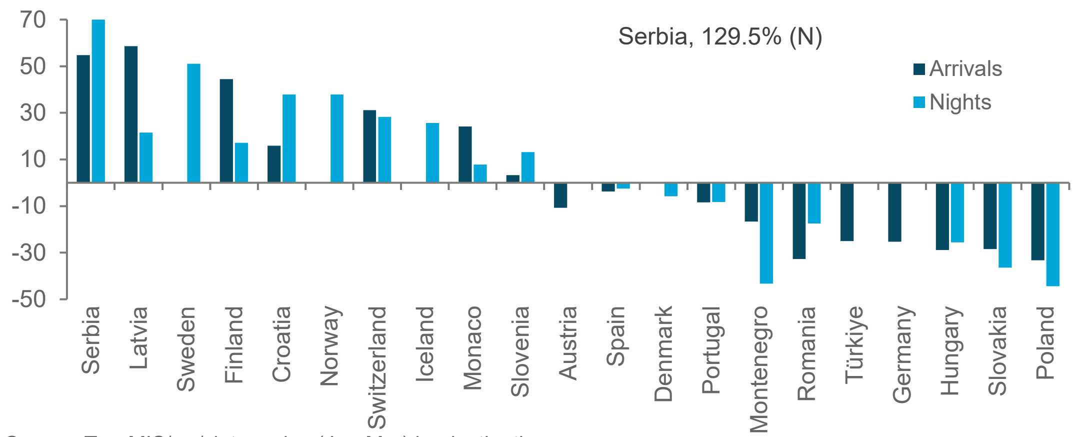
Source: TourMIS* *date varies (Jan-Mar) by destination

Six reporting destination have registered either Australian arrivals or nights to have increased on 2019 levels so far in Q1 2023. Monaco stands out as the strongest performer with nights up 218.9% and arrivals up 79.2% relative to 2019. It is likely that this is being driven by the upmarket/luxury travel segment as Monaco is one of the more expensive destinations in the region and household consumption remains strained in Australia due to high interest rates and inflation.

Australian visitors will continue to face higher costs to travel to Europe as airlines push up prices due to fuel costs and pricing strategies to help recover some pandemic-induced losses, taking advantage of strong pent-up demand from potential tourists. With the exception of Monaco, it is likely destinations that provide value for money will be favoured for more mass tourism, such as Türkiye which has started this year off on a positive note.

Brazilian Visits and Overnights to Select Destinations

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



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

Half of all reporting destinations have recorded growth in at least one metric in travel from Brazil in 2023 so far. Serbia is one of the strongest performing markets for Brazilian travellers based on data to February, with arrivals up 54.8% and nights 129.5% against comparable 2019 levels. The recovery in Latvia in terms of arrivals is similarly strong at 58.6%

On the other end of the scale, the weakest three markets so far are Eastern European destinations. All three destinations also border Ukraine which could be a contributing factor to their underperformance relative to the rest of the region. The recovery in Türkiye continues to underperform, but it is possible that the earthquake in February played a role in this.

It seems that inflation has not yet peaked for Brazilian households which may price out some of the more expensive destinations in the region as peak summer season arises. Exchange rates are linked to the affordability, but so far, there does not seem to be a contributing factor to the overall recovery with both euro and non-euro denominated destinations both performing well.

7. 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.*

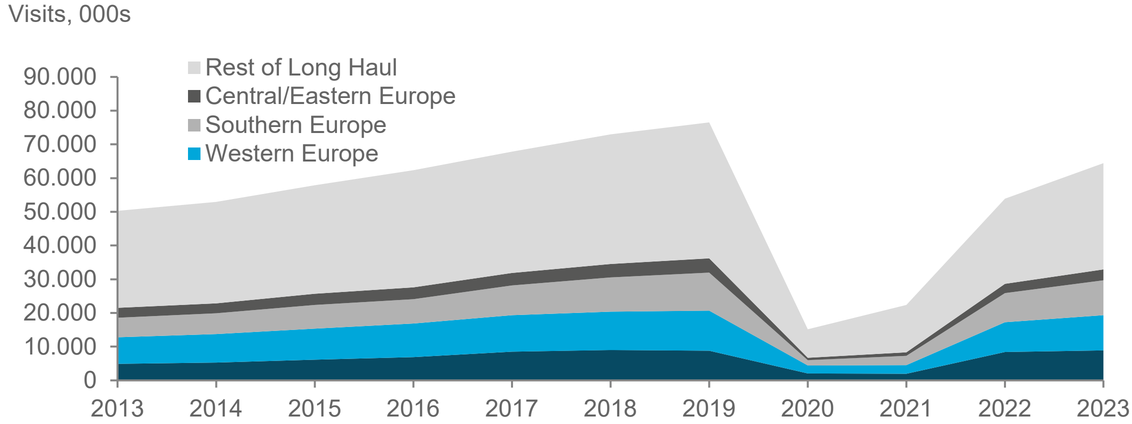
United States Market Share Summary

	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	103,675	-	8.4%	50.0%	-	-8.4%	-
Long haul	53,841	51.9%	11.6%	72.8%	59.8%	-20.7%	59.9%
Short haul	49,833	48.1%	4.6%	25.3%	40.2%	9.9%	40.1%
Travel to Europe	28,628	27.6%	8.5%	50.2%	27.7%	-10.1%	28.1%
European Union	6,107	5.9%	41.9%	474.6%	22.6%	-73.6%	20.4%
Northern Europe	8,380	8.1%	5.7%	32.1%	7.1%	-1.6%	7.5%
Western Europe	8,837	8.5%	8.8%	52.5%	8.7%	-18.5%	9.6%
Southern Europe	8,712	8.4%	9.1%	54.4%	8.6%	-0.9%	7.8%
Central/Eastern Europe	2,699	2.6%	13.1%	85.4%	3.2%	-26.9%	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

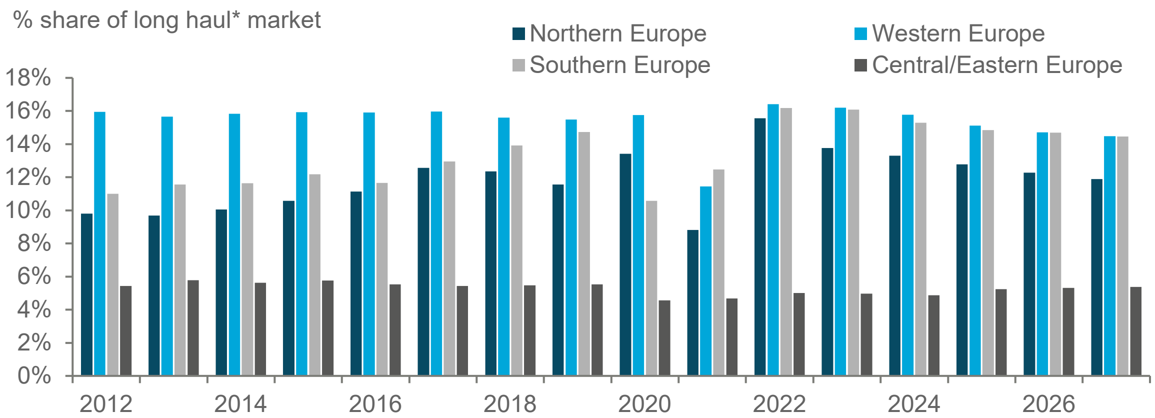
United States Long Haul* Outbound Travel



*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

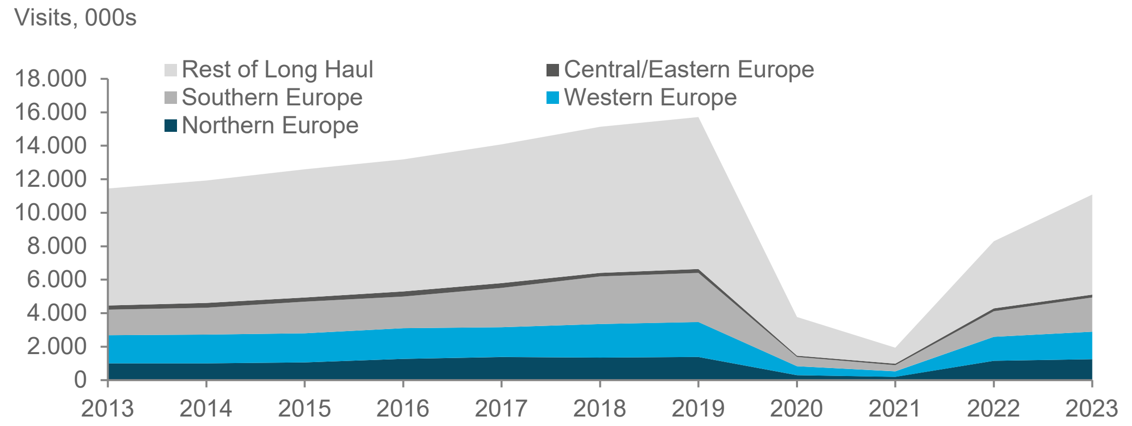
Canada Market Share Summary

	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	24,274	-	13.7%	89.8%	-	-33.6%	-
Long haul	8,305	34.2%	16.8%	117.7%	39.2%	-41.0%	38.5%
Short haul	15,969	65.8%	11.9%	75.4%	60.8%	-28.9%	61.5%
Travel to Europe	4,297	17.7%	10.4%	63.9%	15.3%	-25.9%	15.9%
European Union	1,404	5.8%	34.9%	347.5%	13.6%	-70.3%	12.9%
Northern Europe	1,156	4.8%	6.7%	38.4%	3.5%	-16.3%	3.8%
Western Europe	1,423	5.9%	9.5%	57.1%	4.9%	-20.2%	4.9%
Southern Europe	1,530	6.3%	13.7%	90.3%	6.3%	-34.8%	6.4%
Central/Eastern Europe	188	0.8%	9.4%	56.9%	0.6%	-35.1%	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

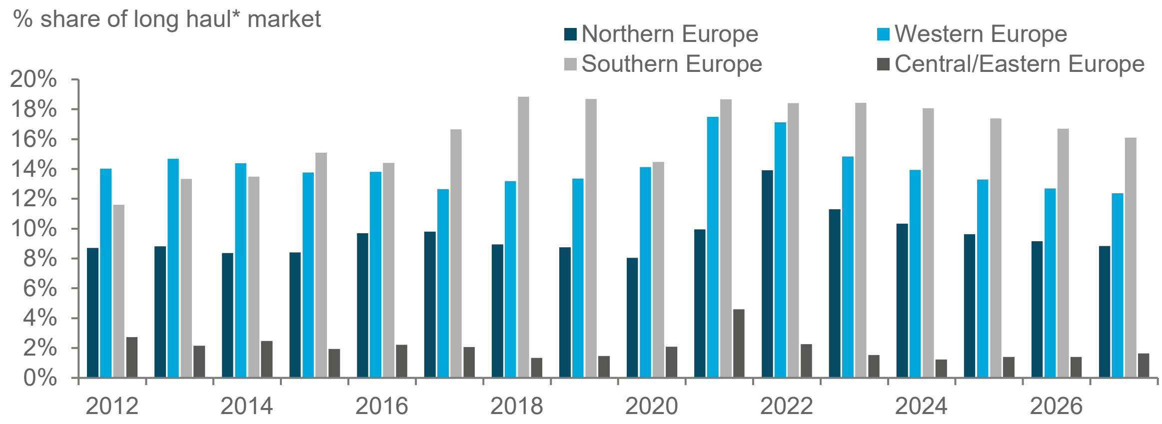
Canada Long Haul* Outbound Travel



*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

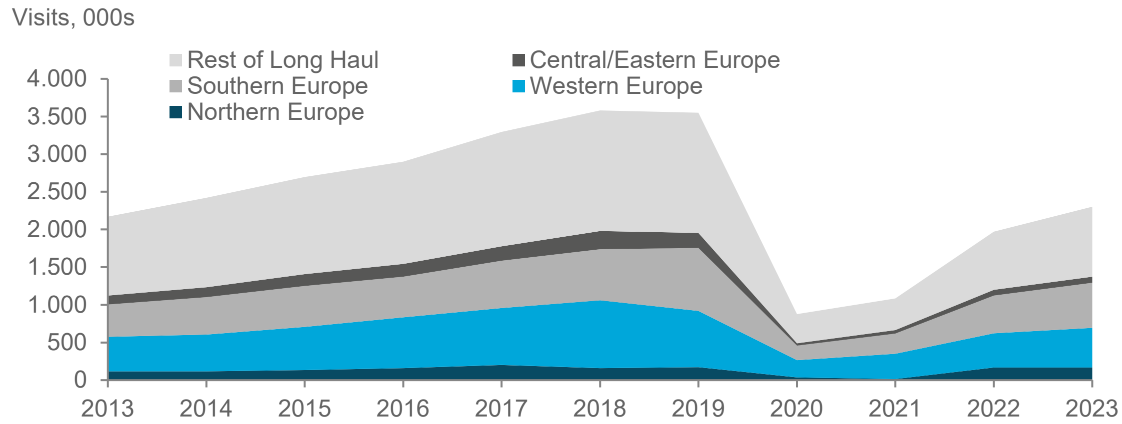
Mexico Market Share Summary

	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**14,830**	-	**11.4%**	**71.7%**	-	**-30.8%**	-
Long haul	1,970	13.3%	12.4%	79.8%	13.9%	-40.2%	15.4%
Short haul	12,860	86.7%	11.3%	70.5%	86.1%	-29.1%	84.6%
Travel to Europe	**1,197**	**8.1%**	**10.1%**	**62.1%**	**7.6%**	**-32.6%**	**8.3%**
European Union	457	3.1%	27.0%	230.5%	5.9%	-64.7%	6.0%
Northern Europe	167	1.1%	3.9%	21.1%	0.8%	-17.0%	0.9%
Western Europe	453	3.1%	9.9%	60.6%	2.9%	-40.0%	3.5%
Southern Europe	503	3.4%	11.5%	72.5%	3.4%	-20.2%	2.9%
Central/Eastern Europe	75	0.5%	14.0%	92.9%	0.6%	-60.9%	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

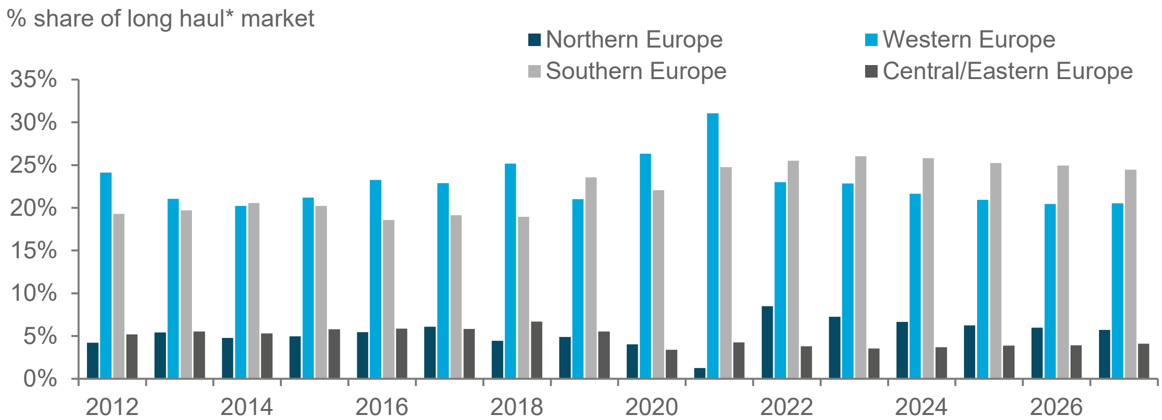
Mexico Long Haul* Outbound Travel



*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

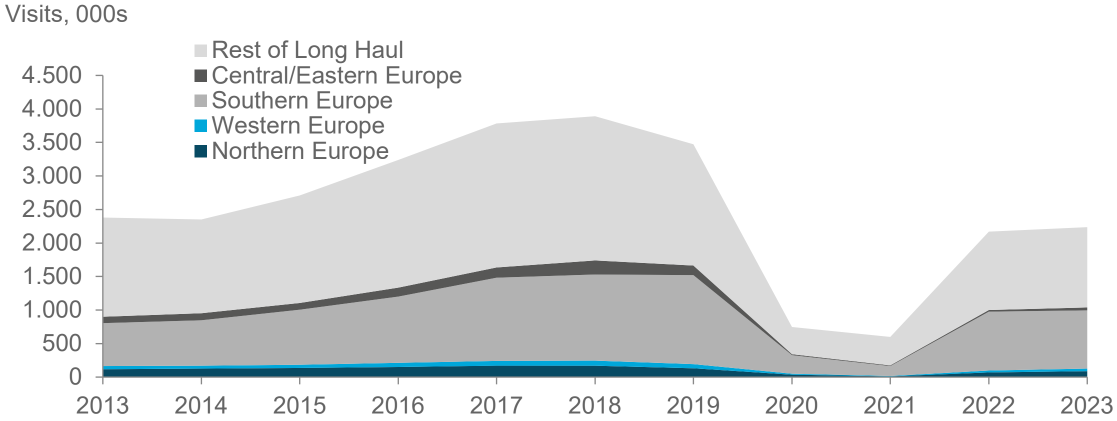
Argentina Market Share Summary

	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**6,013**	**-**	**7.8%**	**45.3%**	**-**	**-57.0%**	**-**
Long haul	2,168	36.1%	7.0%	40.3%	34.8%	-42.7%	27.1%
Short haul	3,844	63.9%	8.2%	48.2%	65.2%	-62.3%	72.9%
Travel to Europe	**1,001**	**16.6%**	**5.8%**	**32.3%**	**15.2%**	**-38.8%**	**11.7%**
European Union	320	5.3%	25.9%	215.8%	11.5%	-65.9%	6.7%
Northern Europe	67	1.1%	15.5%	105.8%	1.6%	-60.8%	1.2%
Western Europe	33	0.5%	14.8%	99.3%	0.7%	-54.7%	0.5%
Southern Europe	874	14.5%	3.3%	17.5%	11.8%	-29.4%	8.9%
Central/Eastern Europe	27	0.4%	28.5%	250.3%	1.1%	-82.4%	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

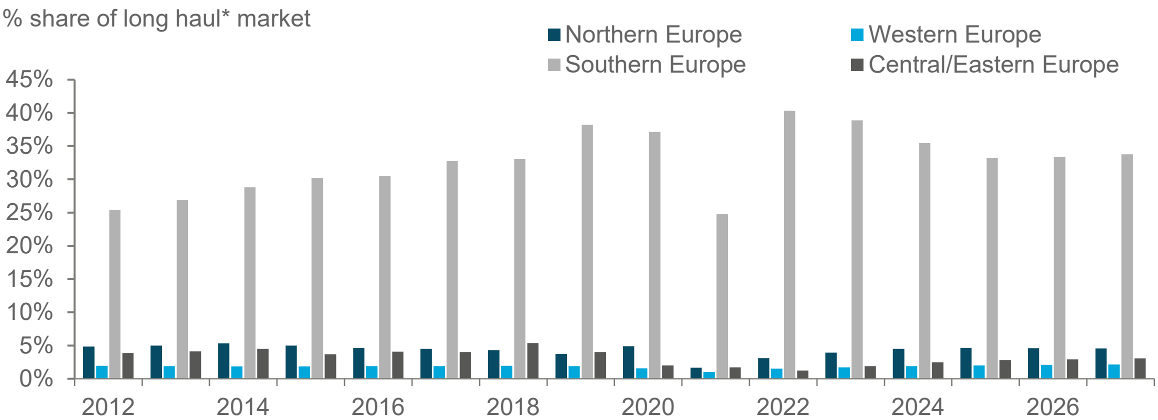
Argentina Long Haul* Outbound Travel



*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

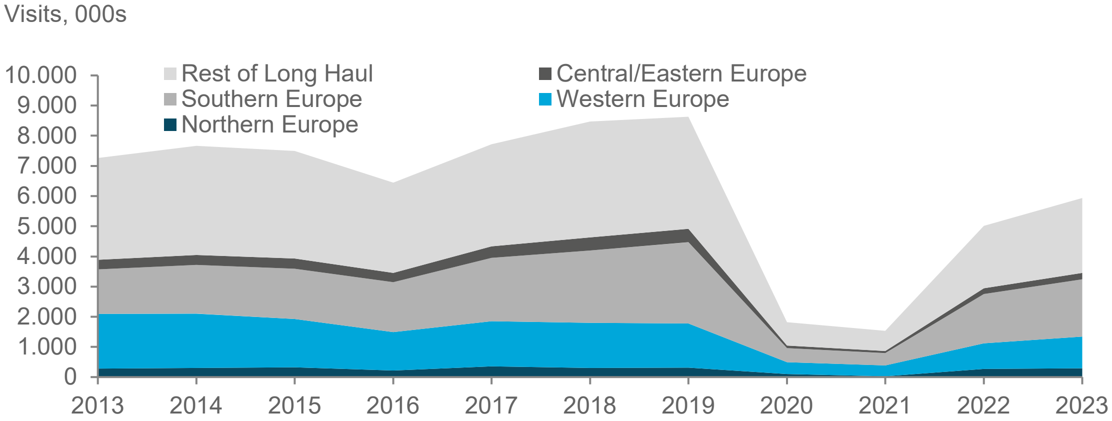
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**6,619**	-	**13.4%**	**87.9%**	-	**-38.5%**	-
Long haul	5,013	75.7%	11.8%	74.9%	70.5%	-35.0%	71.7%
Short haul	1,606	24.3%	18.0%	128.6%	29.5%	-47.3%	28.3%
Travel to Europe	**2,945**	**44.5%**	**10.1%**	**61.9%**	**38.3%**	**-32.0%**	**40.2%**
European Union	945	14.3%	32.5%	308.6%	31.0%	-73.6%	33.3%
Northern Europe	266	4.0%	6.3%	35.6%	2.9%	-25.2%	3.3%
Western Europe	858	13.0%	10.7%	66.6%	11.5%	-42.7%	13.9%
Southern Europe	1,627	24.6%	10.1%	61.9%	21.2%	-22.5%	19.5%
Central/Eastern Europe	193	2.9%	12.1%	76.8%	2.7%	-48.5%	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

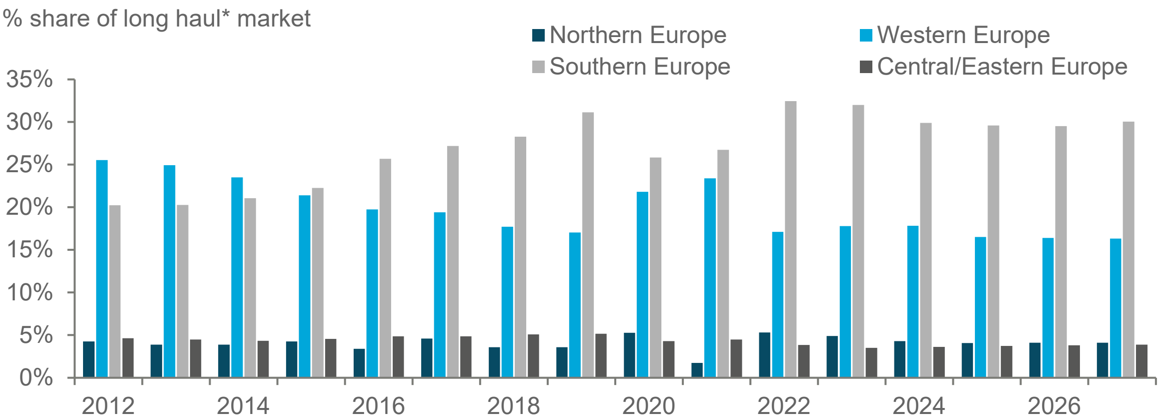
Brazil Long Haul* Outbound Travel



*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

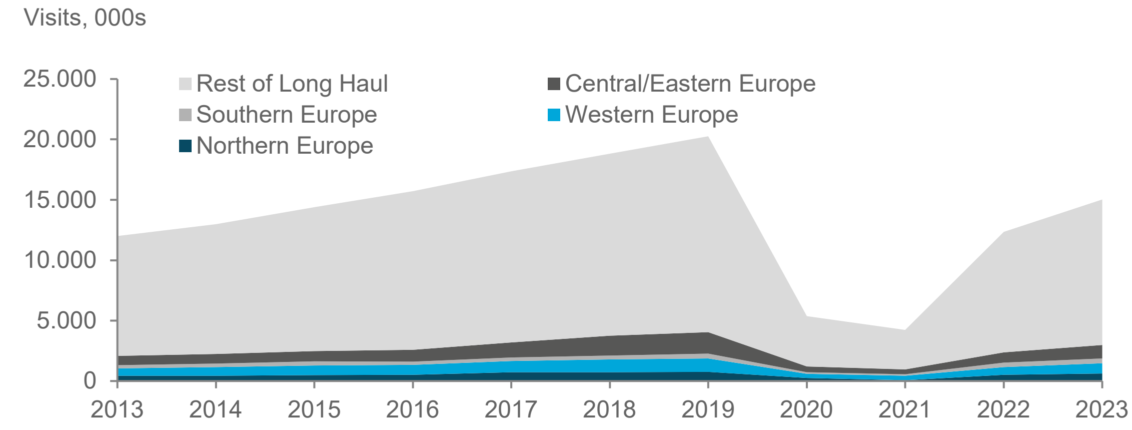
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**13,046**	**-**	**15.6%**	**106.4%**	**-**	**-30.0%**	**-**
Long haul	12,352	94.7%	15.5%	105.3%	94.2%	-28.9%	93.2%
Short haul	694	5.3%	17.6%	125.3%	5.8%	-45.4%	6.8%
Travel to Europe	**2,383**	**18.3%**	**13.8%**	**91.1%**	**16.9%**	**-25.7%**	**17.2%**
European Union	711	5.5%	19.9%	148.1%	6.6%	-46.3%	7.1%
Northern Europe	510	3.9%	12.1%	77.3%	3.4%	-30.8%	4.0%
Western Europe	651	5.0%	12.4%	79.5%	4.3%	-28.4%	4.9%
Southern Europe	359	2.8%	9.8%	59.8%	2.1%	20.1%	1.6%
Central/Eastern Europe	862	6.6%	17.2%	121.2%	7.1%	-31.6%	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

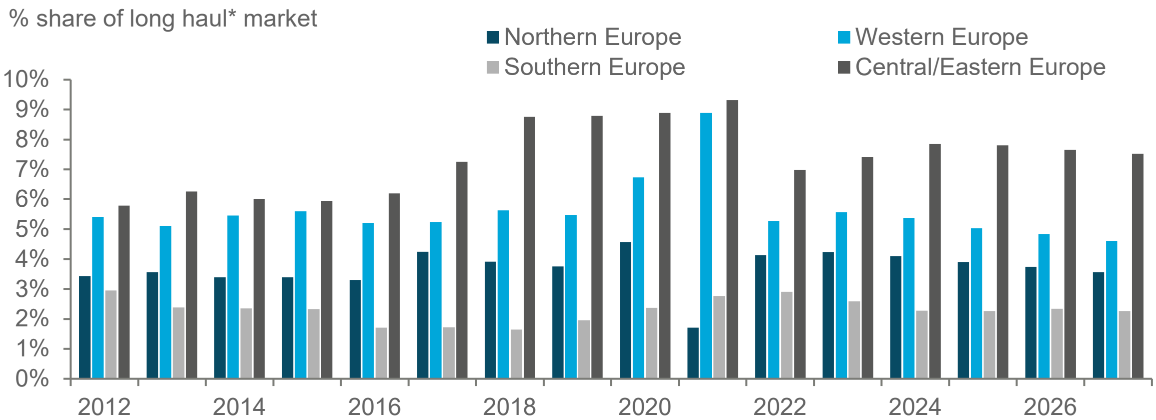
India Long Haul* Outbound Travel



*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

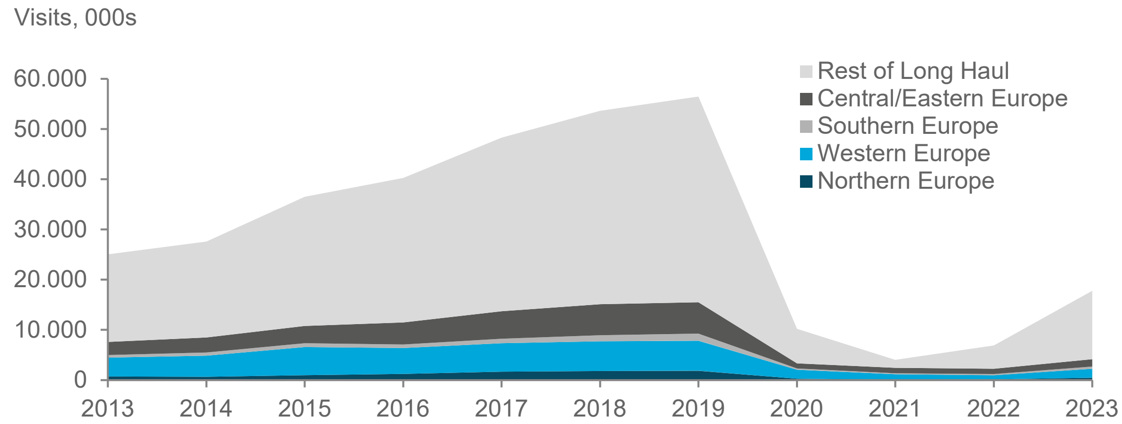
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**10,468**	-	**67.9%**	**1233.3%**	-	**-88.8%**	-
Long haul	6,928	66.2%	59.0%	916.5%	50.5%	-85.7%	51.8%
Short haul	3,540	33.8%	81.2%	1853.4%	49.5%	-92.1%	48.2%
Travel to Europe	**2,275**	**21.7%**	**47.0%**	**587.2%**	**11.2%**	**-83.4%**	**14.7%**
European Union	2,300	22.0%	27.4%	235.1%	5.5%	-65.4%	7.1%
Northern Europe	183	1.8%	63.4%	1064.7%	1.5%	-89.0%	1.8%
Western Europe	777	7.4%	49.4%	645.3%	4.1%	-86.3%	6.1%
Southern Europe	257	2.5%	38.5%	409.2%	0.9%	-71.5%	1.0%
Central/Eastern Europe	1,058	10.1%	43.3%	504.9%	4.6%	-80.5%	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

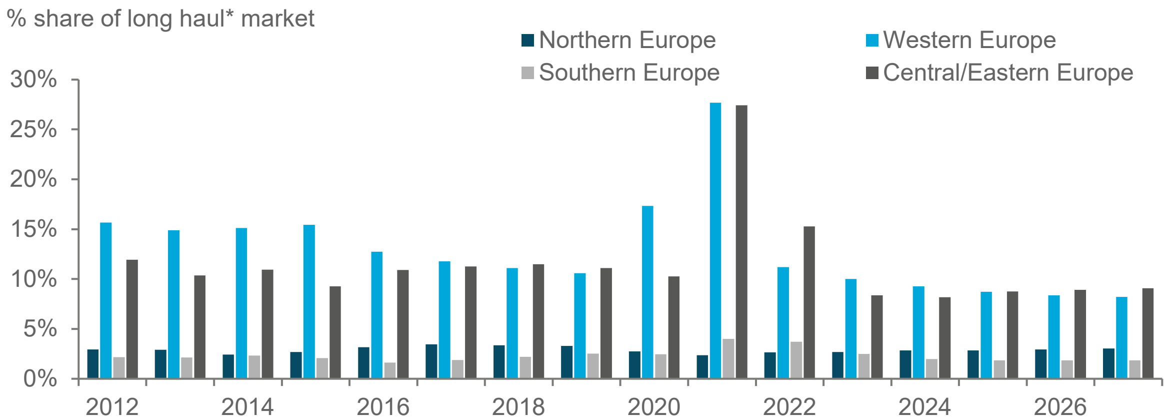
China Long Haul* Outbound Travel



*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

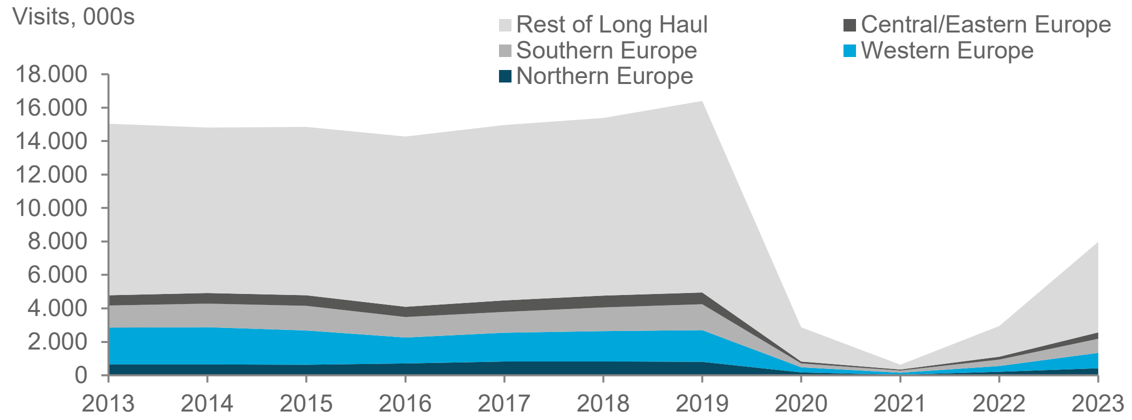
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	3,528	-	55.3%	802.7%	-	-84.6%	-
Long haul	2,953	83.7%	47.2%	590.6%	64.0%	-80.3%	65.4%
Short haul	575	16.3%	81.9%	1892.4%	36.0%	-92.7%	34.6%
Travel to Europe	1,105	31.3%	40.3%	443.6%	18.9%	-75.3%	19.6%
European Union	753	21.4%	42.4%	485.7%	13.9%	-82.4%	18.7%
Northern Europe	205	5.8%	32.7%	310.7%	2.7%	-75.3%	3.6%
Western Europe	347	9.8%	45.9%	560.6%	7.2%	-79.8%	7.5%
Southern Europe	376	10.7%	36.5%	374.4%	5.6%	-69.8%	5.5%
Central/Eastern Europe	176	5.0%	43.9%	516.2%	3.4%	-74.1%	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

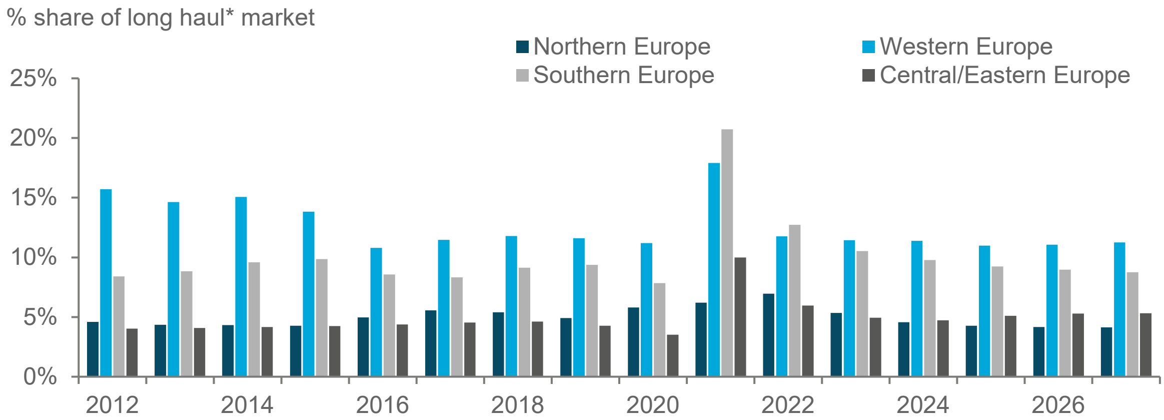
Japan Long Haul* Outbound Travel



*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

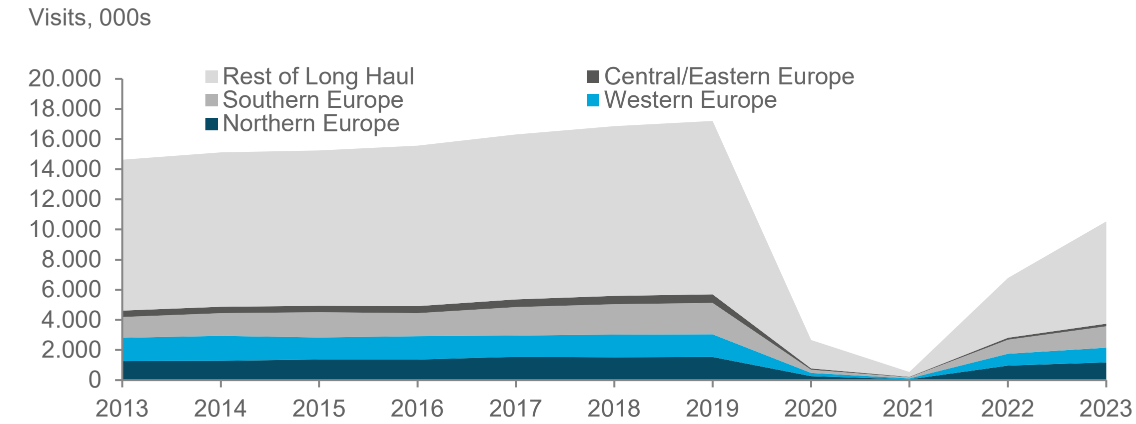
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	7,121	-	25.6%	212.6%	-	-58.0%	-
Long haul	6,776	95.2%	25.9%	215.7%	96.1%	-58.5%	96.2%
Short haul	345	4.8%	20.2%	151.0%	3.9%	-46.4%	3.8%
Travel to Europe	2,820	39.6%	18.7%	135.6%	29.8%	-47.3%	31.6%
European Union	710	10.0%	49.7%	652.3%	24.0%	-84.4%	26.9%
Northern Europe	967	13.6%	12.8%	82.3%	7.9%	-37.5%	9.1%
Western Europe	775	10.9%	16.1%	111.2%	7.4%	-45.5%	8.4%
Southern Europe	935	13.1%	24.0%	193.6%	12.3%	-50.4%	11.1%
Central/Eastern Europe	143	2.0%	28.5%	250.5%	2.2%	-71.4%	2.9%

*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

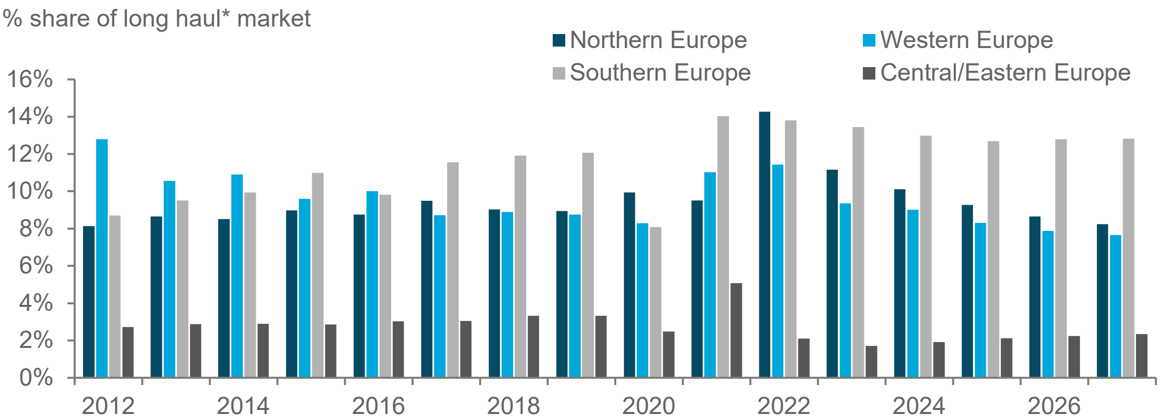
Australia Long Haul* Outbound Travel



*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

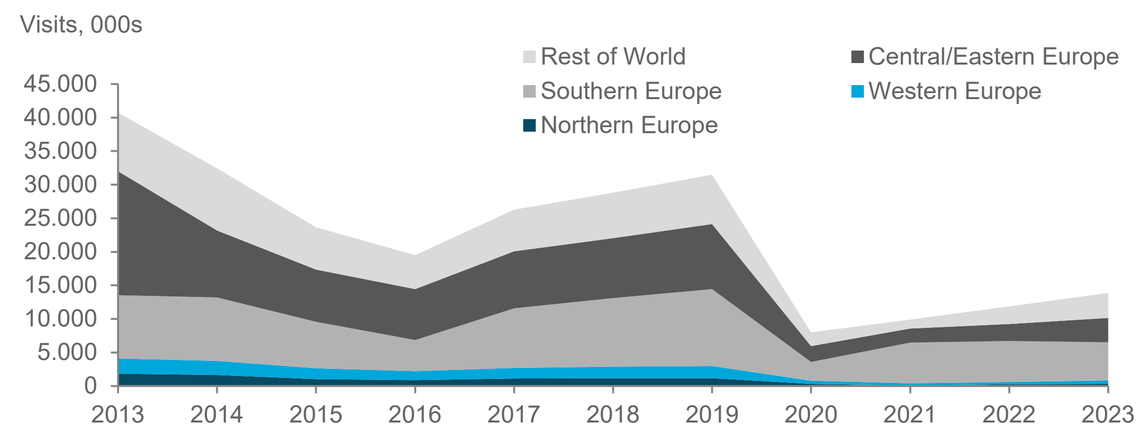
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	11,876	-	21.7%	167.2%	-	-54.8%	-
Long haul	2,628	22.1%	24.6%	200.3%	24.9%	-57.7%	23.6%
Short haul	9,248	77.9%	20.9%	157.8%	75.1%	-54.0%	76.4%
Travel to Europe	**9,248**	**77.9%**	**20.9%**	**157.8%**	**75.1%**	**-54.0%**	**76.4%**
European Union	2,208	18.6%	23.5%	187.1%	20.0%	-72.9%	31.0%
Northern Europe	250	2.1%	28.3%	247.2%	2.7%	-77.5%	4.2%
Western Europe	350	3.0%	33.6%	326.3%	4.7%	-78.0%	6.1%
Southern Europe	6,118	51.5%	12.1%	77.3%	34.2%	-31.2%	33.8%
Central/Eastern Europe	2,530	21.3%	33.3%	320.4%	33.5%	-70.2%	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

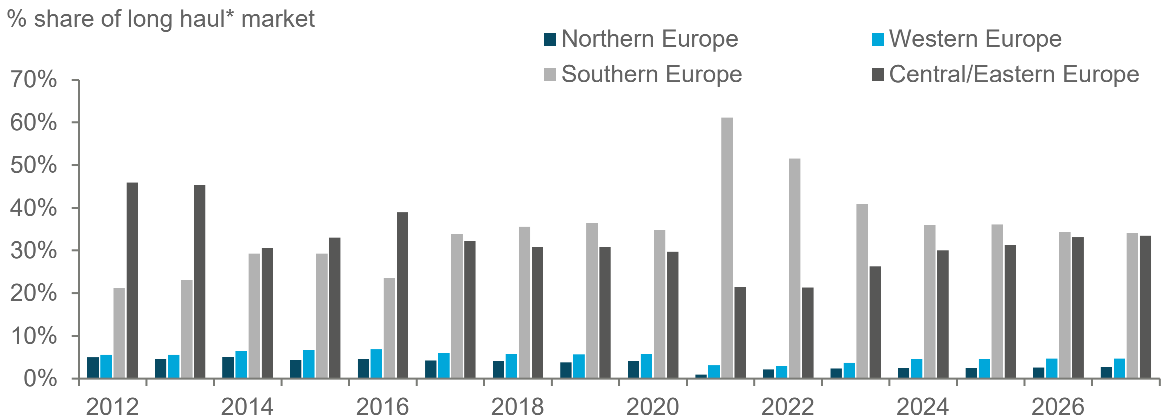
Russia Long Haul* Outbound Travel



*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

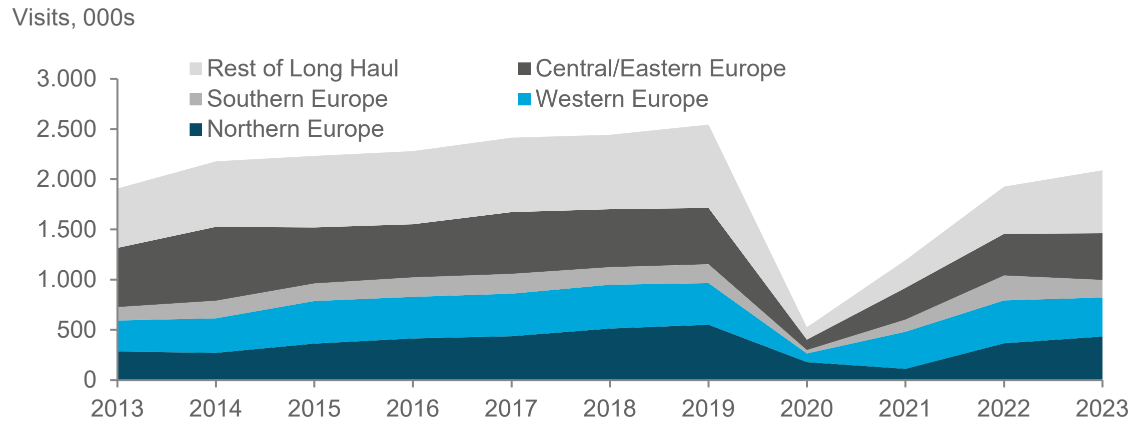
	2022		Growth (2022-27)			Growth (2017-22)	
	000s	Share**	Annual average	Cumulative growth*	Share 2027**	Cumulative growth*	Share 2017**
Total outbound travel	**4,274**	**-**	**7.4%**	**43.2%**	**-**	**18.3%**	**-**
Long haul	1,926	45.1%	7.0%	40.3%	44.2%	-20.2%	66.8%
Short haul	2,348	54.9%	7.8%	45.5%	55.8%	96.0%	33.2%
Travel to Europe	**1,456**	**34.1%**	**4.5%**	**24.7%**	**29.7%**	**-13.0%**	**46.3%**
European Union	280	6.6%	27.2%	232.9%	15.2%	-65.7%	22.6%
Northern Europe	368	8.6%	10.3%	63.2%	9.8%	-15.9%	12.1%
Western Europe	425	10.0%	1.4%	7.2%	7.5%	0.7%	11.7%
Southern Europe	248	5.8%	-3.5%	-16.2%	3.4%	25.6%	5.5%
Central/Eastern Europe	414	9.7%	5.9%	32.9%	9.0%	-32.6%	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

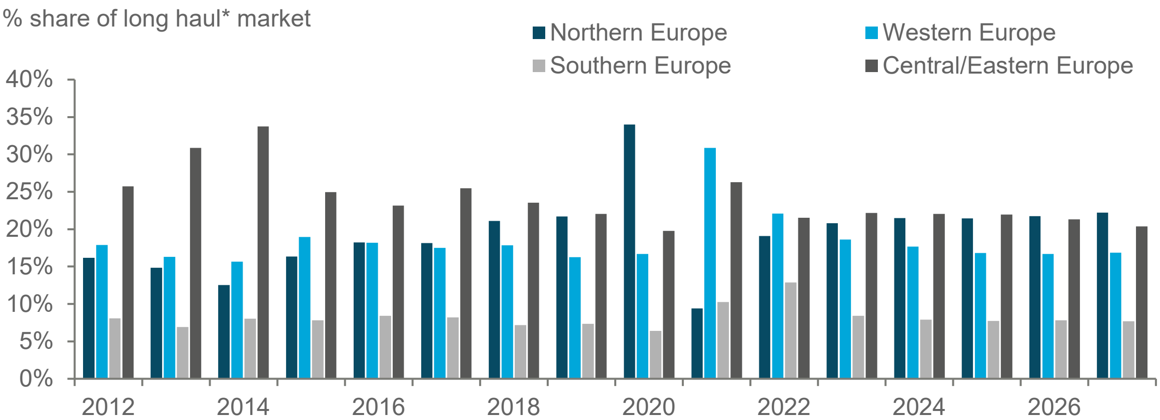
United Arab Emirates Long Haul* Outbound Travel



*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

8. 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

Global economic momentum appeared to soften in Q4 on an annual basis, a trend apparent across key economies including the US, eurozone, and China. The stronger start to this year has mechanically raised our calendar year 2023 GDP growth forecast, but we expect GDP growth on a quarter-on-quarter basis to ease from here for a few reasons. China's Q1's strength is likely to prove short-lived. In fact, the more front-loaded recovery in activity following the easing of pandemic restrictions likely indicates growth will be more, rather than less, subdued over the remainder of this year. Whereas in the advanced economies, the lagged effects of ongoing monetary policy tightening by the main central banks will limit growth over the remainder of 2023 and in early 2024.

Inflation is still much higher than most central banks' targets, leading us to raise our US and eurozone CPI inflation forecasts. We expect policymakers will continue to rely on their financial stability toolkits to deal with any problems in the banking sector.

The overall picture for Europe in the short-term has improved as recent data suggests that the economy remained resilient in Q1, pointing to modest GDP growth that will likely be sustained in Q2. However, the overall picture for the eurozone is one in which activity in the euro area economy continues to be subdued. Moreover, we remain cautious about the outlook for the rest of this year as headwinds such as monetary tightening will linger in H2 and at the start of 2024.

In the US, Q1 data show the economy began this year on a strong note, though most of the growth occurred in January, which may have been flattered by seasonal adjustment issues and favourable weather. The significant inventory build recently lends downside risk to our forecast, as does the drag from tighter lending standards as a result of the recent stress in the banking system.

The economic outlook in Asia is following a different path to that of the US and Europe, where the focus is largely on rebuilding growth following economic reopening across the region. In China, the ongoing recovery in mobility and spending data towards pre-pandemic levels, as well as policymakers' pro-growth policy pivots, are reasons to be positive about the outlook this year. We expect the recovery in consumption to persist, driven by pent-up demand and now a greater reopening boost frontloaded onto 2023 as opposed to 2024.

The ongoing resilience of recent economic data has prompted us to raise our world GDP growth forecast for 2023 by 0.1ppt to 1.9%. However, we have lowered our growth forecast for 2024 to 2.2% because we believe recent events in the banking sector will likely prompt further tightening of banks' credit conditions. However, we assume the recent banking struggles will not morph into a full-blown financial crisis.

Summary of economic outlook, % change*

	2022					2023				
Country	GDP	Consum-ption	Unemploy-ment**	Exchange rate***	Inflation	GDP	Consum-ption	Unemploy-ment**	Exchange rate***	Inflation
UK	4.1%	4.9%	4.1%	0.9%	9.1%	-0.7%	-1.6%	4.6%	-2.9%	6.8%
France	2.5%	2.5%	7.1%	0.0%	5.2%	0.1%	0.3%	7.4%	0.0%	5.0%
Germany	1.7%	4.7%	5.3%	0.0%	7.9%	-0.7%	0.3%	5.6%	0.0%	4.9%
Netherlands	4.2%	6.1%	3.5%	0.0%	10.6%	0.4%	0.1%	4.4%	0.0%	4.3%
Italy	3.8%	4.4%	8.2%	0.0%	8.2%	0.0%	-0.5%	8.5%	0.0%	5.2%
Spain	5.3%	2.4%	12.8%	0.0%	8.4%	1.1%	1.0%	13.4%	0.0%	3.7%
Russia	-2.9%	-2.5%	4.0%	20.0%	13.7%	-2.0%	-1.1%	4.2%	1.4%	4.9%
US	2.1%	2.9%	3.6%	12.3%	8.0%	0.1%	0.8%	4.2%	-0.1%	4.4%
Canada	3.3%	4.6%	5.3%	8.3%	6.8%	-1.3%	-0.5%	6.8%	-6.0%	3.8%
Brazil	3.0%	4.2%	9.4%	17.5%	9.3%	0.0%	-0.1%	8.9%	-2.1%	4.8%
China	3.0%	-0.1%	3.6%	7.8%	2.0%	4.5%	8.1%	3.5%	-2.3%	2.4%
Japan	1.3%	2.2%	2.6%	-5.9%	2.5%	0.7%	1.4%	2.5%	-0.5%	1.2%
India	6.8%	10.1%	6.7%	5.7%	6.7%	4.4%	2.0%	6.0%	-5.1%	5.5%

Source: Tourism Economics based on GEM as of 14.4.2023

* 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

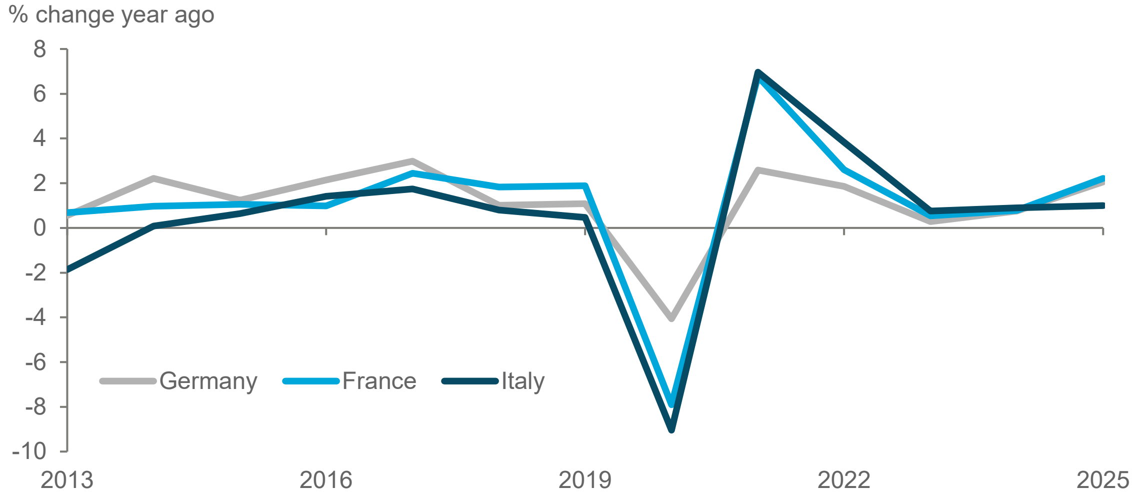
The overall picture for the eurozone remains one in which the euro area economy continues to be weak, with our outlook subject to downside risk. The most recent estimate of eurozone Q4 GDP was revised downward, and the economy is now expected have stalled. The growth composition in Q4 was extremely weak. Domestic demand was restrained, and the main support for the economy came from net exports, but only because of the drop in imports.

Recent sentiment indicators remain mostly positive and indicate the economy is in a better position than it was a few months ago. But we have seen divergences over the past few weeks. For instance, while the PMIs increased sharply, particularly for the southern European economies, the Economic Sentiment Indicator fell, ending three straight months of gains.

However, hard data remains less positive. Industrial activity in the eurozone is mixed, although the substantial increase in Germany resulted in a positive reading for the eurozone. Retail sales posted only a small 0.3% m/m expansion in January, far from offsetting the 1.7% m/m drop in December 2022. This confirms the weak momentum in eurozone consumer spending at the start of 2023, contrary to the sustained pickup in consumer confidence.

Overall, we believe eurozone economic growth will remain broadly flat in Q1 this year. Moreover, we are cautious about the outlook for the rest of 2023 as headwinds such as weaker consumer spending, higher-for-longer inflation, tighter monetary policy and weaker external demand will linger through to the second half of this year.

Economic performance in key eurozone economies, real GDP



Source: Oxford Economics

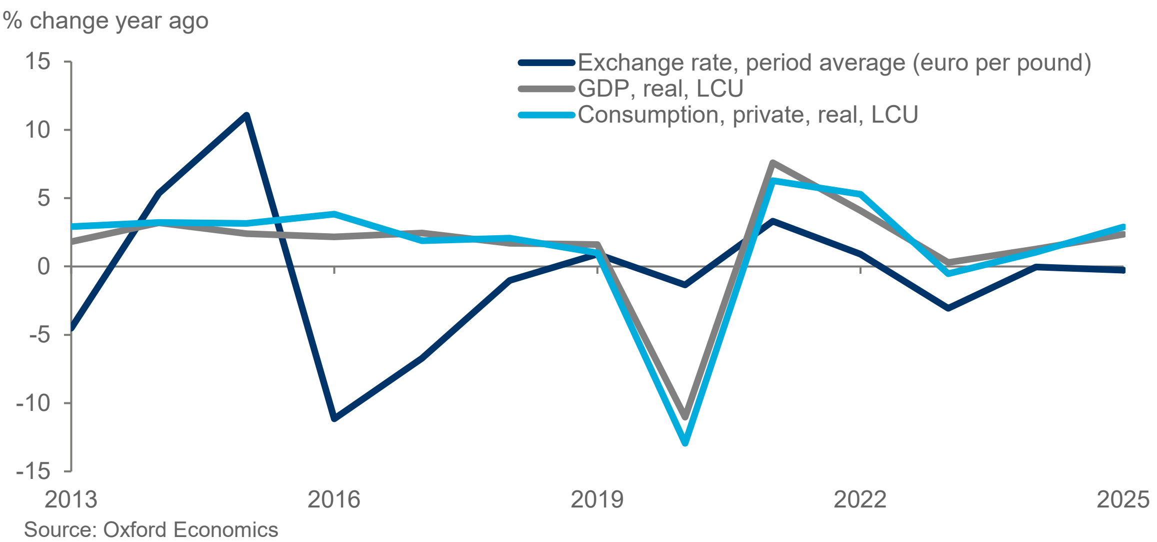
UNITED KINGDOM

In January, GDP rose by 0.3% on the month, regaining just over half of the ground lost in December when output fell by 0.5%. Widespread industrial action continues to cause significant disruption to activity, as well as making it difficult to gauge the underlying strength of the economy. Since then, the CIPS/S&P Global surveys reported a strong rebound in activity in February, with the composite PMI rising above the 50 'no change' mark for the first time in six months. Some sectors not covered by the S&P Global/CIPS surveys, most notably retail, are still somewhat weaker, there is a growing sense that the economy has stabilised. As a result, we expect GDP to remain broadly flat in Q1.

Several of the sectors affected by strikes appear to be close to settling their industrial disputes, so this drag should begin to fade over the next few months. But Q2 will have an extra bank holiday to celebrate the King's coronation and recent experience suggests this will exert a significant drag on output in several sectors and will likely to cause a small quarterly fall in GDP in Q2. Still, the outlook for H2 2023 has brightened. Wholesale gas prices have continued to decrease, so we expect household energy bills to fall from July. Also, the Budget announced a significant loosening of fiscal policy, however this only mitigates the impact of measures already announced. Factoring in earlier announcements, there will still be a significant tightening of fiscal policy over the next five years.

The risks to the forecast have become more skewed to the downside. The recent failures of Silvergate Capital and Silicon Valley Bank in the US have highlighted the risk that financial conditions could tighten severely, which would damage growth. But based on what we know so far, we think wider liquidity events that could trigger steeper falls in equity markets and tighter credit conditions are unlikely.

United Kingdom economic outlook



UNITED STATES

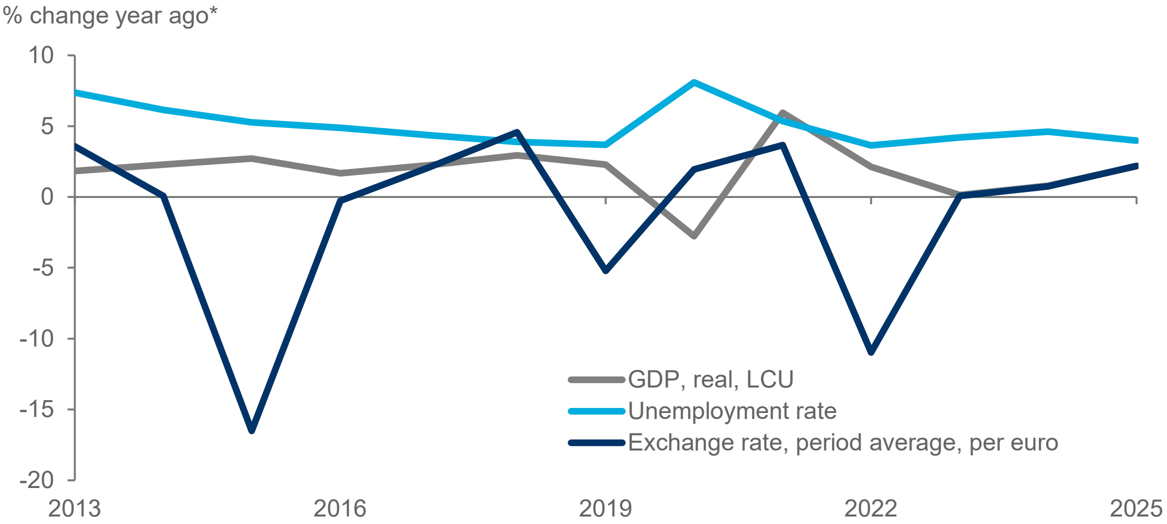
Early 2023 data signal buoyant Q1 GDP growth as demand continues to hold up, labour market remains strong as well as indicators suggesting that Fed's rate hikes have not significantly slowed the expansion. This has led us to push back the start of an anticipated mild recession to Q3.

The February CPI report shows that inflation remains uncomfortably high and while we expect it to gradually cool, it is likely to remain at this level for the coming months. However, consumers are still willing to spend in this backdrop, with personal income and spending data for the start of this year stronger than expected. Nominal personal spending rose 1.8% in January, led by a jump in goods outlays driven by stronger spending on motor vehicles. Real consumer spending rose a robust 1.1%, a sign that Q1 started on a strong note. A rise in disposable income boosted spending and the personal savings rate, which rose to 4.7% – the highest rate in a year. Upward revisions to the savings rate last year mean households in aggregate have a larger excess savings cushion than previously estimated.

While it may take time for spending to soften, we anticipate that cooling job and wage growth will drag down consumers' willingness to spend. Excess savings will provide a fillip to growth, but only in the near term, as most households will soon deplete their buffers.

We expect the Fed to continue raising interest rates despite turmoil in the banking sector. The failure of two US banks caught financial markets by surprise but we believe the macroeconomic implications are minor. After a forecast 25bps rate increase in March, we anticipate two similar-sized hikes by the Fed in May and June.

United States economic outlook



Source: Oxford Economics *Unemployment rate is absolute

JAPAN

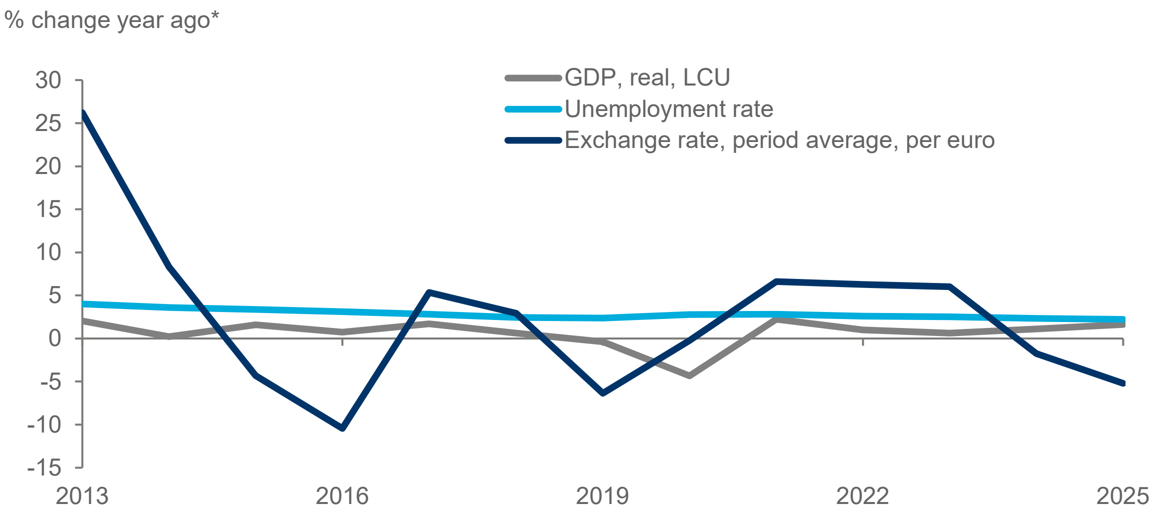
We have cut our 2023 GDP growth forecast for Japan by 0.1ppt to 0.6% on the year, reflecting a downward revision to Q4 2022 growth. We believe that continued pent-up demand and easing supply chain disruptions will support the economy going forward. But we expect the recovery to pause in the coming quarters due to the worse external environment

Export momentum has continued to weaken, although some improvements in auto shipping are evident. Looking ahead, we think export momentum will remain sluggish in the coming quarters as the slowing global economy limits demand.

Meanwhile, consumer spending improved in January, with the consumption activity index up 1.2% on the month as cars allocated to dealers increased. Looking ahead, we expect the consumption recovery to continue to be supported by pent-up demand, as restrictions on economic activities were largely eliminated in March last year. Recoveries in inbound tourism from Asia will also boost the domestic sales activities ahead.

Japanese banks' share prices have been hit by the recent banking turmoil. The impact on the money market is so far limited amid a backstop from dollar swaps between the Fed and the BoJ. The yen gained against the US dollar earlier this month amid the banking turmoil and the drop in US bond yields. However, we think the yen will stay weak in 2023 as we still believe the Fed will continue to rate hikes, implying a further decline in the US/Japanese yield spread is unlikely.

Japan economic outlook



Source: Oxford Economics *Unemployment rate is absolute

EMERGING MARKETS

Our 2023 GDP growth forecast for emerging markets (EMs) is unchanged at 3.2%. We continue to see most economies, other than China, slowing markedly this year, as weak external demand weighs on export performance and high inflation limits consumer spending. Moreover, sticky inflation and a hawkish policy tilt globally imply EM monetary policies may remain restrictive for longer.

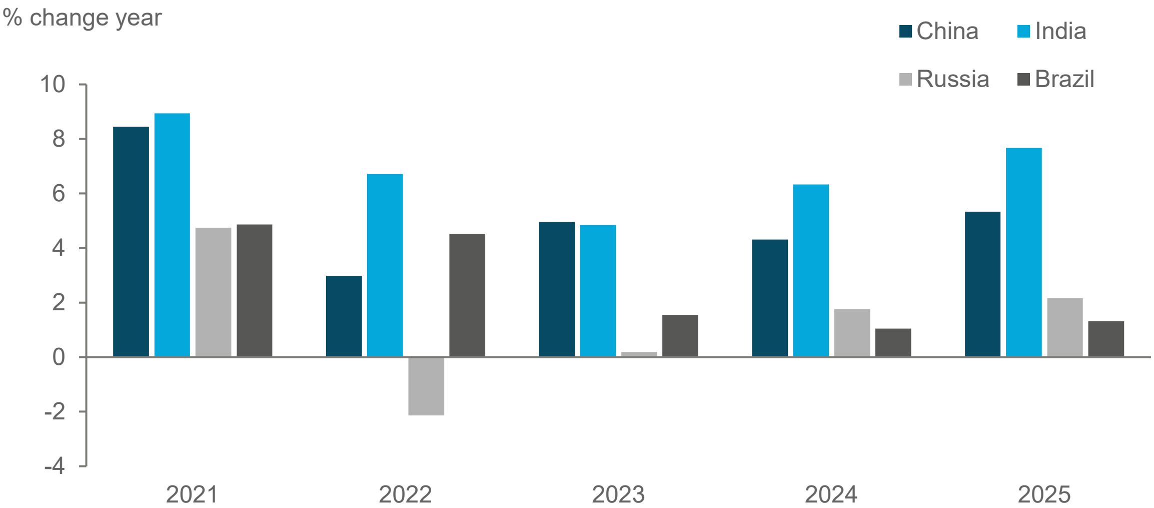
Our 2023 GDP growth forecast of 4.5% for China remains below the government's target of 5%. High-frequency data show activity may have rebounded faster than we expected at the start of this year, but we expect the boost from economic reopening to gradually fade.

Much of EM Europe and Latin America performed poorly in Q4 and will stagnate this year. But high-frequency data, including PMI and sentiment surveys, suggest some economies may be turning a corner. Russia and Türkiye ended 2022 stronger than we had expected, triggering upgrades to our 2023 growth forecasts. By contrast, we now see weaker expansions in both Egypt and South Africa.

The inflation picture is mixed. Food prices are pushing up inflation rates across Asia, following a decline at end-2022, and we are seeing further signs of disinflation elsewhere. But with core inflation still high and pressure from services continuing, we have raised our aggregate 2023 EM inflation forecast again to 7.9%.

Sticky inflation and the prospect of both the Fed and the ECB raising interest rates to higher levels than we previously anticipated may push some central banks to continue tightening, particularly if exchange rates come under more pressure. That said, with inflation rates expected to fall more meaningfully in H2, we continue to believe some banks in Central Europe and LatAm will be able to cut rates later this year.

Economic growth in select Emerging Markets, GDP real



Source: Oxford Economics

NON-EUROPEAN INFLATION OUTLOOK

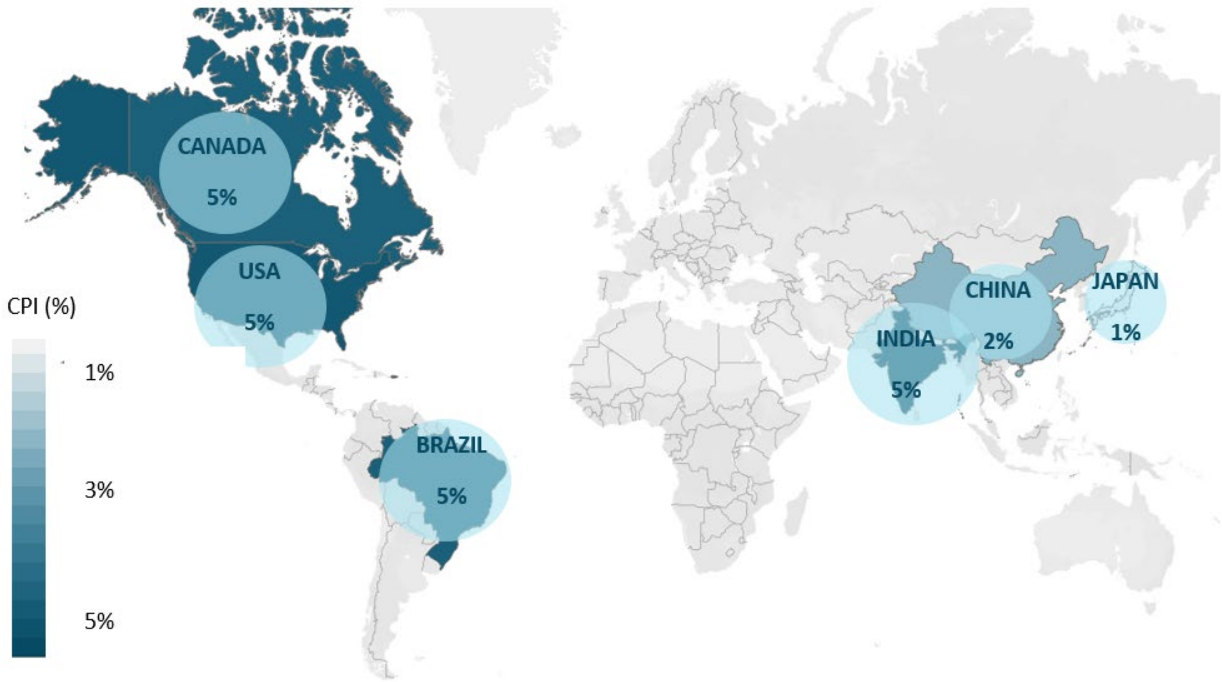
In the US, inflation stayed elevated in February, but there are signs it is moderating. The headline PCE deflator increased 0.3% m/m last month following a 0.6% gain in January. The Fed's preferred measure of inflation – "supercore" inflation (core services inflation excluding housing) – climbed 0.3%, leaving it steady at 4.6% y/y, well above its pre-pandemic trend. Within this, the rise in food prices have started to slow, which can be attributed to recent declines in diesel prices.

In Canada, Headline CPI inflation dropped 0.7ppts to 5.2% on the year in February, the sharpest monthly decline in inflation since the onset of the Covid-19 pandemic in April 2020. Another leg down in gasoline prices along with a deceleration in food and shelter inflation helped push headline inflation down for the fourth consecutive month.

In contrast, Brazil CPI data for March is showing a clear deceleration trend in prices, with the annual rate falling to 4.6% from 5.6% in February. The inflationary shock of Bolsonaro's fuel tax exemptions is likely to be less than expected, providing an upside to inflation.

In Asia Pacific, recent data for China shows that inflation fell to 1% on the year in February, down from 2.1% in January on the back of further oil price declines and fading seasonal demand for travel services. The country also remains fairly sheltered from high energy prices stemming from the war in Ukraine due to its self-sufficiency in coal and food output. Price pressures in India remain both elevated and broad-based. Annual CPI rose to 6.4% in February and excluding food and all energy, remained above the RBI's upper tolerance limit at 6.3%, suggesting another rate of hikes by the central bank. But in Japan, CPI inflation eased in February, when the electricity bill subsidy started. On the other hand, core-core CPI (excluding energy and fresh foods) increased, largely led by goods prices. However, import costs have been trending downward, meaning we expect CPI inflation to decline in H2.

CPI growth, 2023



EUROPEAN INFLATION OUTLOOK

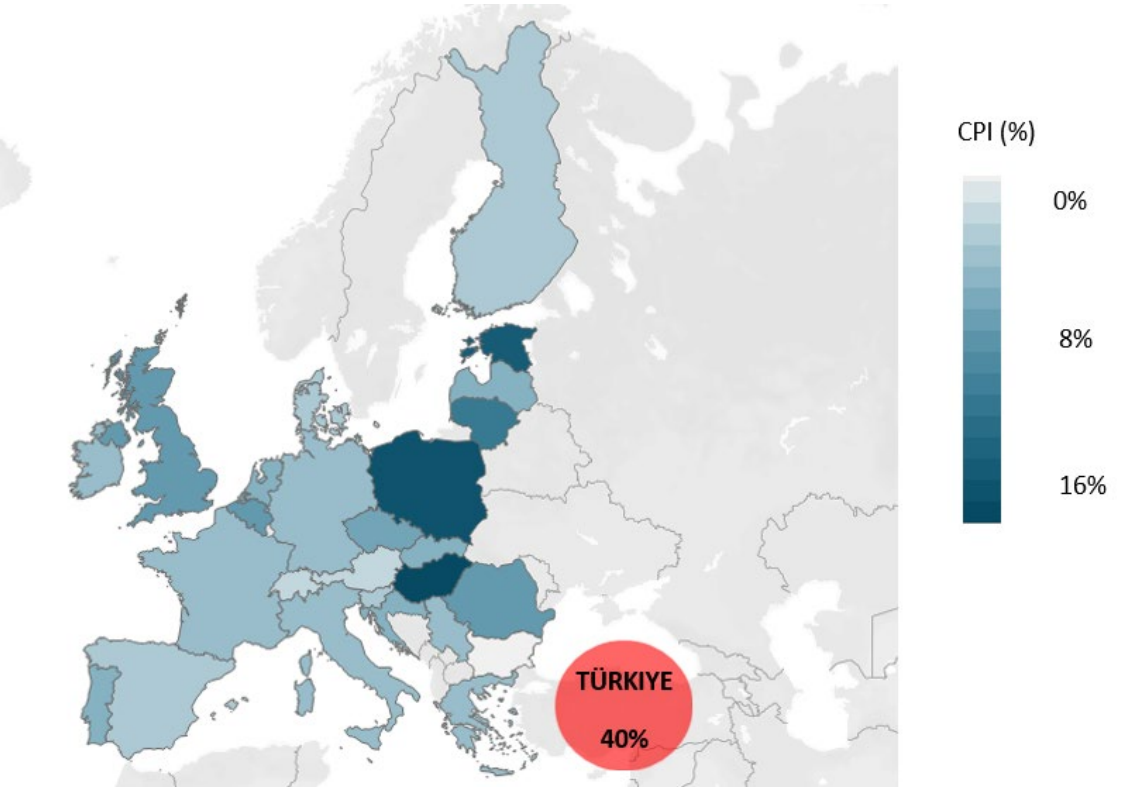
Eurozone inflation fell to 6.9% on the year in March from 8.5% in February. The decrease reflects lower energy inflation due to base effects, but core and food inflation rose to new record highs. Core was pushed up by services, whilst manufactured goods inflation ticked down. Going forward, services inflation will prove stickier and prop up the core component due to its higher use of labour as an input when compared to manufacturers' relative energy- and commodity-intensity.

A drop in energy inflation, once again reflecting cooling oil products that more than offset the increase in administered prices contributed to easing inflation in March for a number of European markets. French inflation eased to 5.6% on the year in March, while Italian inflation fell to 7.7% over the same period. In contrast, the slowdown due to falling energy prices will be somewhat offset but the resilient labour market which is seeing catch-up wage rises which should sustain underlying inflation.

Disinflationary forces including the drag from base effects, easing supply bottlenecks and lower energy prices will bring inflation down throughout 2023 in a number of emerging markets, including those in Eastern Europe such as Poland. However, we still see sizeable upside risks for inflation owing to higher-for-longer core and services inflation and prolonging the descent towards central bank's target rates.

Türkiye is the outlier for 2023 with CPI growth of 40%, however, when it is converted to euro-denominated inflation it still has one of the highest rates of inflation in Q1, narrowly behind the Czech Republic and Latvia.

CPI growth, 2023



INFLATION OUTLOOK SUMMARY

Country (Region)	CPI % year		Currency % change vs euro (Q1 2023)
	2023	Q1 2023	
Austria	2.4%	10.4%	-
Belgium	7.9%	7.1%	-
Bulgaria	0.1%	15.8%	15.8%
Croatia	5.6%	12.4%	-
Czech Rep	6.5%	16.0%	20.2%
Denmark	3.1%	7.3%	7.3%
Estonia	13.4%	17.3%	-
Finland	3.9%	8.2%	-
France	4.8%	6.0%	-
Germany	5.1%	8.2%	-
Greece	4.9%	6.0%	-
Hungary	16.0%	26.0%	18.1%
Ireland	4.1%	7.8%	-
Italy	4.9%	8.9%	-
Latvia	6.1%	19.8%	-
Lithuania	10.1%	18.5%	-
Malta	2.8%	6.9%	-
Netherlands	5.5%	6.6%	-
Poland	14.9%	17.7%	15.4%
Portugal	5.3%	8.0%	-
Romania	7.3%	15.1%	15.6%
Serbia	4.6%	16.0%	-
Slovakia	5.8%	15.1%	-
Slovenia	3.6%	10.0%	-
Spain	3.5%	5.1%	-
Switzerland	2.3%	3.2%	7.8%
Türkiye	40.2%	54.3%	19.1%
UK	7.6%	10.1%	10.1%
US	4.9%	5.9%	10.7%
Canada	4.7%	5.3%	3.1%
Brazil	4.7%	5.4%	10.7%
China	2.4%	1.8%	-1.2%
Japan	1.0%	3.6%	-4.8%
India	5.5%	6.3%	1.7%

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.

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)