European Tourism: Trends & Prospects

Quarterly Report Q2/2024

EUROPEAN TRAVEL COMMISSION

EUROPEAN TOURISM:
TRENDS & PROSPECTS
Quarterly Report (Q2/2024)

A report produced for
the European Travel Commission
by Tourism Economics

Brussels, July 2024

ETC Market Intelligence Report

European Tourism: Trends & Prospects (Q2/2024)

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Foreword

The European tourism industry is looking particularly healthy so far in 2024. Out of the destinations able to report expenditure data for this year, the majority are reporting inbound traveller spending above pre-pandemic levels. This bodes well for businesses and individuals throughout the sector's value chain. The strong demand for leisure experiences and the desire to explore new places both domestically and internationally have now re-accentuated the importance of travel and tourism to the European economy.

Despite being faced with higher prices consumers are travelling more, as year-to-date international tourist arrivals for Europe are 12% higher than last year and 6% higher than in 2019. In addition, data reveal other shifts across the industry, which could potentially have a more significant impact on the European tourism landscape, in the years to come. Such shifts include a growing desire for off-the-beaten-track destinations, a broader set of source markets feeding into the travel economy, and signs of growth in international rail travel. Such developments are a positive sign of change and will be crucial to ensure the sustainability of the industry in the long term.

In the short term, with the summer high season approaching, travel sentiment is up in both European and long-haul markets. Many European destinations will be anticipating the return of higher-spending Chinese travellers, while Paris, will be enjoying the increased attention brought on by the Olympics. Destination managers will have to remain vigilant and prepared to address potential challenges that could arise, such as over-crowdedness and extreme weather events. Both are already having an impact in various regions across the continent. How such crises are dealt with could prove crucial for a destination's reputation moving forward.

A 2021 report by the European Commission highlighted that the tourism ecosystem in the EU supports more than 20 million jobs, and over 99% is made up of small and medium-sized enterprises, particularly in the hospitality industry. To assist those industry professionals and destination managers, the 'European Tourism: Trends & Prospects Quarterly Reports' analyse the short-term progression of tourism and the macro-economic trends throughout Europe.

Menno van IJssel

Project Manager Research

European Travel Commission (ETC)

European tourism: trends & prospects (Q2/2024)

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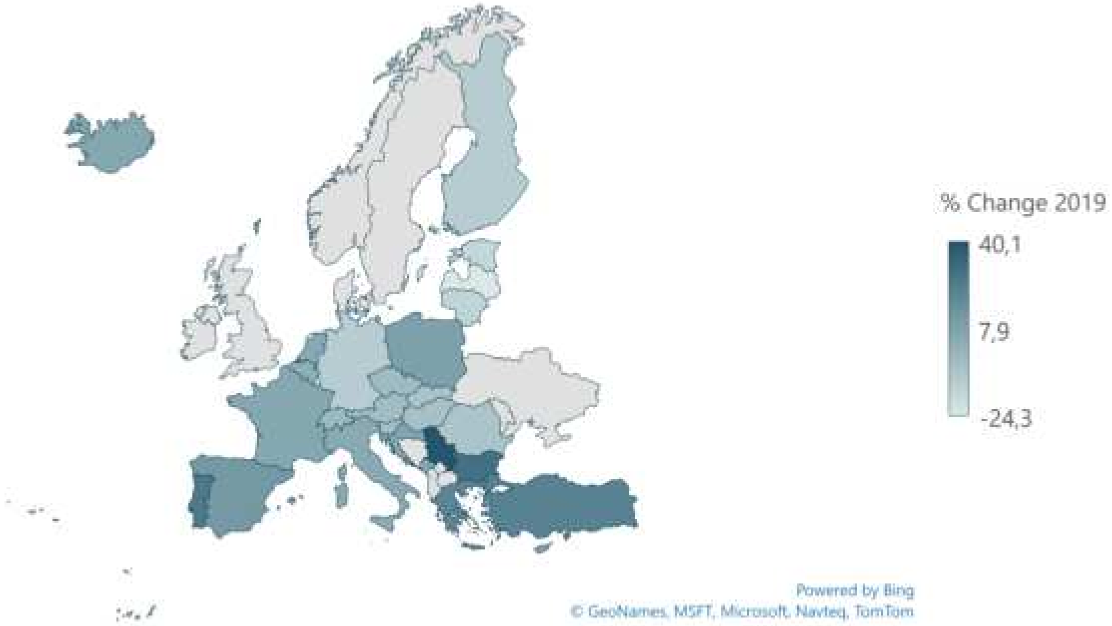
Executive summary

Positive momentum for European tourism heading into the summer high season

Tourist activity in Europe has largely followed a similar trend throughout the first two quarters of 2024. International travel has been growing across the continent compared to last year, with foreign arrivals up 12% and overnights up 10% based on data from reporting European destinations. Compared to pre-pandemic levels, the increases are 6% and 7%, respectively. Southern European destinations have driven European tourism growth and remain consistently popular for their favourable climatic conditions in the lead-up to the summer season, as well as their value-for-money, which remains a key driver for travellers as well.

Year-to-date data from reporting countries shows that across the three main inbound travel metrics (arrivals, overnights and spending) the majority of European destinations are now reporting increases over 2019 levels. Similar to last quarter, Serbia (+40%), Malta (+37%), Bulgaria (+29%), Portugal (+26%), and Türkiye (+22%) noted the highest growths in foreign arrivals, while the three Baltic countries, Lithuania (-15%), Estonia (-16%) and Latvia (-24%) remain at the other end of the scale. For foreign overnights, it is worth noting that Denmark (+38%), Norway (+18%) and Sweden (+9%) have all seen large increases. While these countries do not report arrivals data, the surge in their popularity is evident. Lastly, the strongest growth in inbound spending can be found in Spain (+25%), Greece (+25%), Italy (+20%), and France (+16%), though this is based on a small sample of countries for which data is available.

Foreign visits to European destinations, 2024 year-to-date



Source: TourMIS

In 2024, the operational costs for tourism businesses and, thereby, the costs of travel for consumers remain one of the most prominent themes for the global industry. Inflationary pressures have been especially sticky in the hospitality industry. The degree to which this is being considered a significant risk to tourism has slightly decreased compared to last quarter, however. For example, the number of industry professionals highlighting the 'increasing cost of business' as a top challenge to global tourism has decreased from 52% to 48%. This is especially the case in Europe, where travel demand remains strong and inflation has been slowing more steadily.

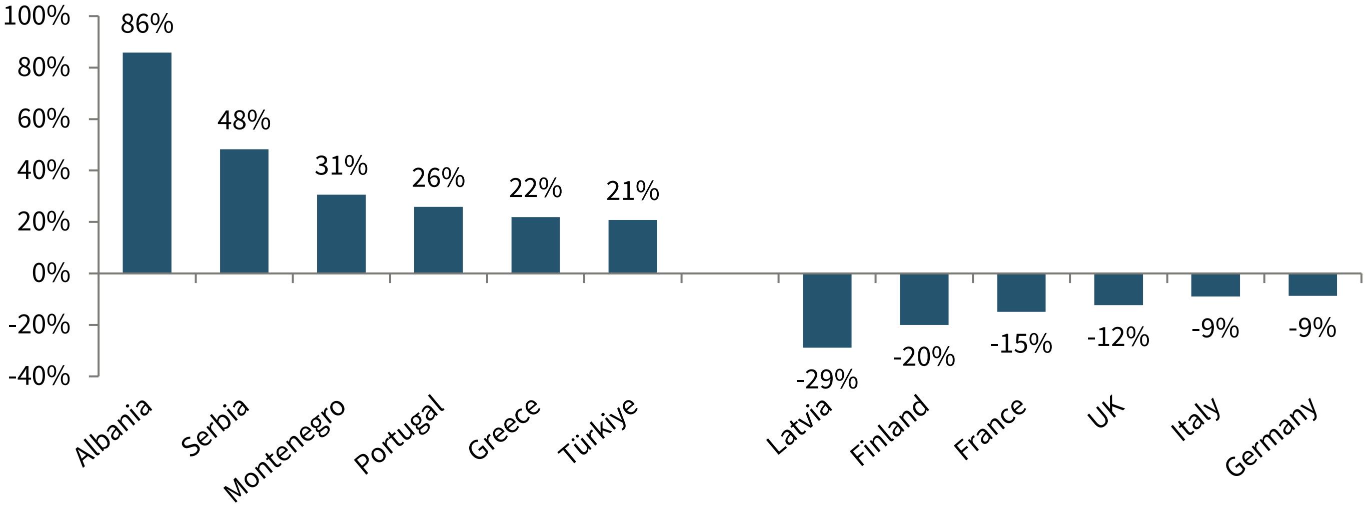
Travel destinations, source markets, and transportation modes becoming more widespread

In 2024, European tourism is being influenced by several key factors. The appeal of value for money in non-traditional destinations, coupled with the return of travellers from the Asia-Pacific, and the growing availability of rail travel are increasingly shaping Europe's tourism landscape. The market share of international overnight arrivals in more price-competitive and less visited Balkan countries, such as Albania (+86%), Serbia (+48%), and Montenegro

(+31%), is set to increase exponentially this year compared to 2019. Although growth levels in these destinations typically stem from a low base level of arrivals, the countries are increasingly perceived as attractive destinations by travellers. Taking a source market perspective, Chinese tourists' contribution to overnight visitor growth is set to be within 1% of the US this year (9% and 8% respectively) and rising ahead of it by 2025. Germany's contribution as a source market is also set to grow.

Share of overnight international arrivals between 2019 and 2024

Forecasted % change in share of European* overnight international arrivals



Source: Tourism Economics *Europe excluding Russia and Ukraine

Rail provider [Deutsche Bahn reported]() an increase of 21% on its international routes between 2019 and 2023, mainly benefitting destinations in neighbouring countries. Another international rail provider, [Eurostar, reported]() a return back to pre-pandemic passenger levels in 2023, while Spanish rail operator [Renfe reported]() 500.000 tickets sold within 6 months of operation of its international line to France. All three rail providers are looking to expand the capacity of their international operations in the years ahead.

Air traffic recovers to pre-pandemic levels, accommodation sees improvements as well

After reaching net profitability in 2023, European airlines saw Revenue Passenger Kilometres rise beyond pre-pandemic levels (+0.2%) in April 2024. The number of flights, however, remains slightly below 2019, reaching -2.1% in June. This indicates a trend towards seating capacity per individual plane increasingly being filled with travellers.

The accommodation sector, meanwhile, has also seen improvements compared to last year. Occupancy rates across Europe were up by 1.8% for the period January – May 2024, while Revenue Per Available Room was up 5.4% for the same period.

Qualitative analysis of online conversations sheds a positive light on travel in Europe

From a qualitative viewpoint, an analysis of online stories about travel & tourism in Europe revealed that the topic is predominantly being discussed in a positive light. Throughout the spring months, the natural settings of island destinations such as those in Portugal (Madeira) and Norway (Magerøya) were featured prominently, in vlogs and media outlets, also reflecting the higher levels of arrivals and overnights in those destinations. On the other hand, negative stories mainly focussed on the topic of overtourism, as Venice introduced its entree fee for day visitors, and other places such as the Canary Islands saw locals protest against unsustainable mass tourism.

Tourism is all about the movement of people. Managing tourist flows must therefore be a top priority for all industry professionals, especially as we approach what is expected to be the busiest summer for European travel on record. At a continental level, the growth in international rail travel is a positive sign of more environmentally friendly mobility. At a national level, the increasing promotion of lesser-known destinations is helping spread benefits to peripheral areas. At a local level, efficient digital solutions to access attractions and to book activities should help reduce congestion and *boost individual traveller experiences. These are just a few examples of the everyday commitment helping ensure a sustainable future for the industry with continued positive impacts for both visitors and residents alike."* said Eduardo Santander, CEO/Executive Director of the European Travel Commission (ETC).

Menno van IJssel (ETC Executive Unit)

With the contribution of the ETC Market Intelligence Committee

1. Tourism Performance Summary 2024

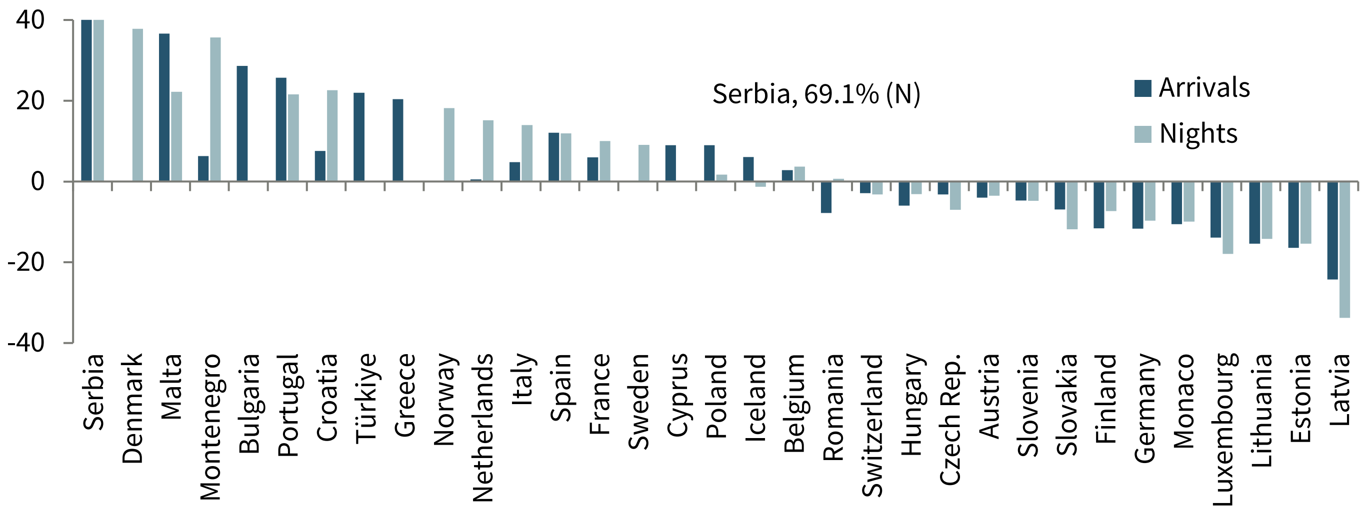
Summary

- International travel has recovered beyond 2019 levels according to the latest data on the TourMIS platform. Arrivals are currently up 6.3% on 2019 levels and nights up 7.0%, this reflects a year-on-year improvement of 11.8% and 9.9% on 2023 respectively.
- Southern Europe and Mediterranean destinations continue to report the strongest growth relative to 2019 so far this year. Travel to Montenegro remains well above 2019 levels for the year so far, but it was the only reporting destination where both arrivals and overnights declined compared to a year ago, suggesting that, unlike Serbia, it is unable to build on last year's performance.
- Hotels, resorts and tour operators are still struggling with higher costs and staffing issues. This is contributing to above average inflation in travel-related items.
- Regardless of the backdrop, there is still a strong appetite to travel. Decisions over when and where to travel will become more important, as tourists from Europe and the US look for value-for-money.

European international travel has officially recovered from the 2019 pandemic according to data from both UN Tourism and based on the latest data on the TourMIS platform (with most destinations reporting data to April). Latest TourMIS data puts foreign arrivals in Europe up 6.3% above 2019 levels and nights at a slightly stronger 7%. In year-on-year terms, growth is also healthy with arrivals and nights reporting strong growth of 11.8% and 9.9% respectively.

Foreign visits and overnights to select destinations

2024 year-to-date*, % change relative to 2019 levels



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

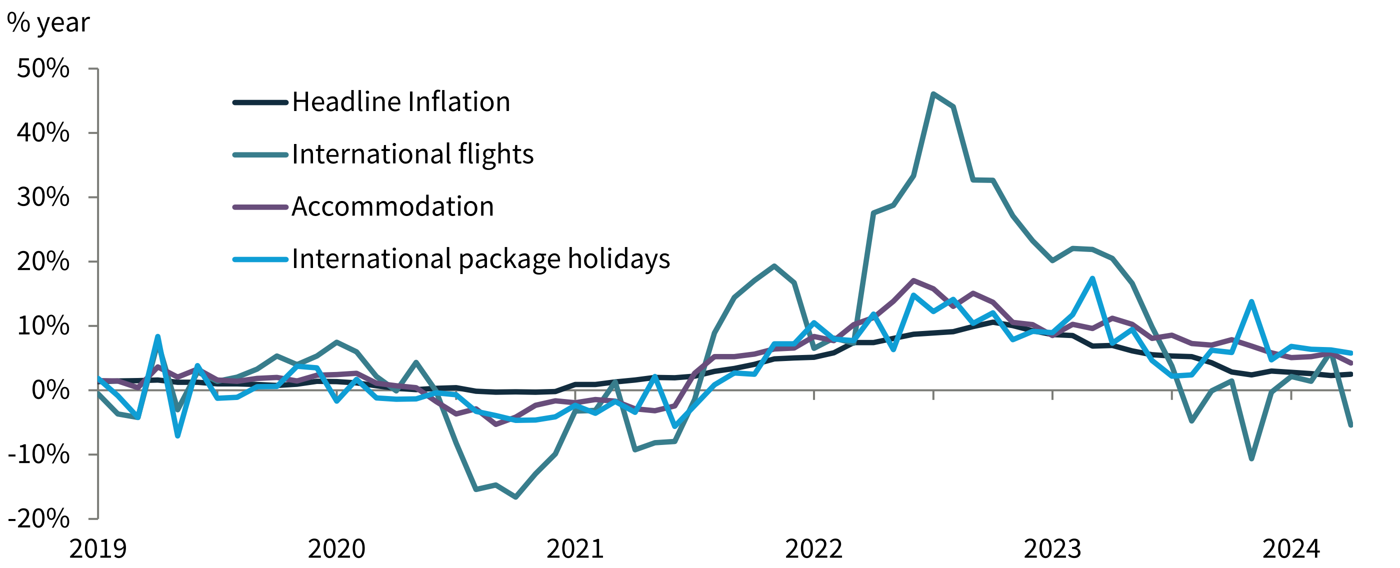
Out of the reporting destinations, a similar percentage to last quarter (60%) have seen an increase in at least one metric. On an annual basis though, Montenegro stands out as the only destination to see a year-on-year decline in both arrivals and nights. Its performance last year was incredibly strong due to effective marketing efforts targeting European source markets; 2024 reflects some moderation of activity with both metrics already well above 2019 levels. In contrast, Serbia has built on its performance of last year as it remains the top spot across reporting destinations with a sustained rise in tourists primarily from Türkiye and Russia.

Malta too has shown significant improvements since last quarter, with arrivals at 36.6% and nights at 22.2% above 2019 levels. The more pleasant weather conditions compared to elsewhere in Europe may have drawn tourists particularly from the UK, Italy and Poland staying primarily in short-term rentals rather than hotels. Croatia also made significant gains in recent months, reporting strong growth in arrivals (7.6%) and nights (22.6%) relative to 2019. The stronger recovery in nights should give way to an overall improvement in the average length of stay in Croatia with it set to rise from an average of 5 nights to 5.3 nights by the end of this year, implying an increase in spending. Both Croatia and Malta have enjoyed pleasant weather at the start of the shoulder season (May-June) in Europe. It is an ideal time if tourists want to avoid higher temperatures and general busyness associated with peak summer season in these destinations. In the hotter climes of Europe, (e.g., Greece and Turkey), rising temperatures and sustained lack of rain have led to intense wildfires, this year and last year. Should these continue, tourists may opt to travel to destinations with more pleasant temperatures such as Croatia and Malta during peak summer, to the detriment of Greece and Cyprus.

In contrast, Latvia is a key Eastern European destination that is struggling to recover since the pandemic. For other countries in the region - Estonia, Lithuania and Finland - there have been marked improvements in the first four months of this year. There does seem to be continued hesitancy towards the Baltic and Nordic sub-regions, possibly related to proximity to Russia and security fears, as well as a loss of Russian visitors. But negative effects appear to be fading, with tourists gaining back some confidence to travel to these destinations again.

Overall, travel demand in Europe continues to hold up relative to 2023, despite continued pressures on household finances. Although the inflation growth starts to slow with the ECB recently reducing interest rates, prices are still considerably higher than prior to the pandemic and the invasion of Ukraine.

Euro area inflation, seasonally adjusted, HICP definition



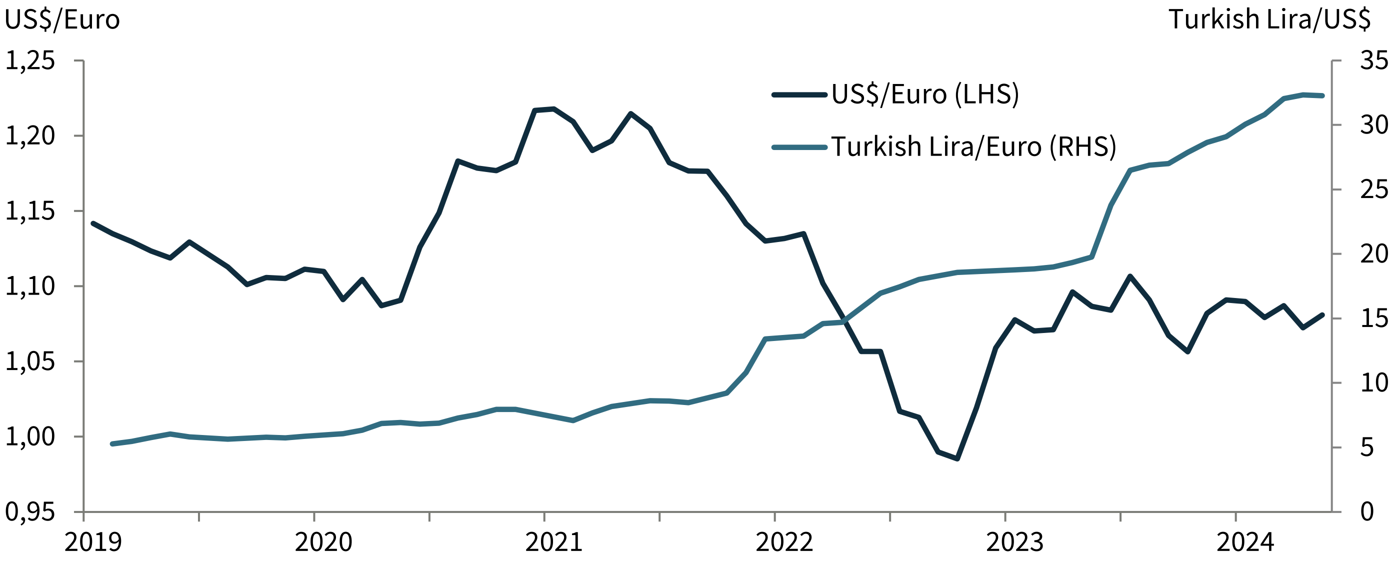
Source: Haver Analytics

The regular ETC surveys on European travel sentiment have consistently shown through 2023 continued prioritisation in spend on travel, compared to other discretionary spending items. This is further supported by a recent study by the Post Office Travel Money (UK-based survey) that found that at least three-in-five people plan to travel abroad this year. Inflation data has shown a continued slowdown on a year-on-year basis as we approach summer, which should be encouraging to those looking to book late deals. However, holidaymakers in Europe are spending in addition to their package deal which typically includes all food and drinks. Not dissimilar to the “unbundling” tactics employed by airlines over recent decades to reduce the base price of a ticket (with all but a standard seat and optional extras), hotels and resorts, now facing higher operating costs, have been found to exclude more “premium” items from the supposed “all-inclusive” offering. This is leading tourists to spend in excess of what they expected to. Nonetheless, it is a positive sign that many travellers are still prepared to bear these costs.

The strain of persistently high costs is not just impacting the hotels and resorts themselves, but also the tour operators, evidenced by the reported insolvency filed for FTI Touristik, the third-largest tour operator in Europe. This has resulted in the cancellation of package holidays, directly through FTI Touristik and also its subsidiary companies. Tourism Economics’ latest Travel Industry Monitor (B2B) survey continues to highlight the challenge of costs and staffing issues in the industry, although the challenges of costs in Europe are less than the global average. This may be due to the continued softening of inflation despite key travel items remaining above headline inflation.

The US was a key source of long-haul recovery last year and the latest data from TourMIS shows that it continues to contribute to arrivals or nights growth in reporting destinations. Although inflation is softening and policy easing has begun in Europe, it is a different story in the US, with more persistent inflation. Despite the economic backdrop for consumers and a slightly weaker US$/Euro exchange rate, there is still an appetite for US tourists to travel to and explore Europe.

US exchange rate against selected European currencies



Source: Haver Analytics

Recent data continue to support the expectation that US travel volumes will remain high and even continue to grow through 2024, partially supported by air fares that are reportedly down on 2023 for some key European destinations such as Rome, Barcelona and Athens. At the same time, US tourists are expected to be slightly more price and value conscious than they were in the spring and summer of 2023 and this is likely to benefit destinations which are seeing a more favourable exchange rate with the US dollar, such as the Turkish Lira. Non-Euro denominated destinations have the potential to provide better value-for-money, but also meet the increasing demand for authentic or "off-the-beaten-track" travel, according to a recent study from Mastercard. The growing trend for this style of destination i.e., authentic should further add to the appeal of Europe on top of demand generated by the Paris Olympics and Paralympic games this year, as well as the UEFA Euro 2024 tournament in Germany.

Summary performance 2024, year to date % change relative to 2019 and 2023

	International Arrivals			International Nights		
Country	% YTD vs. 2019	% YTD vs. 2023	to month	% YTD vs. 2019	YTD % vs. 2023	to month
Austria	-4.0%	4.0%	Jan-Apr	-3.5%	1.5%	Jan-Apr
Belgium	2.8%	4.3%	Jan-Feb	3.7%	3.0%	Jan-Feb
Bulgaria	28.6%	6.5%	Jan-Apr			
Croatia	7.6%	16.2%	Jan-May	22.6%	17.1%	Jan-May
Cyprus	9.0%	1.7%	Jan-Apr			
Czech Rep.	-3.2%	18.1%	Jan-Mar	-7.0%	17.2%	Jan-Mar
Denmark				37.8%	18.7%	Jan-Mar
Estonia	-16.4%	2.1%	Jan-Apr	-15.4%	-0.4%	Jan-Apr
Finland	-11.6%	13.9%	Jan-Apr	-7.3%	10.9%	Jan-Apr
France	6.0%	10.0%	Jan-Mar	10.0%	9.0%	Jan-Mar
Germany	-11.7%	11.4%	Jan-Mar	-9.7%	8.3%	Jan-Mar
Greece	20.4%	24.4%	Jan-Mar			
Hungary	-6.0%		Jan-Apr	-3.1%	12.9%	Jan-Apr
Iceland	6.1%	3.9%	Jan-May	-1.3%	-5.4%	Jan-May
Italy	4.8%	17.8%	Jan-Mar	14.0%	19.8%	Jan-Mar
Latvia	-24.3%	10.8%	Jan-Mar	-33.8%	6.5%	Jan-Mar
Lithuania	-15.4%	3.4%	Jan-Mar	-14.2%	1.4%	Jan-Mar
Luxembourg	-13.9%	5.8%	Jan-Mar	-17.9%	3.1%	Jan-Mar
Malta	36.6%	31.3%	Jan-Mar	22.2%	17.7%	Jan-Mar
Monaco	-10.6%	-2.8%	Jan-May	-9.9%	4.9%	Jan-May
Montenegro	6.3%	-4.9%	Jan-Apr	35.7%	-6.9%	Jan-Apr
Netherlands	0.5%	16.5%	Jan-May	15.2%	21.2%	Jan-May
Norway		27.9%	Jan-Apr	18.2%	18.9%	Jan-Apr
Poland	9.0%	5.1%	Jan-Mar	1.7%	3.4%	Jan-Mar
Portugal	25.7%	10.6%	Jan-Mar	21.6%	8.7%	Jan-Mar
Romania	-7.8%	11.7%	Jan-Apr	0.7%	7.9%	Jan-Apr
Serbia	40.1%	10.7%	Jan-Apr	69.1%	5.0%	Jan-Apr
Slovakia	-6.9%	3.9%	Jan-Apr	-11.8%	7.7%	Jan-Apr
Slovenia	-4.7%	4.9%	Jan-Apr	-4.8%	2.9%	Jan-Apr
Spain	12.1%	14.5%	Jan-Apr	11.9%	11.4%	Jan-Apr
Sweden				9.1%	13.7%	Jan-Apr
Switzerland	-2.9%	7.3%	Jan-Apr	-3.2%	4.7%	Jan-Apr
Türkiye	22.0%		Jan-Apr			

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 27.06.2024

2. Global Tourism Forecast Summary

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

GTS visitor growth forecasts, % change year-on-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	**13.3%**	**102.9%**	**36.2%**	**16.1%**	**13.0%**	**12.3%**	**106.3%**	**36.8%**	**16.7%**	**12.9%**
Americas	**15.1%**	**91.4%**	**27.6%**	**12.0%**	**11.2%**	**17.6%**	**96.1%**	**31.3%**	**10.2%**	**10.8%**
North America	21.3%	78.7%	24.8%	14.0%	12.4%	23.9%	84.4%	30.1%	10.2%	10.9%
Caribbean	37.9%	58.6%	18.1%	7.9%	9.1%	46.2%	92.6%	25.6%	9.8%	10.9%
Central & South America	-24.1%	208.1%	43.3%	8.8%	9.1%	-13.7%	172.1%	37.1%	10.3%	10.5%
Europe	**27.4%**	**91.8%**	**18.6%**	**10.2%**	**9.4%**	**24.1%**	**99.3%**	**19.9%**	**12.0%**	**9.3%**
ETC+2	23.6%	100.7%	18.3%	9.2%	8.3%	19.4%	106.8%	18.9%	10.2%	7.7%
EU 27	17.7%	106.5%	18.9%	9.0%	8.1%	19.3%	109.5%	19.0%	10.2%	7.7%
Non-EU	72.1%	45.4%	17.4%	15.5%	15.2%	46.5%	60.0%	24.5%	20.6%	16.1%
Northern	-5.7%	203.8%	18.3%	9.2%	8.1%	-7.0%	226.2%	21.4%	11.3%	8.2%
Western	4.8%	93.6%	22.1%	5.2%	6.9%	30.7%	83.2%	17.4%	9.3%	7.3%
Southern/Mediterranean	59.5%	89.5%	16.7%	8.6%	7.7%	25.0%	108.9%	22.4%	10.2%	6.7%
Central/Eastern	28.2%	41.2%	17.4%	27.3%	20.2%	24.9%	57.1%	23.7%	15.9%	10.3%
- Central & Baltic	9.3%	92.3%	17.5%	20.8%	10.8%	11.4%	79.1%	17.2%	11.1%	8.9%
Asia & the Pacific	**-55.1%**	**233.9%**	**172.2%**	**36.4%**	**21.9%**	**-51.4%**	**200.0%**	**173.8%**	**39.2%**	**23.5%**
North East	-36.4%	55.0%	405.5%	45.2%	26.4%	-54.8%	90.2%	362.2%	50.2%	27.7%
South East	-87.6%	1216.5%	139.9%	32.2%	18.7%	-67.6%	424.9%	106.9%	26.4%	16.8%
South	10.4%	99.6%	15.3%	18.2%	16.6%	11.9%	174.2%	44.1%	23.6%	17.0%
Oceania	-80.1%	827.9%	93.3%	29.4%	15.7%	-65.5%	785.3%	74.4%	21.4%	17.0%
Africa	**26.6%**	**89.3%**	**33.0%**	**19.3%**	**11.2%**	**5.3%**	**99.5%**	**39.9%**	**20.5%**	**14.4%**
Middle East	**19.0%**	**157.6%**	**39.2%**	**15.3%**	**17.9%**	**50.6%**	**130.8%**	**24.2%**	**10.2%**	**12.9%**

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

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

***data is the final historical numbers available. Estimates are using high frequency indicators

The geographies of Europe are defined as follows:

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

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

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

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

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

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

Source: Tourism Economics based on GTS as of 01.07.2024

3. Recent industry performance

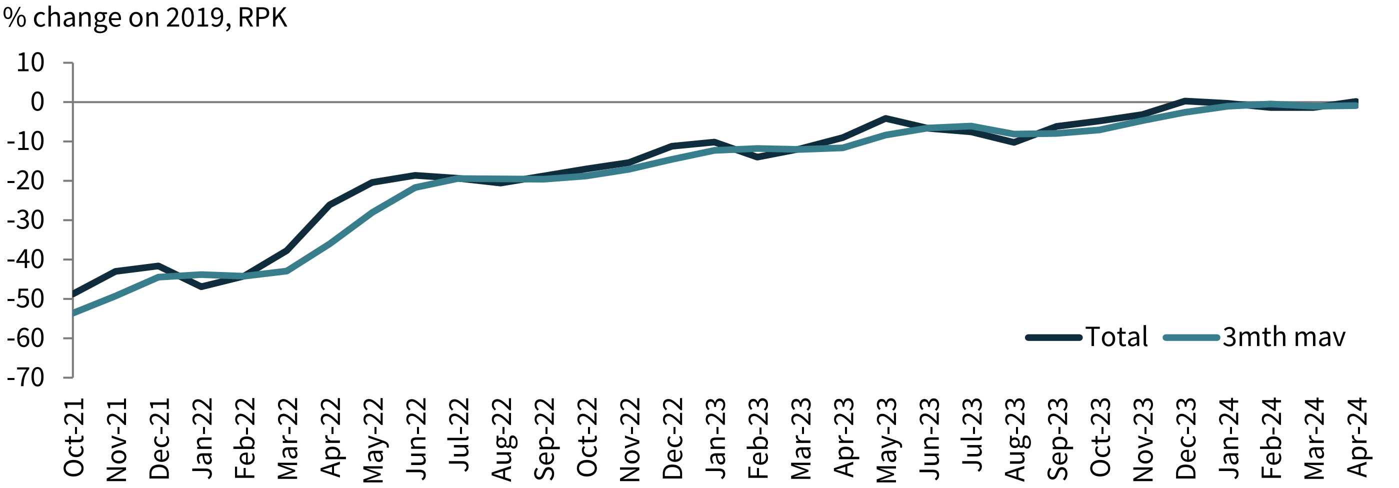
3.1 Air transport

European air traffic in early 2024 has recovered to 2019 levels. This is a remarkable achievement given both the Covid-19 pandemic, which caused global Revenue Passenger Kilometres to fall by 93% in April 2020 and the more recent periods of high jet fuel prices and the need to pass on additional costs to consumers during the recovery.

However, variation within Europe is marked with some notable success in Mediterranean countries while other countries remain well below 2019 levels of air traffic. The most obvious example of the latter is Germany due to limits on capacity. Operators have tended to be unenthusiastic about relatively high handling and landing fees, but most especially about new air traffic taxes. Lagged recovery is also the case across Baltic and Scandinavian counties as well as in other destinations in proximity to Ukraine. Air traffic also remains below 2019 levels in France and the UK as long-haul travel has yet to recover.

The airlines industry also returned to profitability globally, and in Europe, in 2023. IATA estimates that European carriers delivered a net profit of around $8.6 billion and that it is expected to increase marginally in 2024. Supply chain issues and higher than previously anticipated interest rates are likely to dampen profit growth.

International air passenger growth, Europe

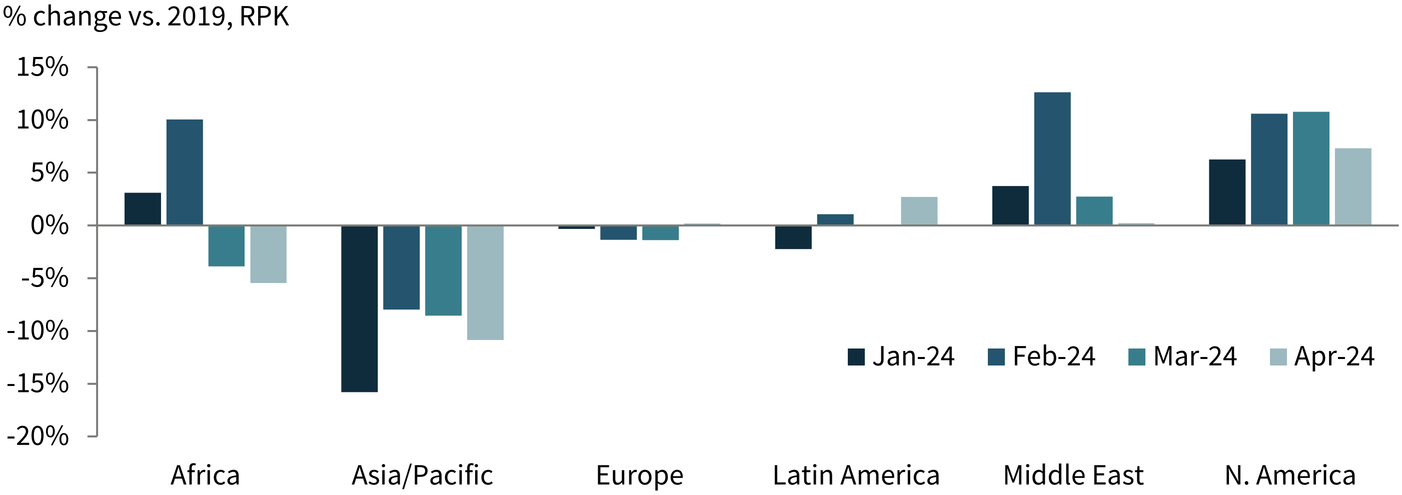


Source: IATA

Regional Air Passenger Outlook:

- Latest IATA data for Europe shows that in April, Revenue Passenger Kilometres (RPKs) were 0.2% above 2019 levels. The three-month moving average has been very close to 2019 averages since January although it currently remains marginally below this level thanks to small declines in February and March.
- North America has remained the strongest performing global region and has now been above 2019 levels for thirteen consecutive months. April data puts international air passenger growth at 7.3% ahead of 2019. This is slightly weaker than in earlier months but continues to represent the strongest performance of any global region.
- Air passenger growth in Africa for the first two months of the year was above 2019 levels but both March and April have been lower than 2019. April was 5.5% lower than the same month in 2019.
- After a very buoyant start to the year, the Middle East has slipped back. In April international air passenger growth was just 0.2% above the level for the same month in 2019. Heavy rain affected some Middle Eastern airports in April, while civilian air traffic in Israel is currently around 40% down on 2023.
- After a relatively soft start to the year, Latin America is once again above 2019 levels. In April, RPKs were 2.7% higher than in 2019.

International monthly air passenger growth



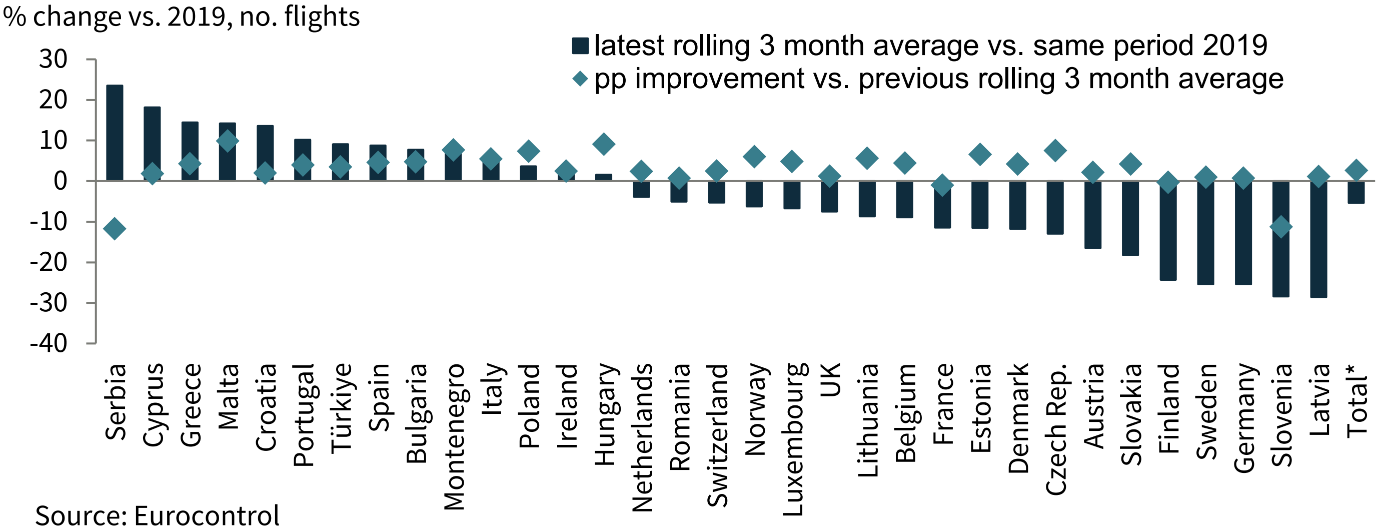
Source: IATA

Daily European air traffic data from Eurocontrol is available up to early June 2024 and shows that flight traffic in Europe is 2.1% below 2019 levels. This is a notable improvement over the early months of the year but is weaker than the IATA passenger figures (which put the recovery of RPKs at 0.2% above 2019 levels for April) albeit consistent with the rising load factors.

Air traffic data for individual countries is currently only available until April 2024 and the three-month moving averages in the following charts are based on this. There were relatively few changes in comparison with the previous three-month period.

- Serbia remained the most recovered destination despite slipping back relative to the previous three-month period. This is broadly in line with TourMIS data for some of the long-haul source markets. Nonetheless, air traffic levels remain at 23.5% over 2019 levels.
- Cyprus and Greece were both identified as having made small improvements on the previous quarter and are the second and third most recovered destinations (18.2% and 14.4% vs. 2019 respectively) with Greece having overtaken Croatia.
- Malta made the strongest improvement relative to the previous three-month period (9.9%), thereby also overtaking Croatia.
- Sweden (-25.4%), Latvia (-28.6%) and Finland (-24.3%) remain amongst the least recovered destinations in terms of air traffic across the region, consistent with last quarter. They have been joined by Slovenia, which saw a considerable decline in recent months, putting air traffic down 28.3% below 2019 levels as of the first four months of this year. In the last quarterly report, it was suggested that this was likely to be temporary. However, this may reflect an exaggerated seasonal pattern at Ljubljana airport in 2019. The situation will not be helped by Wizz Air's decision to discontinue its London Luton-Ljubljana route.
- Germany remains the largest lagging destination in Western Europe in terms of the recovery of air traffic. It remains only at around 75% of its 2019 levels so far this year.

European air traffic by country, total flights arriving and departing



Source: Eurocontrol

3.2 Accommodation

Hotels across all global regions have performed well according to data for the first five months of the year. Growth rates across the board are more normalised now with much of the pandemic impact gone. Based on RevPAR (revenue per available room) – a composite measure of hotel occupancy and room rates – all regions grew between 2% and 10% compared to the same period a year ago.

Global Outlook:

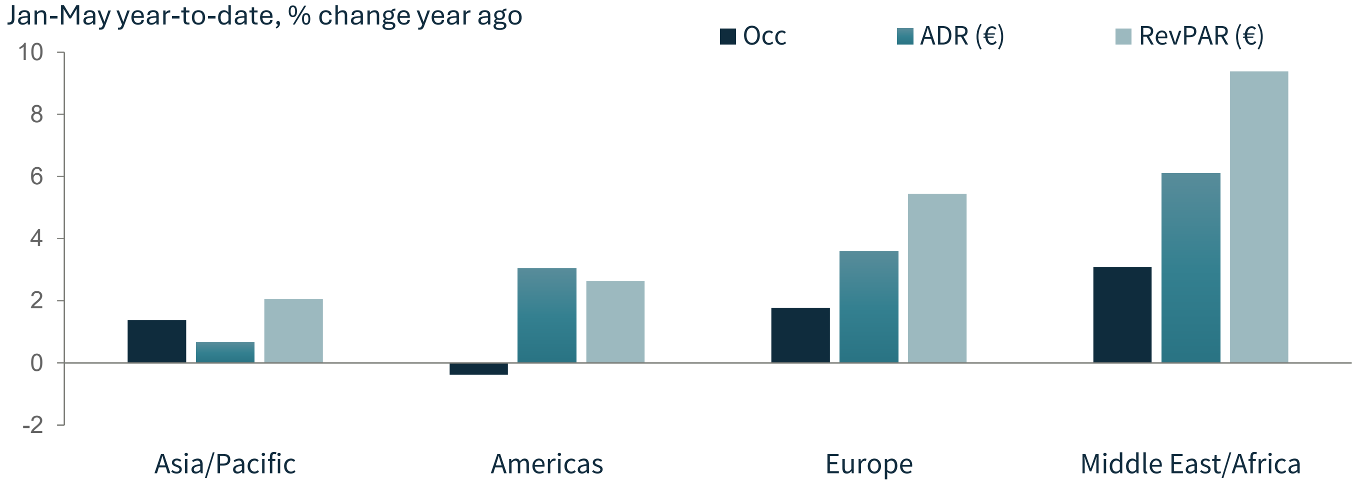
- Hotels across the Asia Pacific were among the weakest performers based on RevPAR, which was 2.1% higher compared to a year ago. This increase was driven mainly by growth in occupancy rates (+1.4%), but room rates were also higher over the same period, up 0.7%. The region's hotels have been much slower to recover from their pandemic-induced slump, particularly with regards to international demand. However, that recovery is beginning to gather steam and should support continued growth in the near term. Domestic demand is also robust, as some forced substitution of international travel in favour of domestic during the pandemic period due to travel restrictions has been slow to revert.

- In the Americas, RevPAR growth based on data to May was 2.6% compared to a year ago. However, occupancy rates were lower across the region over the same period, down by 0.4%. Average room rates (ADR) were 3% higher in euro terms.

- European hotels are also performing better compared to a year ago, with RevPAR averaging 5.4% higher based on data to May. This growth was achieved mainly through increased room rates (+3.6%), but occupancy rates were also higher (+1.8%). Such strong performance in the first five months of the year should bode well for the peak summer season. However, prices during recent peak travel seasons have been very high and will be hard to top. Some of this year's growth-to-date could be a consequence of high prices during peak season pushing demand into the shoulder months. This will only become clear once data for summer become available.

- Hotels across the Middle East and Africa were the best performers on average based on data to May. Compared to a year ago, RevPAR in the region was up 9.4%, derived from a healthy blend of occupancy and ADR growth. ADR was the main contributor to the region's RevPAR outturn, up 6.1% versus 2023, with occupancy up 3.1% over the same period.

Global hotel performance



Source: STR

The positive European performance was well-spread across its regions in the first five months of the year. The EU economy recently surprised to the upside, with some stronger growth than expected in Q1; real GDP growth was relatively lacklustre (+0.4%) but represented an uptick relative to the previous quarter. This first-quarter uptick was also evident within the wider region of Europe, where economic growth was also stronger for the quarter relative to the EU at 1.6% over the same quarter a year ago.

Inflation across the region has slowed to normal levels, and central banks are now cutting interest rates as a result. This has and will continue to boost households' disposable income. Expenditure on travel has broadly maintained its share of consumer spending despite pressures on households to divert spending elsewhere to cope with general price rises. That these pressures are now easing should support performance growth within the region's hotels.

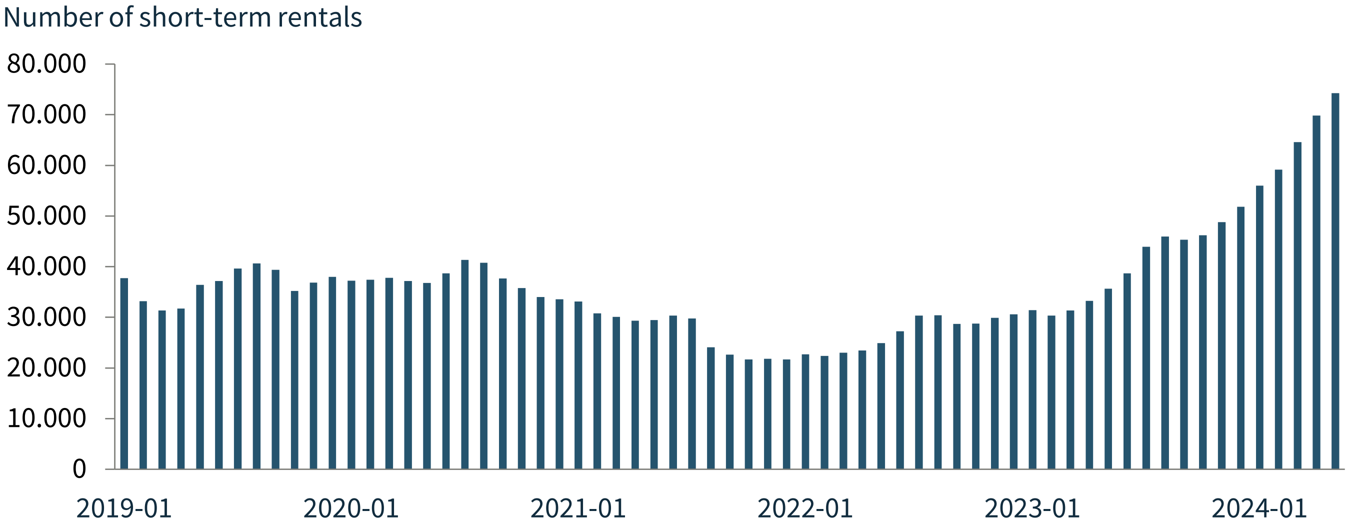
Short-term rentals

With nearly 1.1 million short-term rental property listings as of May 2024, France continues to top the rankings as the country with the largest short-term rental pool in Europe. For context, the second largest market (by listings) as of May 2024 was Italy, whose 645,000 short-term rental listings represent approximately 61% of France's total.

Paris has been a considerable driving force in this growth. The city has seen significant year-over-year short-term rental supply growth, with a 108% Year-on-Year (YoY) supply growth as of May '24. The buildup of the short-term rental supply pool is closely linked to the upcoming Summer Olympic Games in Paris, with homeowners and property managers trying to take advantage of Olympic lodging demand. However, as of the date of this analysis, the marked increase in supply has depressed occupancy levels for short-term rentals, with market occupancy in Paris for all dates during the Olympics hovering around 25%, a month out from the opening ceremony.

Moreover, such a drastic increase in supply can often be accompanied by downward pressure on rates, as short-term rentals and hoteliers alike compete to capture lodging demand. The 8.6% YoY ADR growth that France experienced countrywide through YTD May was certainly among the lowest growth rates experienced across all European countries over that period.

Growth in short-term rental supply in Paris



Source: Lighthouse

The country experiencing the largest YoY percentage increase in terms of ADR was Türkiye. Contrary to the significant supply growth experienced in France, the number of short-term rental listings in Türkiye decreased by approximately 13.8% from May 2023 to May 2024.This supply contraction allowed for short-term rental owners and operators to drive rates upward by 23.1% versus the same period last year. It should be noted, however, that despite the significant YoY percentage increase, Türkiye's country-wide median ADR of €65 still represents an approximate 39% discount to Europe's median 2024 ADR of €107.

At a macro-level, median revenue per property across Europe stood at €1,484 through May 2024, which represents a YoY decrease of 6.7% versus the same period in 2023. This YoY decrease is certainly related to sweeping increases to short-term rental supply across Europe, with active listings in May 2024 up 14.7% relative to May 2023.

In the year to date, Europe has seen a median ADR increase of 11.2%. Monaco generated the highest revenue per property in 2023, with a median revenue per property of €4,269 in May of that year. Through 2024, Monaco has retained this distinction, although May's median revenue per property was a lower €3,724. Despite the YoY decline in revenue per property, Monaco's curtailed levels of short-term rental supply (322 listings as of May 2024 - fifth lowest listing count in Europe, ahead of Belarus, Liechtenstein, San Marino and Kosovo) allowed unit owners and operators to drive ADR, resulting in the highest short-term rental ADR in Europe, achieving €362 in May 2024, and €206 in 2024 YTD.

4. Key themes

Summary

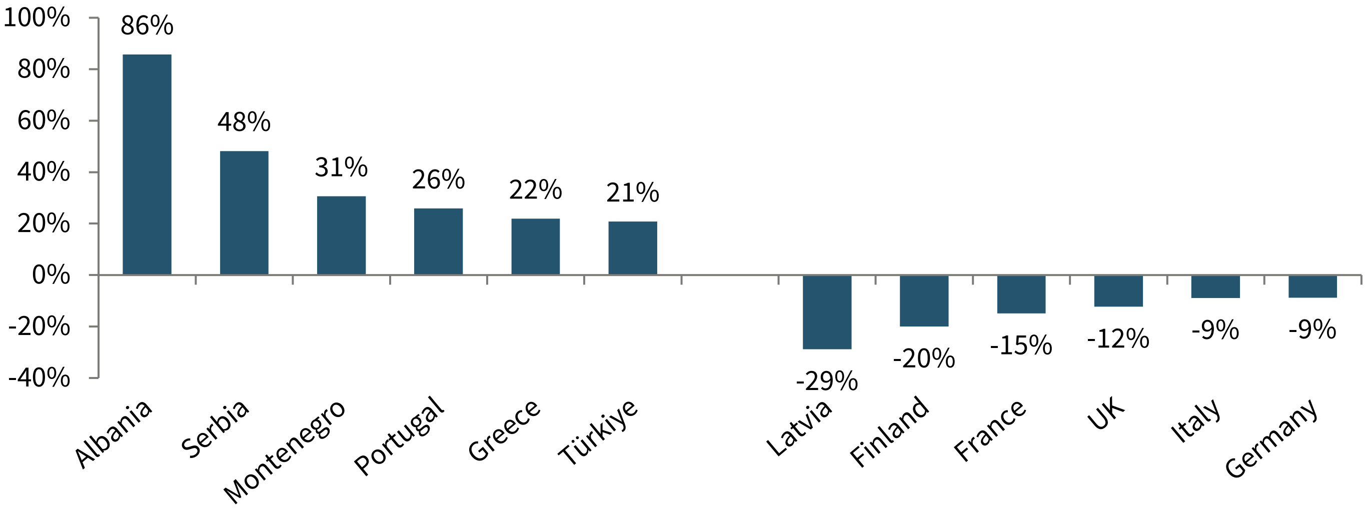
- Travel is set to become more broad-based across this year in a number of ways. Firstly, smaller destinations are becoming more popular with travellers looking for authentic experiences and secondly arrivals from Asia Pacific, notably China will start to come back in higher numbers in 2024, adding to the recovery across Europe that has up to this point been largely driven by intra-regional travel and US demand.
- Tourists venturing off the beaten track to destinations such as Albania and Montenegro instead of more popular destinations could also help ease tensions in regions tackling overtourism, which is a key issue facing destinations such as Amsterdam, Venice, and the Balearic Islands.
- As highlighted by the latest report on Europeans' travel sentiment, destinations close to Russia's war in Ukraine may continue to suffer, including Finland and Latvia, indicating safety is a crucial factor in destination selection.
- The source market mix for European cities is set to broaden, with higher-spending tourists from China likely to provide a boost to the retail sector, adding to the value of long-haul travellers to the region, while at the same time reducing the reliance on US tourists who carried the bulk of the growth in 2023.
- The benefits of Chinese and other Asian/Pacific travellers to retail, particularly luxury retail, is highlighted in the latest Travel Industry Monitor and identified as a growth opportunity in 2024 alongside demand from events and "bleisure" travel.
- However, costs and staffing issues remain a concern for the industry.

4.1 Special focus: Broadened travel demand in 2024

International travel may have risen above 2019 levels in Europe, but this is not the case across the whole of the region. Destinations have over or underperformed due to differences in source market mix, business-leisure splits changing consumer preferences and a slower revival in long-haul travel. But this year, tourists that were missing from growth in 2023 are starting to come back in 2024, "off-the-beaten track" destinations and rail travel are gaining in popularity, and tourists are more price conscious. This will have an implication on the share of tourists that destinations receive going forward.

Share of overnight international arrivals between 2019 and 2024

Forecasted % change in share of European* overnight international arrivals



Source: Tourism Economics *Europe excluding Russia and Ukraine

Smaller destinations such as Albania and Montenegro have seen a rise in market share, up 86% and 31%, respectively, in 2024, compared to 2019. They are typically cheaper and less busy during peak season, in contrast to countries such as Italy and France. Tourists are starting to disperse across more destinations, which is good news for countries and cities that are facing high levels of overtourism, such as Venice, Amsterdam, and Mallorca. Data highlights the increased volume of arrivals into a number of these destinations facing overtourism. Arrivals to Mallorca (excluding those from Spain) are currently up 10% on where they were in the same period in 2019 and for Amsterdam, arrivals are 6% higher. At the same time, the share of overnight international arrivals has dropped in key destinations such as the UK, Italy, and France. These are large, mature tourism destinations, usually attracting mass tourism.

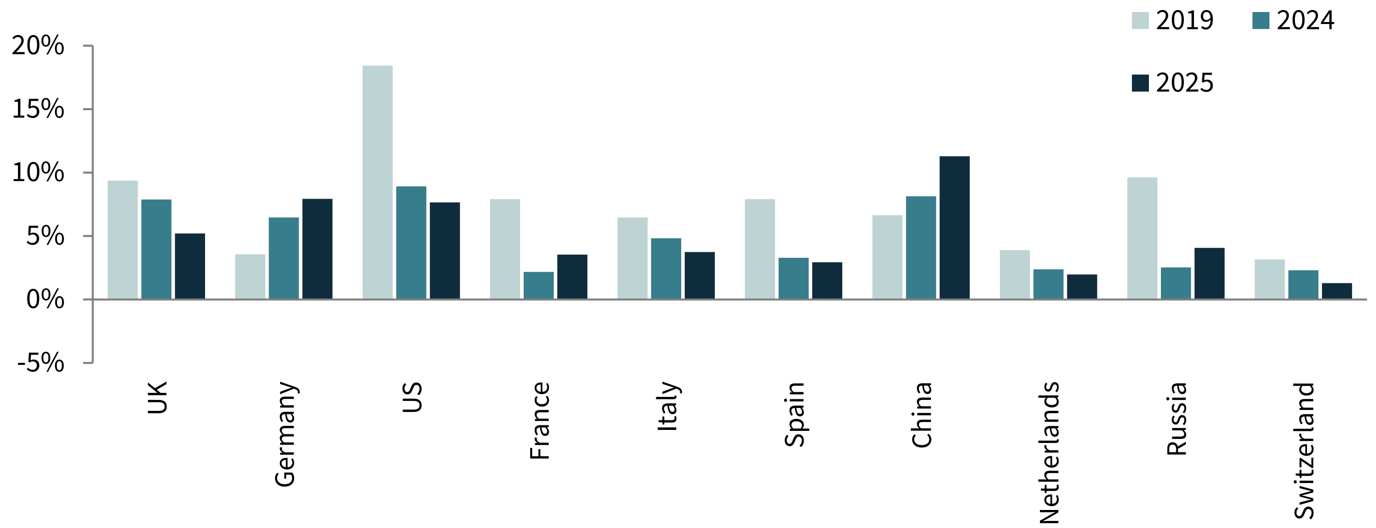
Portugal bucks the trend within these selected destinations, it has been able to raise its market share due to its stable and pleasant climate and availability of package holidays which have been well received against the backdrop of high inflation.

Russia's war in Ukraine has also seen tourists move away from some Eastern European destinations in favour of locations perceived as being safer. The safety of a location has been identified as one of the most important criteria for choosing a holiday destination in Europe in the latest ETC [Long-Haul Travel Barometer]. This has seen destinations such as Latvia and Finland lose out to Serbia and Türkiye. Travel restrictions because of the war have resulted in a concentration of Russian arrivals to certain destinations such as Serbia, to the detriment of other European countries such as Greece.

However, climate change and the extreme weather events of summer 2023 (e.g., wildfires), pose a risk to smaller Southern Mediterranean destinations which have seen and are expected to gain market share. Greece, which suffered the most in 2023 is set to remain strong in 2024. However, it is possible that there will be a dispersion of travel across the shoulder seasons, reducing the country's reliance on tourists during peak-temperature months, in which such weather and climate events are most likely to occur. So far, there is no solid evidence that last year's events are impacting travel to Greece this year.

Growth contribution to European city travel by top source markets

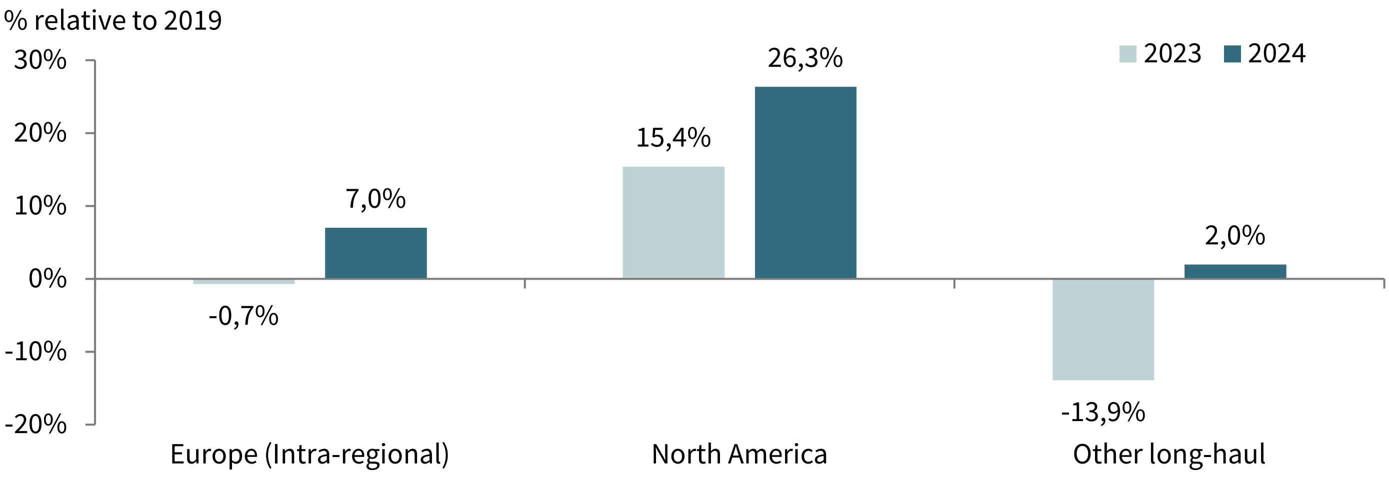
% share of overnight visits growth by source market



Cities are facing more overtourism than coastal resorts so far this year, although there are a few exceptions, such as the Balearic Islands. The recovery across the top source markets for European cities is set to broaden in 2024 and into next year, with a vast difference when compared to 2019. Key changes include the US market, where its contribution to growth has dropped considerably. This does not reflect falling travel volumes but stronger growth elsewhere across the source market mix, for example, from Germany and China. In fact, the Chinese contribution is set to be within 1% of the US this year, rising beyond it by 2025. Meanwhile, German rail company Deutsche Bahn reported an increase of 21% in international rail travellers between 2019 and 2023, mainly on routes between cities in Germany and its neighbouring countries.

Tourists from Asia Pacific will provide added value to European cities in 2024, especially those with large retail and luxury shopping such as Paris, London, and Milan. The share of overnight visitors will disperse in volume terms among source markets. The source markets that will see some of the largest increases typically spend a lot on retail.

Recovery of European city travel by source market region



Source: Tourism Economics

The recovery across European cities is set to become more balanced in 2024. Other long-haul (including travel from APAC, MEA and Africa) and intra-regional travel should rise above 2019 levels this year by 2% and 7% respectively. This is a marked improvement on last year, but also means that performance will become less reliant on tourists from North America.

Overall, the demand for authentic travel and experiences, the big segment of price conscious travellers, climate concerns, and the return of long-haul travel should see the recovery become more balanced across destinations at both a country and city level. Although these emerging trends will help to disperse tourists to other destinations, some cities and islands in Europe are still facing significantly higher arrivals than in 2019. It has the potential to alleviate cases of overtourism, but more concerted efforts to encourage a broader base of demand growth will be needed to markedly reduce this, because these trends may not be long-lasting.

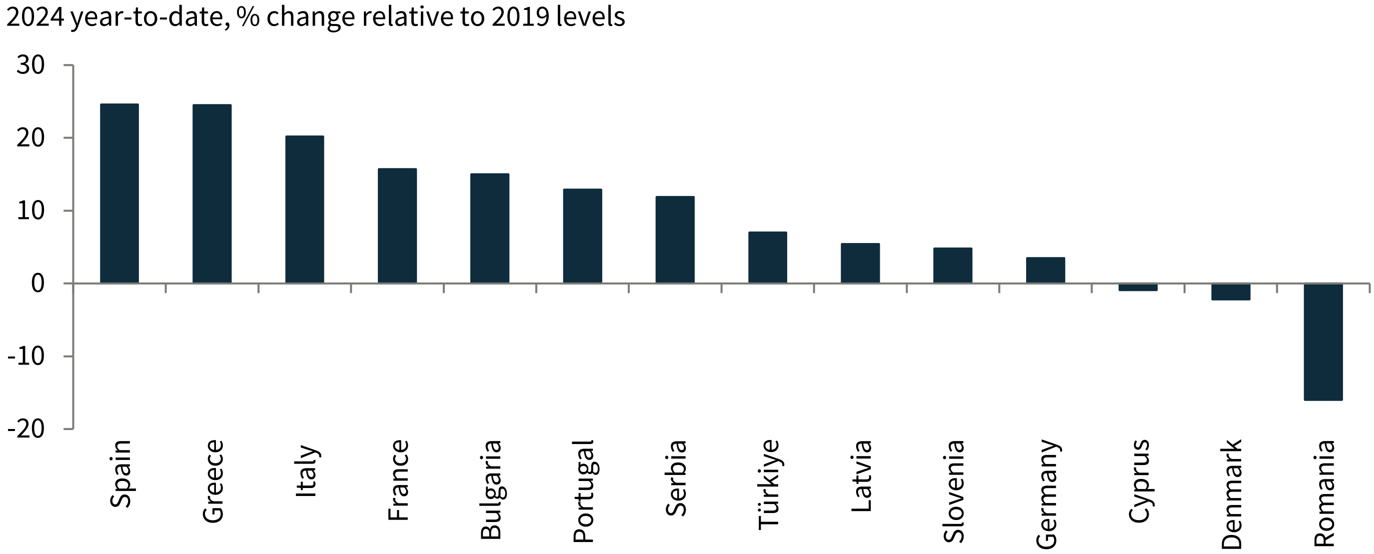
4.2 The value of European tourism

Latest data and forecasts suggest that tourists are expected to spend 13.7% more in across Europe in 2024 compared to 2023. This equates to €800.5bn euros (nominal terms), with Western Europe alone accounting for 72% of this. Higher levels of inflation will naturally cause an increase in nominal spending, but increased demand for travel and a number of large-scale events held in the region will also contribute to the rise.

Of the destinations reporting data for this year so far, all but three have inbound expenditure growth ahead of 2019 levels. As well as seeing a faster recovery in demand than the European average, Southern Mediterranean economies have also seen inbound travel spend recover. This is the case for Spain, Greece, Italy, Portugal, and Türkiye.

Romania stands out as one the weakest performers in terms of inbound travel spend as they are missing out on tourists who prefer to stay away from geopolitical tensions in neighbouring states and the absence of Russian tourists. However, this may start to improve later in the year because, as of April 2024, the Romanian consulate has started to issue short-stay visas to Russian tourists on a discretionary basis. Cyprus, which has been successful in diversifying its source market mix is still missing Russian tourists from a spend perspective, with inbound expenditure almost but not quite back up to pre-pandemic levels.

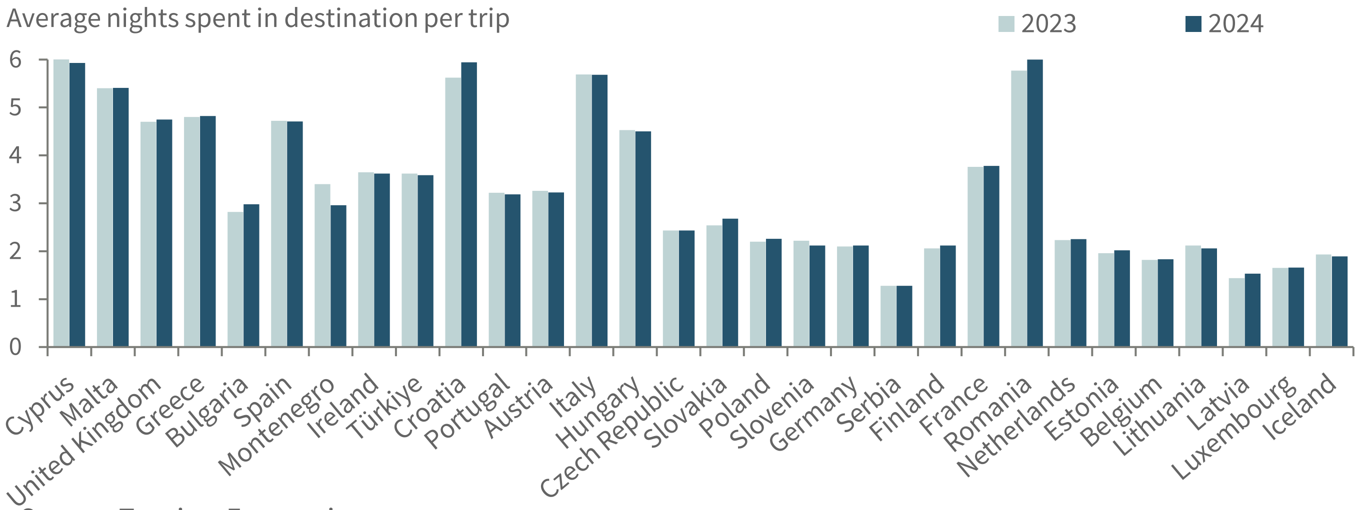
Inbound travel spend in selected destinations



Source: UN Tourism

Average length of stay will also add to the value of tourist arrivals at a destination; a longer trip will entail more expenditure on accommodation and food, for example. Destinations which are expected to enjoy lengthier stays on average this year include Croatia, Italy, Malta, Romania, and Cyprus. In the case of Croatia, Malta, and Italy, these longer stays may have been driven in part by digital nomad visas which allow a stay of one year, with a possibility of renewal afterwards. Croatia's entry into the Schengen area in 2023 has further enticed longer visits in 2024. Romania is expected to see significant growth in average length of stay in 2024 possibly driven by an increase in visits to friends and family (VFR). Since accommodation is often provided by these friends and relatives, trips of this nature are often longer since it lowers the cost of travel.

Average length of stay in European destinations

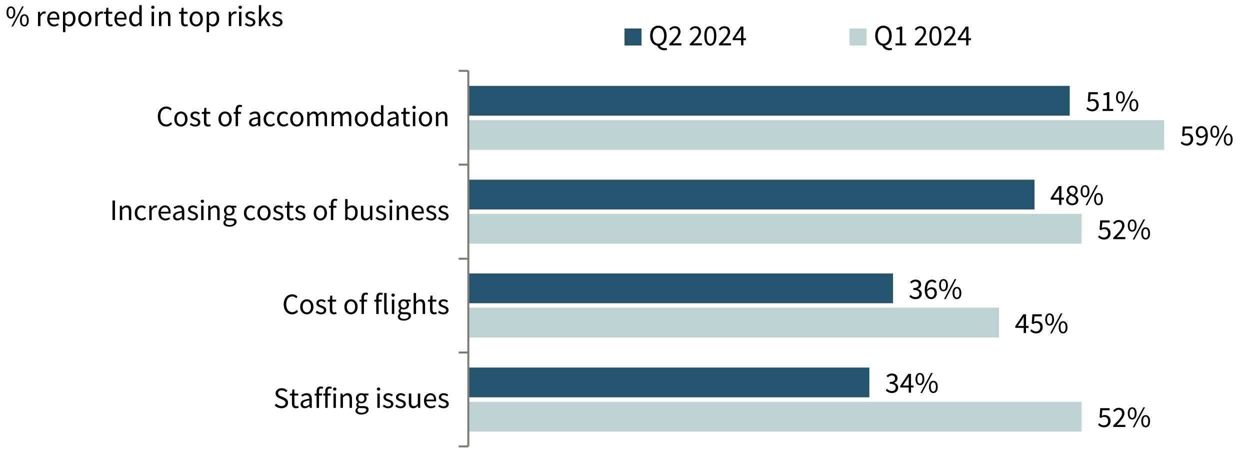


Source: Tourism Economics

4.3 Risks

Similar risks continue to pose challenges to tourism at a global and European level. The latest Tourism Industry Monitor (TIM) for Q2 2024 - gauging industry professional's evaluation of the overall health of tourism globally, as well as the opportunities and challenges it faces - has highlighted the same four key challenges going into the middle of this year. These are cost of accommodation, increasing cost of business, cost of flights and staffing issues. When compared to responses at the start of 2024, the biggest change is that staffing concerns were highlighted by only 34% of respondents, compared to more than half (52%) in Q1. This suggests that business operators within tourism are starting to see some improvement in this area. In fact, all top 4 key global challenges, have improved in Q2.

Top 4 key global tourism challenges



Source: Tourism Economics

Although not fully comparable, due to a smaller sample size, the top 4 key challenges from European respondents saw costs to be less of a challenge across the board, however staffing issues were notably higher than the global average at 53%, compared to 34%. Europe has noticeably faced a large number of airport-related strikes over the last few years, and there have already been strike disruptions in 2024. They have largely been driven by pay and working conditions and with inflation starting to fall, there is some optimism that the appetite to strike will start to lessen. A key difference is the challenges of bureaucracy, regulations and that of sustainability concerns among travellers which are significantly higher than in all other regions. This could stem from increased regulations businesses are facing in terms of ESG which kicked off this year.

The survey also highlights opportunities for tourism growth over the next 12 months. At a global scale this is largely concentrated around business tourism and leisure events. However, specific to Europe, respondents are seeing increased luxury tourism and visitor spend as an opportunity. This could coincide with the expectation for an accelerated return of high-spending travellers from the Asia Pacific region this year, particularly China.

Outside of tourism-specific risks, the economic backdrop will have a direct impact on tourism activity and spending. Oxford Economics' latest Global Risk Survey suggests that the risk of a Trump presidency is seen as a greater jeopardy than an escalation of the Middle East conflict. Although the interest rate cut by the ECB has generated optimism among businesses, they are now more cautious and expect only a single decrease in the central bank rate in 2024.

5. European travel sentiment tracker

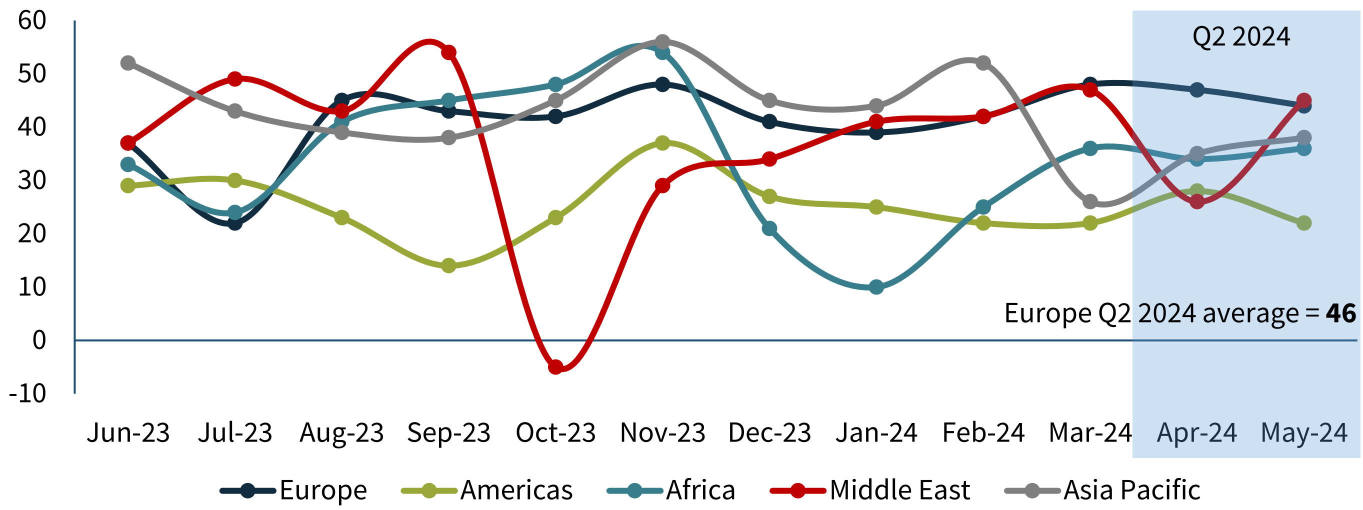
E-Reputation trends on travel in Europe

E-Reputation data, gathered from the TRAVELSAT© Sentiment Index by MMGY TCI Research, utilises social listening to assess destinations' online perception. Information shared by differing media, consumers, companies etc., on websites, forums, blogs & social networks is used. Net sentiment scores, ranging from -100 to +100, measure the balance between positive and negative sentiments to evaluate destination favourability. Value for Money and Sustainable Travel ratings are measured through sentiment scores derived of written reviews from 45 sources (e.g., TripAdvisor, Google Reviews, Booking.com, etc.), utilising advanced sentiment analysis technology to detect positive and negative sentiments towards specific concepts or topics, with ratings, ranging from 0 to 10.

For a further explanation of these methodologies please see Appendix 2.

Throughout the second quarter of 2024, the polarity of online social conversations regarding European travel stood at an average of 46 points. Europe's score started out in a high position in April, being at least 12 points higher than all other world regions. The Middle East, Europe's main competitor in terms of online reputation, suffered a drop in score in April due to the heavy rainfall that flooded Dubai's international airport. However, online conversations on the region recovered quickly in May, standing just one point above Europe at 45 points. Overall, Europe took the leading spot in global e-reputation scores in Q2 of 2024, holding at least 9 points more than all other world regions.

Net sentiment score per world region, P12M



Source: MMGY TCI Research

Positive drivers of the reputation of European travel captured several themes, many of which have also been reflected in [*The Pinterest Summer 2024 Travel Report*]. These began with an allure to lesser-known island destinations. Online vlogs on Madeira brought forth the concept of travelling to an exotic island through depictions of Funchal's bustling markets full of local colourful fruits. While holding a completely different landscape and fauna, the northern destinations of Magerøya in Norway and Iona in Scotland were shown to offer an escape to rugged terrains with an abundance of wildlife. In line with untouched nature, sustainable travel in Europe was another topic generating positive online sentiment in the second quarter. Denmark was featured for its offer of an eco-friendly luxurious camp in Bornholm. Being small and intimate, visitors can sleep on one of Denmark's most beautiful beaches, Balka. Norway's longest hiking route, Nordlandsruta, was shared for hosting many artistic events on the theme of sustainability inside its trailside cabins. Still treading on the topic of sustainability, yet from a cultural angle, Milan Design Week was written about in an online travel blog due to its focus on sustainable fashion design. Several projects using recycled material aimed to trigger reflection on how such practices should become the norm. Transitioning deeper into the subjects of culture as well as historical sites, videos on social media showed a more mystical side of Europe. Being the only gas-lit bridge in the world, Prague's Charles Bridge was recommended for night visits for those seeking a uniquely enchanting feel. Similarly, Romania's Bran Castle in Transylvania was described as an ideal experience for travellers seeking to relive childhood fables, namely through its associations to Count Dracula.

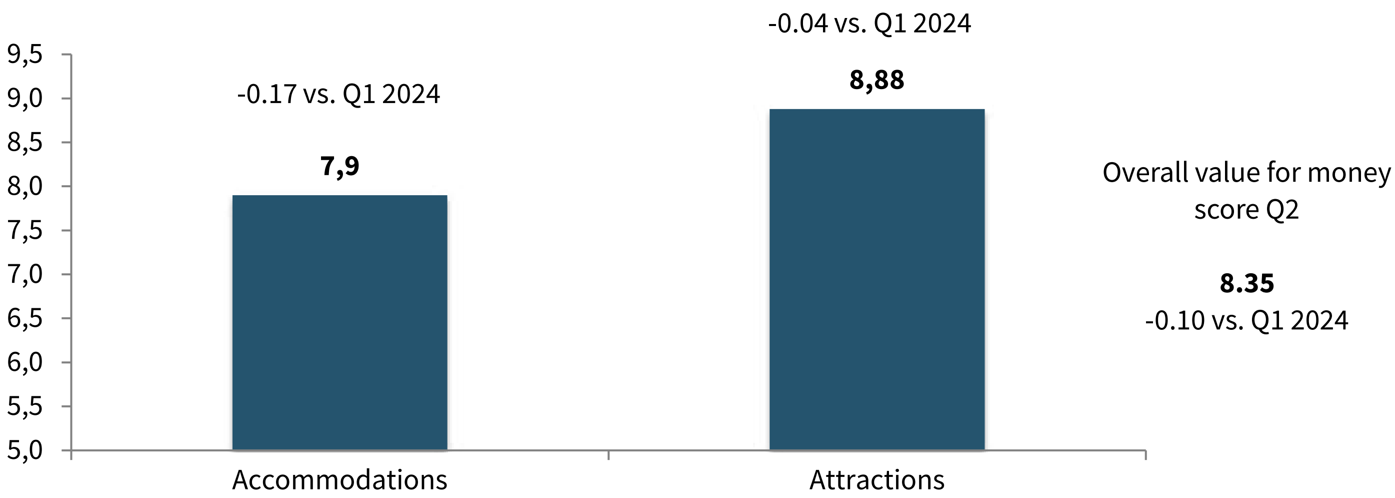
The negative drivers of the reputation of European travel during the second quarter of 2024 showed a different face to some of the aforementioned themes. Particularly in the space of sustainable travel and managing the influx of visitors to destinations, negative online conversations focused on the introduction of an entrance fee in Venice. Both travellers, as well as some residents, feel that such actions aimed at reducing visitor flows go against the principle of freedom of movement. On the other hand, residents in the Canary Islands expressed that little is being done to combat the adverse environmental impact that the current tourism model has on their destination. Regarding Europe's cultural offer, travellers expressed a less favourable perspective towards the current level of authenticity that city centres have. Expressing their view on social media, some visitors felt that the originality of several key Western European city destinations, with examples such as Paris, Amsterdam, Madrid, Barcelona, Prague, and London, has been overrun by larger international brands as well as cafés and restaurants considered to be "tourist traps". Finally, on the topic of security, Putin's threats in reaction to Germany permitting the use of their weapons on Russian territory reignited fears of an escalating conflict in Europe.

Focus on value for money from visitors' written reviews

Value for Money measures guests' perception of the worth or quality an experience has in relation to its cost.

The Value for Money sentiment score of European Accommodations and Attractions decreased to 8.35 in the second quarter of 2024 (-0.10 points vs. Q1 of 2024). Broken down by verticals, the score for Accommodations decreased to 7.90 (-0.17 points vs. Q1 of 2024), while for Attractions it decreased slightly to 8.88 (-0.04 points vs. Q1 of 2024).

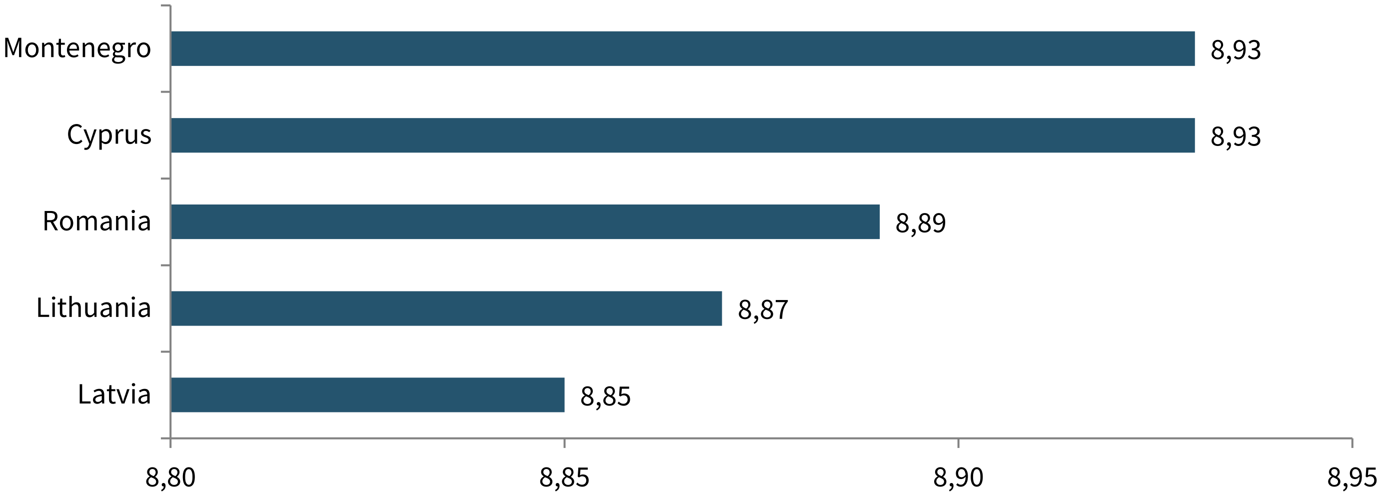
Value for money sentiment scores per vertical



Source: MMGY TCI Research

The five destinations receiving the most praise in terms of Value for Money in guests' written reviews were Montenegro, Cyprus, Romania, Lithuania, and Latvia. One factor that brings these destinations together is the fact that they are located in either the Baltic or South Eastern European regions, generally holding a lower cost for experiences in both accommodations and attractions compared to other regions. Aside from their sentiment scores, online stories on the top five destinations further demonstrate their capacity to delight visitors in this regard. For example, an online story on Montenegro shed light on the affordability of food and lodging in the famous town of Kotor, all the while offering a high-quality service. Another example lies within Daugvapil's city festival that happened in Latvia in May, a free cultural event where visitors could enjoy concerts from several artists beyond the country's borders, alongside affordable food and beverages. Lastly, many cities in all five destinations recurrently appeared in lists of affordable destinations, such as the Home exchange blog list on 10 of the cheapest places to travel in Europe both for their offer in lodging as well as that of activities.

Destinations receiving the highest sentiment scores on the topic of value for money during April and May 2024



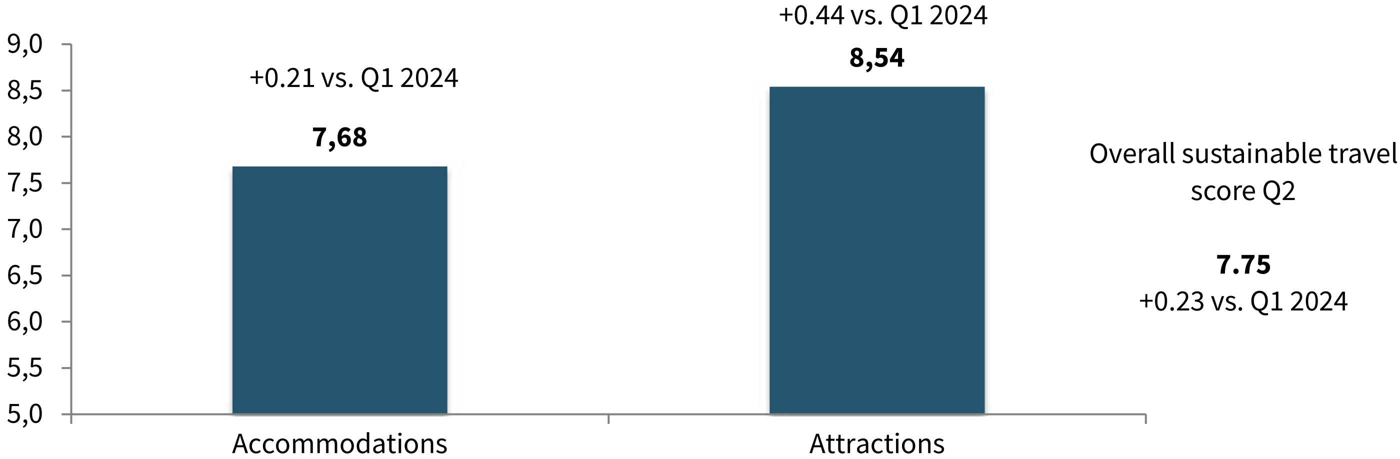
Source: MMGY TCI Research

Focus on sustainable travel from visitors' written reviews

Sustainable Travel measures guests' perception of environmentally and socially friendly practices taken by operators.

The Sustainable Travel sentiment score of European Accommodations and Attractions rose to 7.75 in the second quarter of 2024 (+0.23 points vs. Q1 of 2024). Broken down by verticals, the score for Accommodations increased to 7.68 (+0.21 vs. Q1 2024), while that of Attractions increased to 8.54 (+0.44 vs. Q1 of 2024).

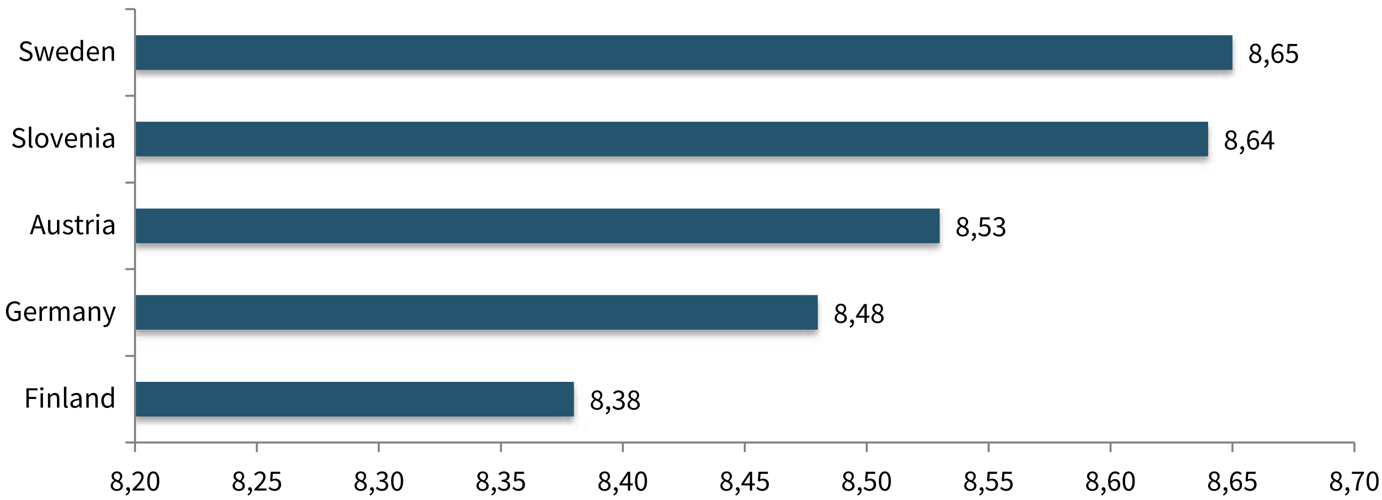
Sustainable travel sentiment scores per vertical



Source: MMGY TCI Research

In terms of guests' written reviews on Sustainable Travel, Sweden, Slovenia, Austria, Germany, and Finland received the most positive comments. All five destinations are known to uphold some of the highest sustainability and environmental standards globally. Separate to the scores from written reviews, an online story on Sweden from the second quarter of 2024 presented an award-winning coffee roastery known for its commitment to sustainability as part of a multi-day Stockholm itinerary, while Slovenia was praised for its design of a cycling route that combines green movement with stops at gourmet establishments. Stanglwirt in Austria was spoken of highly in an online travel blog for being a gorgeous resort that combines organically farmed food alongside wellness and fitness. Finally, the Hamburger Falkenstein golf course was spoken highly of in a list of the top golf courses in Germany due to its organically maintained fields, while Finland's peaceful waterways were recommended for those who enjoy gentle canoe tours.

Destinations receiving the highest sentiment scores on the topic of sustainable travel during April and May 2024



Source: MMGY TCI Research

6. Key source market performance

Trends discussed in this section relate to the period January to May 2024, although actual coverage varies by destination. Further detailed monthly data for origin and destination, including absolute values, can be obtained from TourMIS (http://tourmis.info).

- Serbia continues to be the best performing reporting destination, disproportionately driven by non-European source markets. Denmark and Malta are also among the strongest countries in terms of gains in foreign visitors relative to 2019.
- Preferences among European travellers differ significantly by country, including a mix of short- and medium-haul travel while both luxury and budget options are also being sought.
- The United States remains the best performing long-haul source market, with Portugal particularly benefiting. The US is now Portugal's single most important source market.
- Progress from China and from Japan, continues to be slow. The latter has seen a 30% decline in the value of the yen since the Covid-19 pandemic closed international tourism in Europe. Türkiye has been an exception through having a weaker currency.
- Some countries – such as Spain and Portugal – have made impressive gains in capturing additional arrivals from India.
- A handful of smaller destinations have seen notable increases in arrivals from Brazil, while larger destinations are still struggling to recapture 2019 volumes.

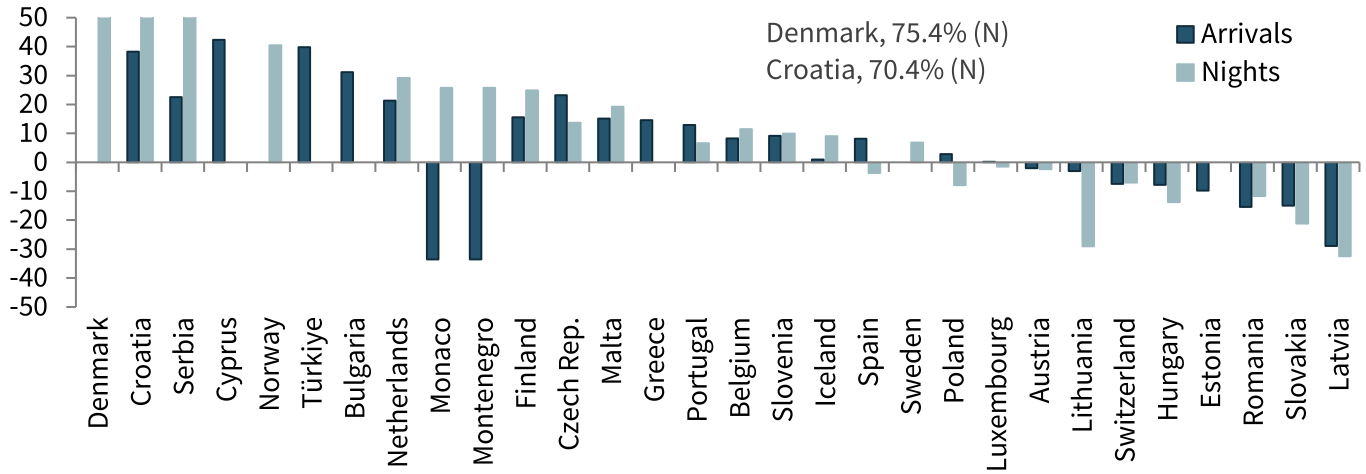
Key intra-European source markets

Key source markets in Europe are exhibiting very different patterns. Germans are expressing a strong preference for neighbouring destinations, such as Denmark and the Netherlands. In contrast, French travel is especially strong for some destinations such as Cyprus and Greece. Italian travellers are choosing higher-end travel with a strong performance in more expensive destinations such as Finland and Iceland, while British tourists remain strongly focused on lower cost destinations.

While Baltic countries continue to lag in terms of growth from all source markets, declines are less extreme than reported in previous Quarterly Reports. Germany also continues to lag behind other destinations as many cities continue to see a slower recovery in business travel, while some optimism about demand related to the UEFA Euro 2024 Championship has faded.

German visits and overnights to select destinations

2024 year-to-date*, % change relative to 2019



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

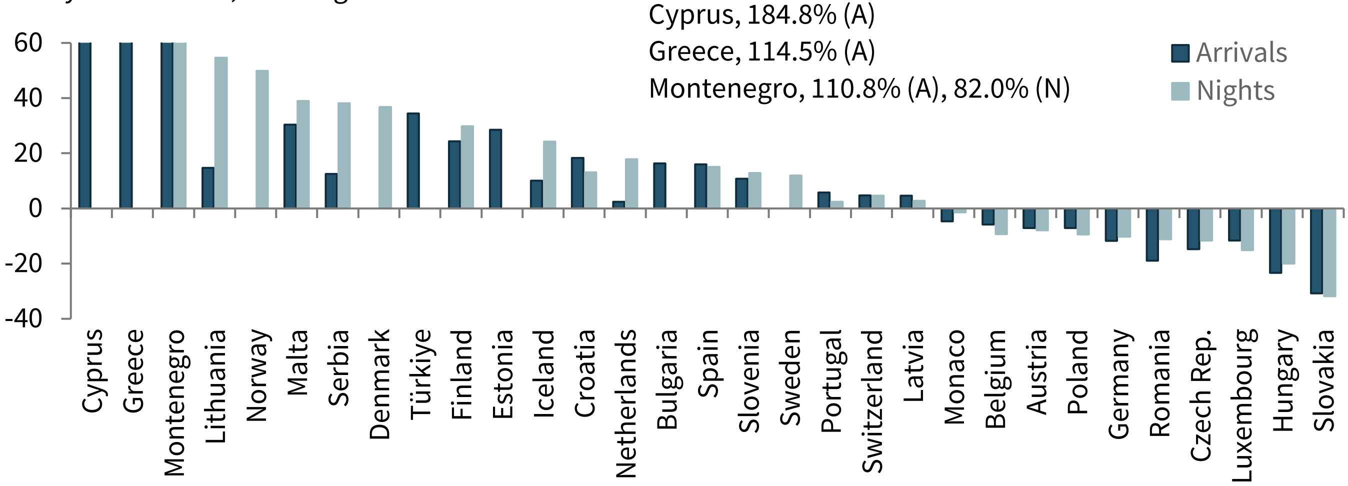
Only 9 reporting destinations recorded no growth in either arrivals or nights from Germany. The poorest performing destinations included Latvia (where nights were down 32.5% on 2019) as well as other Baltic and Central European countries and Monaco.

For German travellers, nearby destinations like Denmark, the Netherlands and Croatia, tended to outperform many other markets. Denmark was the top performer in terms of nights (up 75.4% on 2019). The Netherlands and Croatia also reported healthy growth, although increases in arrivals were more moderate. Travel to Croatia is notably rebounding from the subdued 2023 levels when some German travellers stayed away due to apparent price increases and uncertainty following the adoption of the euro.

With no country reporting data later than May - and most not beyond April - no reporting destination's data reflects the potential impacts of FTI's bankruptcy, FTI, was the third largest tour operator in the European Union. It filed for bankruptcy at the beginning of June 2024, which may further affect travel from Germany over peak summer months.

French visits and overnights to select destinations

2024 year-to-date*, % change relative to 2019



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

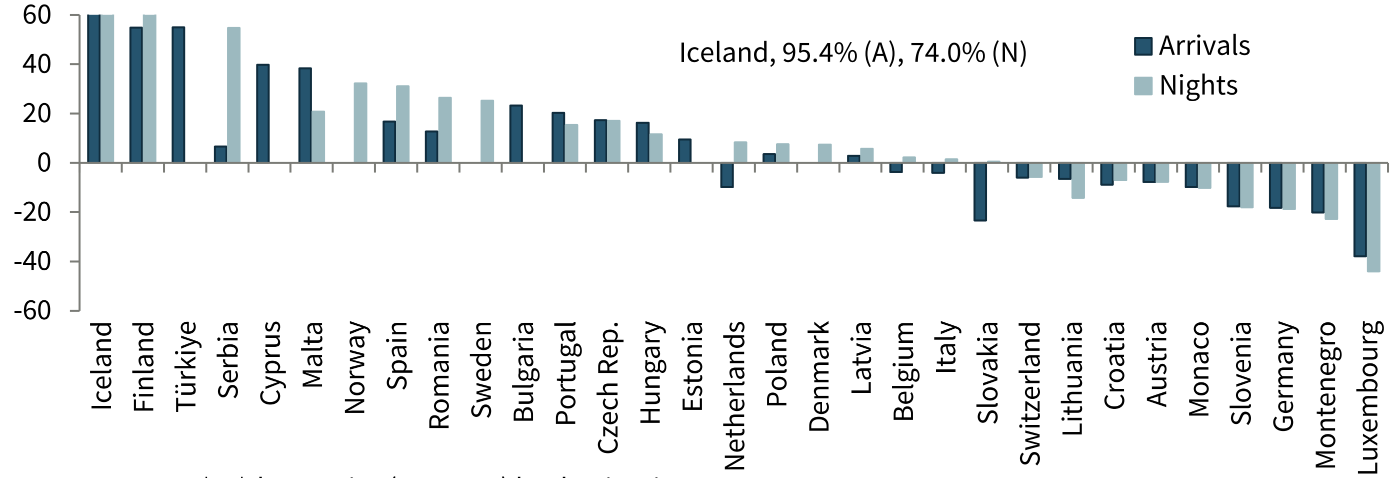
Cyprus continues to be the best performing destination for French travellers, with arrivals up 184.8% in early 2024, as Cyprus' statistical agency reported a 23 year high in tourism revenue in March. Greece and Montenegro also more than doubled arrivals in comparison to 2019, while Norway recorded an increase of 49.9% in nights from France. Malta was also among the better performers, recording an increase of 30.4% in French arrivals and 39.0% in nights. Malta has appointed its first ever 'wine ambassador' to promote the archipelago's wine scene.

Almost all the poorest performing reporting destinations are almost all within Central & Eastern Europe. Of these destinations, Slovakia recorded the most significant decrease in arrivals from France, declining by 30.8%. It is possible that the growing need for safety highlighted in the latest ETC barometer along with lingering sentiment surrounding Russia's war in Ukraine is still playing a role in recovery.

However, the 10 countries reporting declines in both arrivals and nights, included large destinations such as Germany, where arrivals from France remained down 11.7%. Monaco also posted a small decline in French arrivals relative to 2019.

Italian visits and overnights to select destinations

2024 year-to-date*, % change year relative to 2019



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

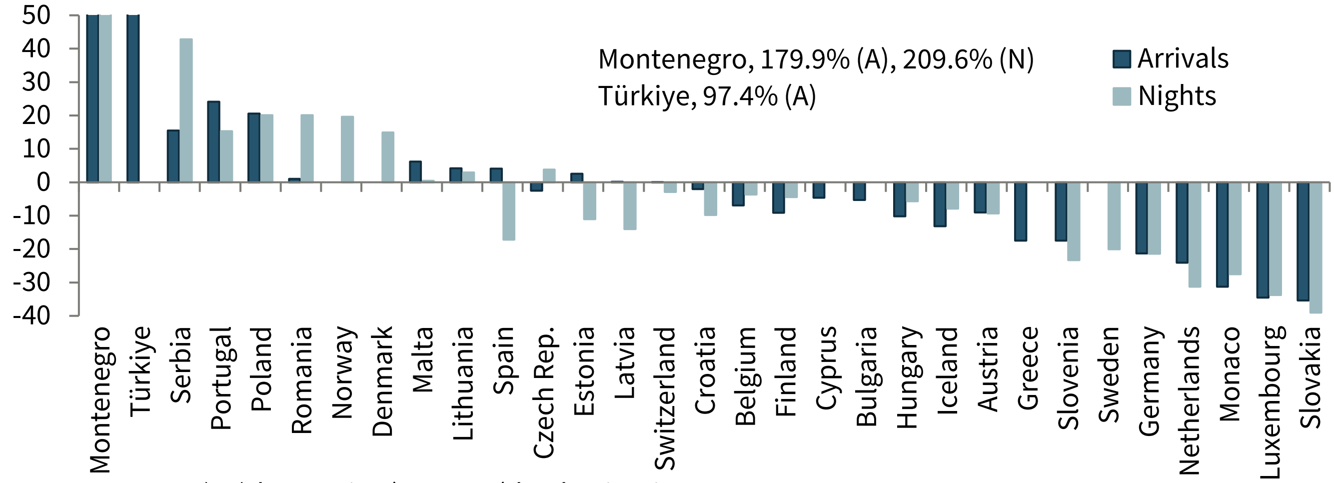
Iceland has emerged as a top destination for Italians, reporting, arrivals up 95.4% on 2019 and nights up 74.0%. Along with the strong growth in travel to Finland (arrivals up 54.9%), this might indicate a growing preference for the Nordics. Play Airlines, the Icelandic low-cost carrier, has announced that it will resume flights between Reykjavik and Venice and Bologna, which should support demand, even for travellers who are more price sensitivity.

Türkiye saw Italian arrivals rise by 55% and some other Southern Mediterranean destinations (such as Cyprus and Malta) also performed well. In 2023, Italy surpassed the UK as the single largest source market for Malta, although this may reflect weaker travel to European destinations from the UK.

Only nine countries reported no growth in either metric from Italy. The weakest performers were Luxembourg, where arrivals fell by 38.0%, although it is worth noting that this is only provisional data and Slovakia, which saw arrivals drop 23.4%. Germany also remains amongst the poor performers, with arrivals down 18.2%.

British visits and overnights to select destinations

2024 year-to-date*, % change relative to 2019 levels



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

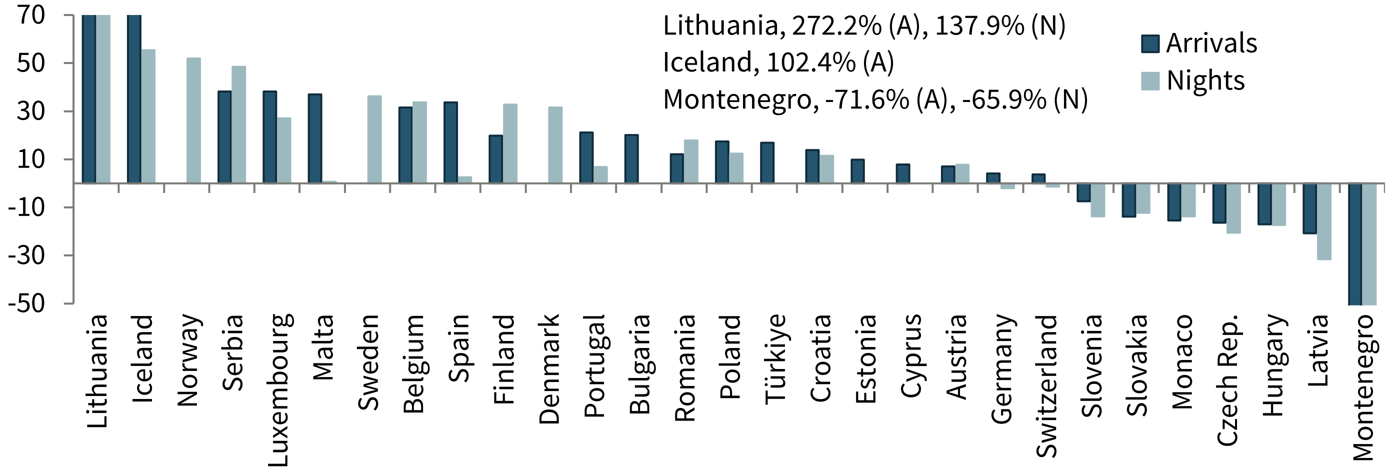
For the British travel, Montenegro was the best performer with arrivals up 179.9% on 2019. The country continues to invest in infrastructure, with work due to commence in April 2025 on the planned Herceg Novi and Budva highway as well as the new Kotor cable car.

Türkiye also continued to perform well thanks to its value for money offer. British arrivals there were up 97.4%. Among other southern destinations Portugal was the best performer, with arrivals up 24.1%. It is notable that, unlike many European source markets, arrivals to Cyprus from the UK were down 4.6%. Cyprus cites the UK as its top tourism market, and in 2023, the country welcomed [1.3 million British visitors](). Poland and Romania were also strong.

However, a significant number of reporting countries continued recording no growth in either metric from the UK. Of the 31 reporting destinations, eighteen fell into this category. In terms of arrivals, Slovakia was the worst performer – down 35.4% on 2019. Slovakia and Luxembourg were down by a similar proportion. Among those countries still significantly down compared to 2019 are Sweden and Germany.

Dutch visits and overnights to select destinations

2024 year-to-date*, % change relative to 2019 levels



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

Of the 29 destination countries reporting, all but seven, reported growth in at least one of the metrics. The unexpected result for Lithuania could be down to a number of factors including a daily flight connection and increased marketing efforts.

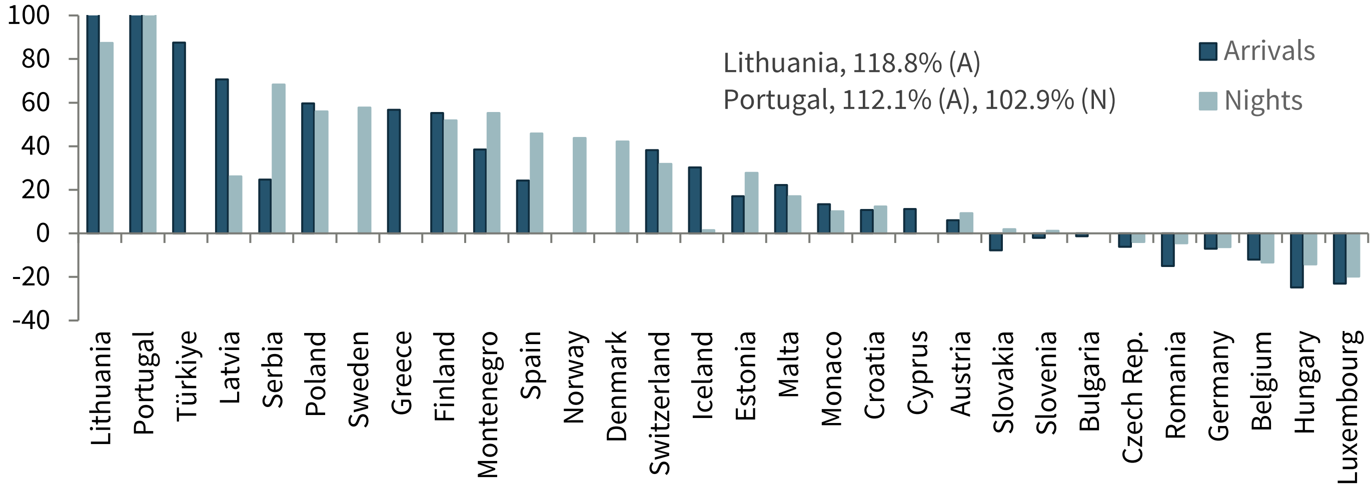
Iceland was the second best performing destination for the Dutch market. Arrivals there are now at more than twice their 2019 level, although continued volcanic activity might dampen this in due course. All other Scandinavian countries continued to be among the better performers.

By far the worst performer continued to be Montenegro where Dutch arrivals were down by 71.6% however it is worth noting that in absolute numbers, Montenegro makes up only a small share of Dutch visits and overnights. There were also relatively poor performances in several Central European countries, such as Hungary, Czech Republic, Slovakia and Slovenia alongside Monaco.

Non-European source markets

United States visits and overnights to select destinations

2024 year-to-date*, % change relative to 2019 levels



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

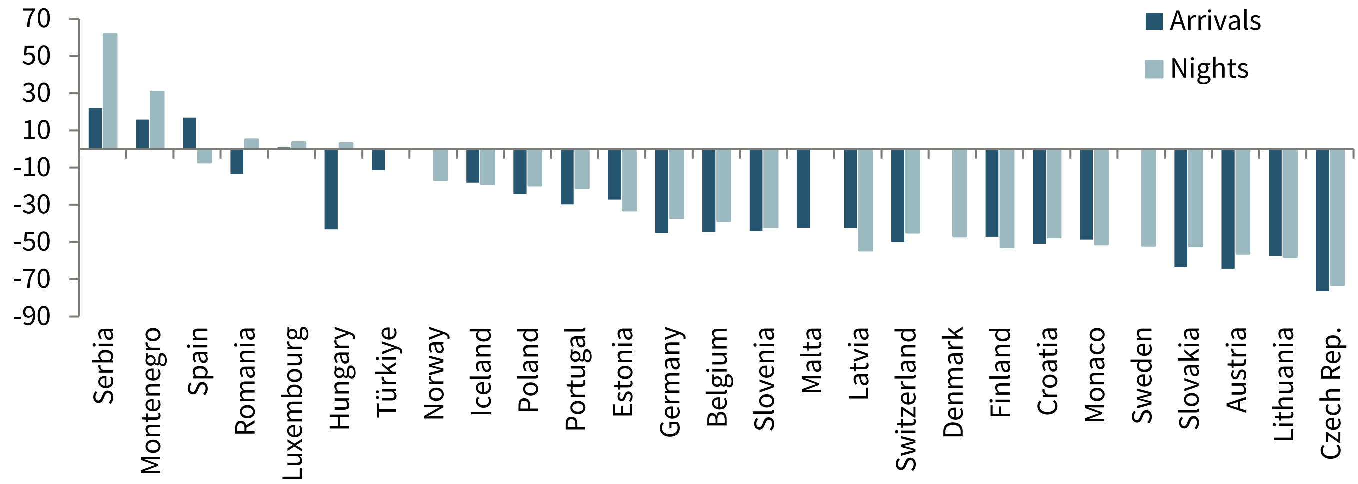
Only seven countries reported no growth in either metric from the US, while the fall was marginal in countries such as Bulgaria and the Czech Republic.

The best performing reporting destination was Portugal (excluding Lithuania, where arrivals were up 118.8%, which was potentially affected by military movements), where US arrivals have more than doubled when compared to 2019. The US is now the largest single source market for Portugal. This remains the case despite the delay of the Faro-Newark connection. Türkiye has also grown strongly, with an increase of 87.6%, as the country continues to benefit from the lifting of visa requirements for US citizens.

Elsewhere, there was also growth from the US with a significant block of large countries reporting US arrivals up between 20% and 60%. In year-on-year terms, all but three reporting destinations (Latvia, Luxembourg, and Slovakia) are growing in at least one metric, building on the strong rebound of US tourists last year. Although based on provisional data, Luxembourg continued to be the worst performer – consistent with the previous quarterly report – although Hungary's performance was similar. Germany continues to be among the lagging destinations with 7.1% lower visitation from the US than in 2019.

Chinese visits and overnights to select destinations

2024 year-to-date*, % change relative to 2019



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

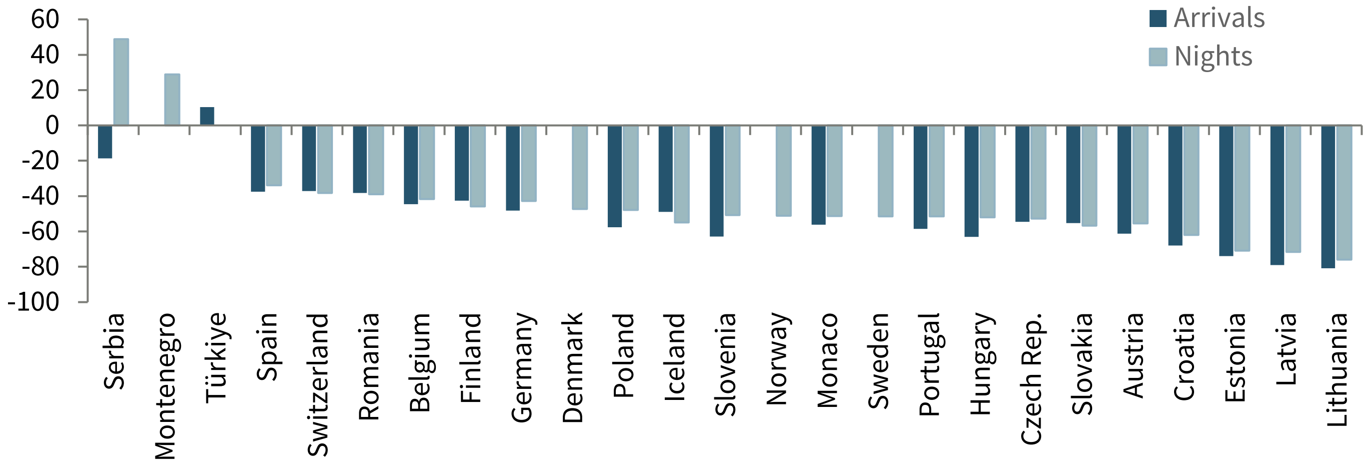
The majority of countries are still reporting far lower levels of Chinese visits compared to 2019. Croatia, Slovakia, Austria, Lithuania and the Czech Republic are still more than 50% down in arrivals on 2019. Many of these countries recorded only marginal improvements since the last quarterly report. Survey data from China on traveller intentions remains contradictory with some reporting less enthusiasm for travel to Europe while some (more recent) surveys suggest that interest is returning.

There are notable exceptions to the generally downbeat picture, and more positive trends are set to emerge as 2024 progresses. Recent gains are evident in Serbia and Montenegro as well as in Spain. Over 60 percent of direct flights which connected China and Spain prior to Covid-19 have been restored with Air China again operating daily flights between Barcelona and Beijing.

Both Romania and Hungary reported that Chinese visits continued to be down on 2019 – in Hungary's case by more than 40% - but nights have increased. The weakest performance was recorded by Czech Republic, and this may be associated with ever tighter relations between Czech Republic and the Government of Taiwan.

Japanese visits and overnights to select destinations

2024 year-to-date*, % change relative to 2019`



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

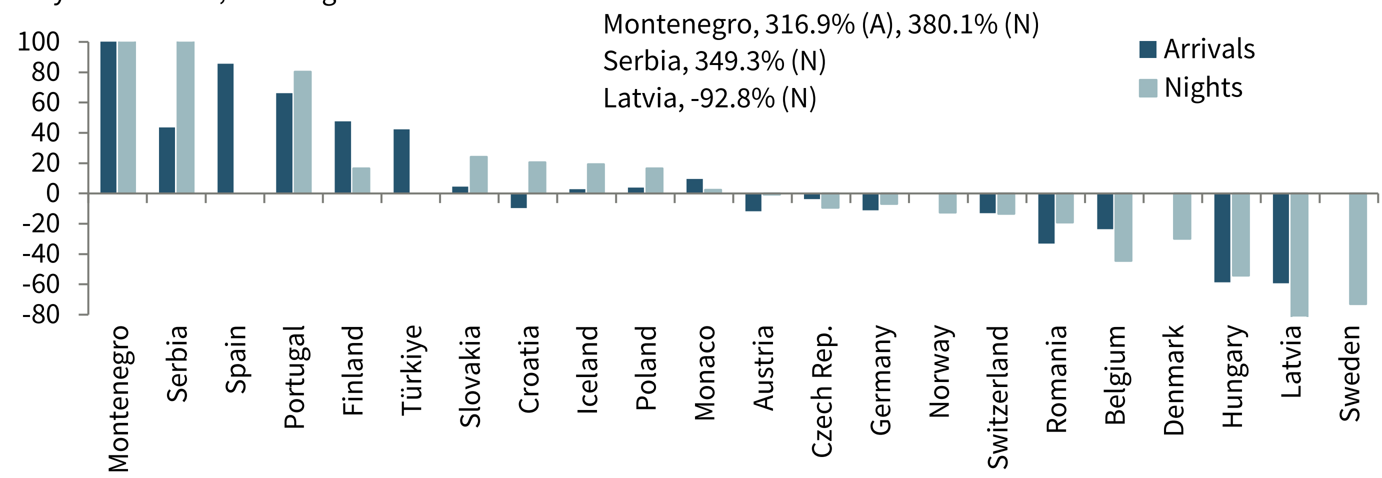
Japanese travellers continue to be even more reluctant to visit Europe than the Chinese. Of 25 reporting destinations, only 3 reported growth in either tourism metric: Serbia, Montenegro and Türkiye, as was the case last quarter. However, Montenegro is significantly less positive than in the last quarterly report with nights 28.8% above 2019 levels (as opposed to 128.0% in the last report). Serbia also continues to report falling arrivals numbers relative to 2019.

The smallest declines in arrivals when compared to 2019 were reported in Spain, Switzerland and Romania – all between 37% or 38% below pre-pandemic levels. No other reporting destination country recorded a decline in either metric of less than 40%. The Baltic States were the worst performers – all experiencing a decline in both arrivals and nights of over 70% with perceived safety an important driver of destination choice.

The weakness of the yen – while helping the tourism sector in Japan – has made Europe a generally unappealing destination for Japanese outbound tourists. The yen has fallen 30% against the euro since Covid-19. It is notable that two of the destinations registering growth use currencies other than the euro. Over the same period the yen strengthened against the Turkish lira by 250%, supporting some price sensitive demand from Japan.

Indian visits and overnights to select destinations

2024 year-to-date*, % change relative to 2019



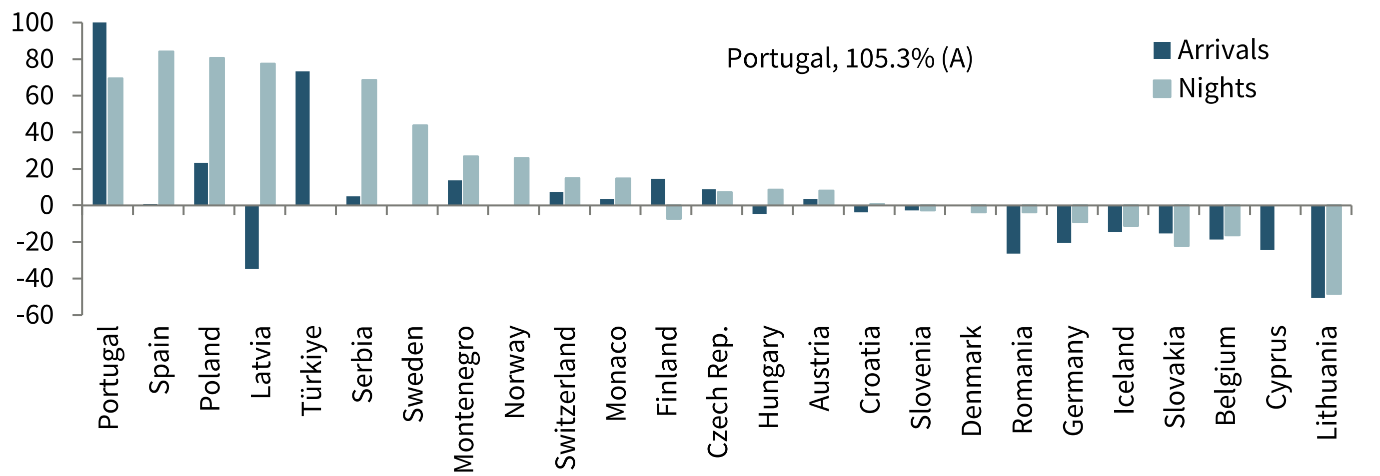
Source: TourMIS* *date varies (Jan-May) by destination

Although a smaller number of destinations have reported data from India, the split picture from India continues. Of the 22 reporting countries, around half reported declines since 2019, ten reported growth in both metrics and Croatia presented a mix between lower visits and increased nights.

Montenegro and Serbia continue to stand apart – thanks in part to visa regulations. However, growth in Spain and Portugal is also notable: arrivals to Spain were up 85.6% and to Portugal up 66.2% (with nights even stronger). However, Portugal may be facing possible [exclusion from the Schengen Zone] which could impact on Indian travellers. In 2023, India ranked third in [Schengen visa applications]. Finland continues to perform strongly despite increased regulatory checks regarding sustainable finances.

Canadian visits and overnights to select destinations

2024 year-to-date*, % change relative to 2019



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

A higher share of reporting destinations recorded a decline in one or both metrics for Canadian tourists than in priori quarterly updates. However, this is a result of a wider range of reporting destination countries and there are still some positive trends within Canadian travel, including growth to some significant destinations.

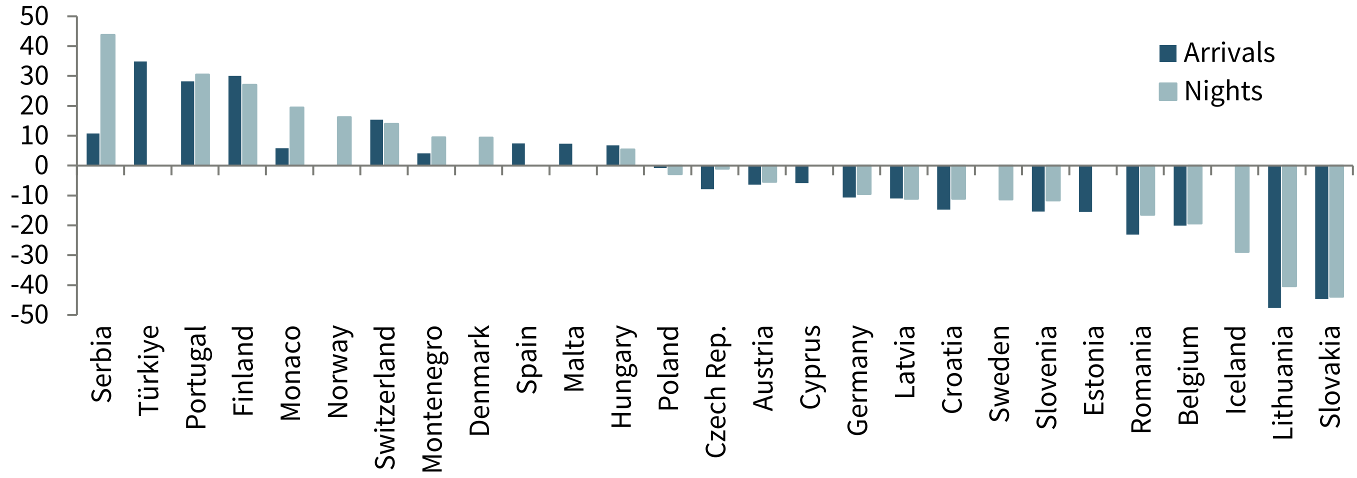
Portugal and Spain recorded the strongest increases in Canadian tourism with Sweden (which presented the strongest overall picture in the last report) dropping down the rankings. As noted in the last report, Sweden may benefit from improved air connectivity with Canada over the summer. This is also the case with Spain while Air Canada is also scheduled to increase connectivity with Copenhagen.

Türkiye also continues to record strong growth from Canada, following the removal of its visa requirement. However, although it will not be impacting the data yet, the Canadian government has updated travel advisories for several countries in Europe including Italy, France, Denmark, Germany, Spain and Sweden on account of an increased threat of terrorism. The ‘attack emergency’ alert in France is especially strong.

The weakest picture was presented by Lithuania (which did not report for the last quarterly report). Lithuania replaces Cyprus as the worst performing destination.

Australian visits and overnights to select destinations

2024 year-to-date*, % change relative to 2019



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

Out of the 27 reporting countries, 15 continued to record declines in Australian tourism on one or both metrics.

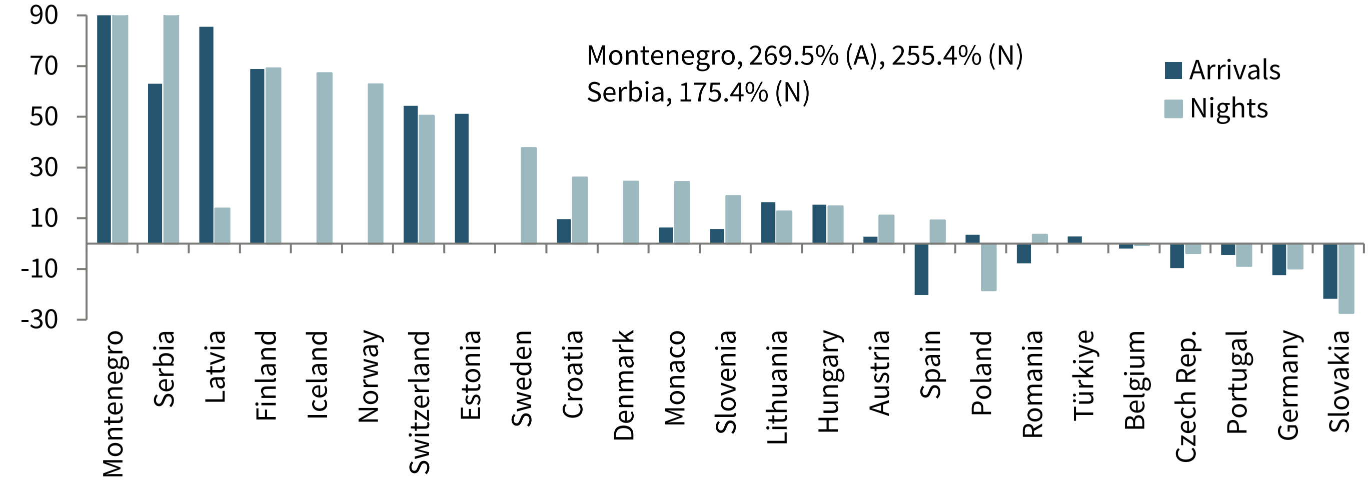
Serbia remained the best performer based on nights, although the increase in Australian arrivals to Türkiye was considerably stronger at 34.9%. Increased demand between Australia and Türkiye may be driven in part by the new route which commenced in the spring of 2024 between Melbourne and Istanbul (via Singapore).

Some other reporting destinations have also registered considerable improvements. For example, Cyprus was previously the worst reporting destination for Australian arrivals and is now much closer to recovery and broadly in line with the average performance for the region. However, Slovakia has deteriorated and been joined by Lithuania.

Major destinations, including Germany, are recording significant declines in tourism from Australia. In Germany’s case, Australian arrivals remain 10.7% down on 2019.

Brazilian visits and overnights to select destinations

2024 year-to-date*, % change relative to 2019



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

Of the 25 reporting destinations, only 5 recorded no or negative growth in both metrics relative to 2019. However, this group contains some large destinations. Germany and Portugal were the second and fourth largest European markets for Brazilian travellers in 2019 and are still reporting significant shortfalls relative to these prior norms. Portugal is also reporting lower arrivals, with little change since the last quarterly report, despite the strong cultural links between the two countries. However, from September 2024, TAP Portugal will operate a new service to Florianópolis, the capital of Santa Catarina state, which may help to stimulate further growth.

Once again both Montenegro and Serbia recorded increases in nights from Brazil well in excess of 150%. It is worth reiterating that this represents growth from very low baselines in 2019. In comparison with fewer than 4,000 Brazilian arrivals to Serbia in 2019, there were nearly 1.3 million to Portugal, more than 300,000 to Germany and over 550,000 to Spain. Hence, total European arrivals from Brazil remain subdued despite the apparently rosy picture suggested by some of the eye-catching growth rates.

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.*

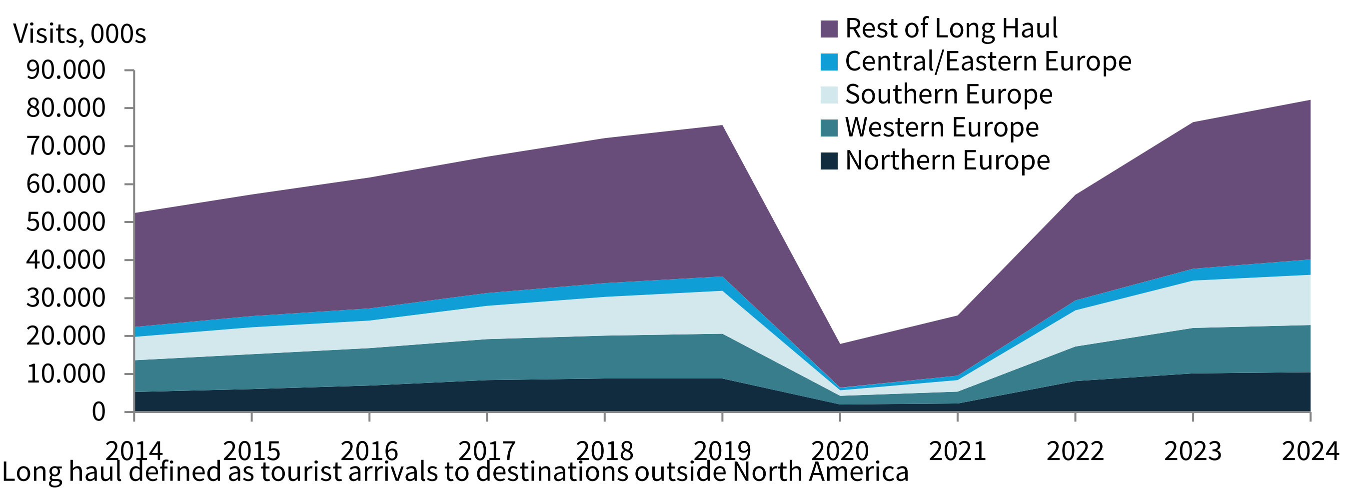
United States market share summary

	2023		Growth (2023-28)			Growth (2018-23)	
	000s	Share**	Annual average	Cumulative growth*	Share 2028**	Cumulative growth*	Share 2018**
Total outbound travel	124,075	-	6.5%	37.2%	-	3.3%	-
Long haul	76,351	61.5%	6.7%	38.2%	62.0%	5.8%	60.1%
Short haul	47,724	38.5%	6.3%	35.7%	38.0%	-0.5%	39.9%
Travel to Europe	**37,773**	**30.4%**	**4.8%**	**26.2%**	**28.0%**	**11.3%**	**28.3%**
European Union	5,886	4.7%	45.6%	555.4%	22.7%	-74.2%	19.0%
Northern Europe	10,160	8.2%	3.0%	16.1%	6.9%	15.6%	7.3%
Western Europe	11,978	9.7%	4.1%	22.3%	8.6%	5.6%	9.4%
Southern Europe	12,452	10.0%	4.9%	27.3%	9.3%	22.5%	8.5%
Central/Eastern Europe	3,183	2.6%	11.0%	68.8%	3.2%	-12.7%	3.0%

*Shows cumulative change over the relevant time period indicated. 2018-23 includes COVID-19 pandemic related declines.
**Shares are expressed as % of total outbound travel

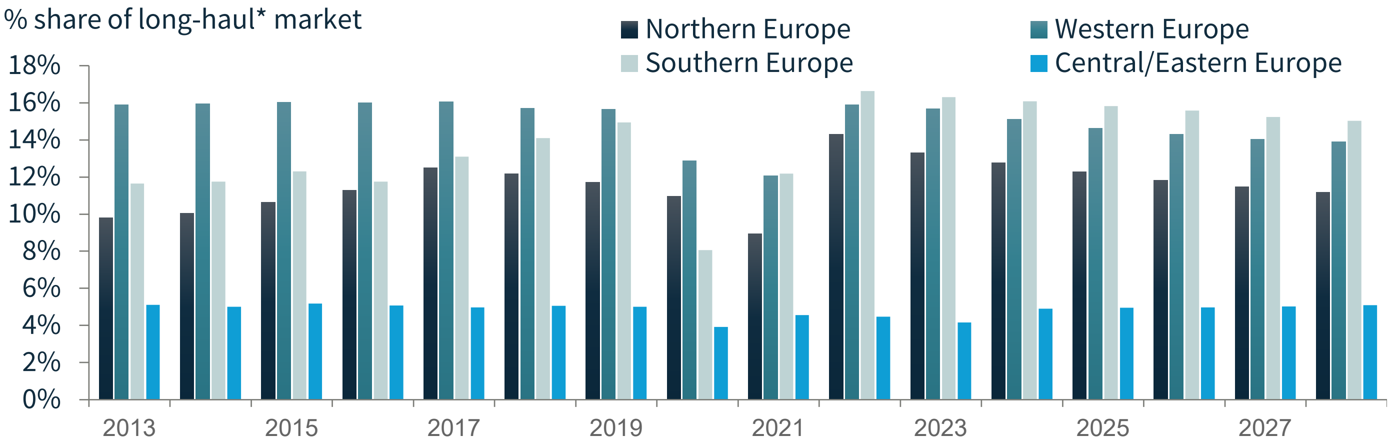
Source: Tourism Economics

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

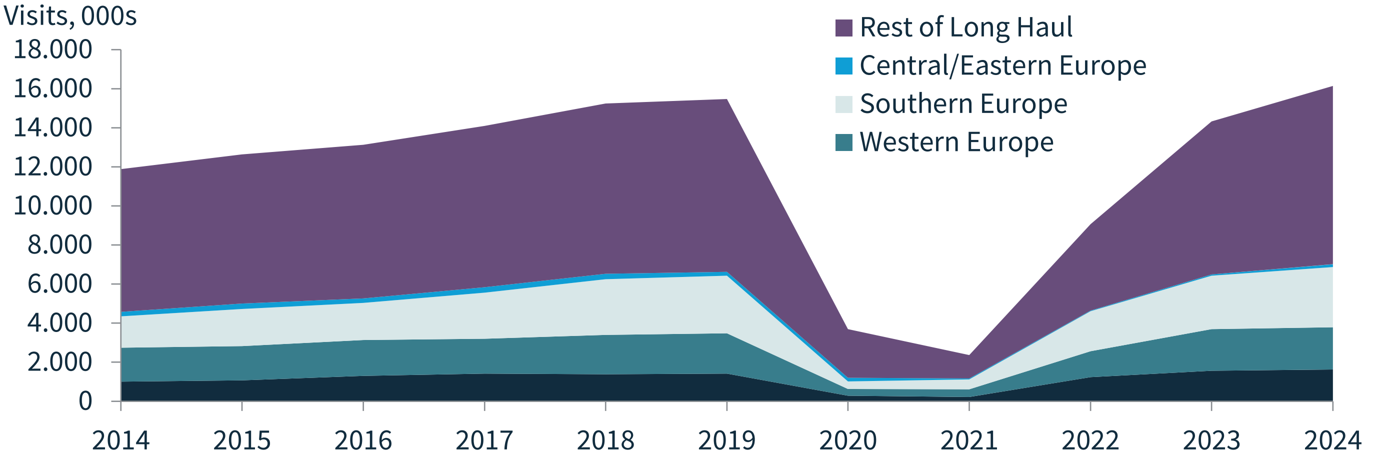
Canada market share summary

	2023		Growth (2023-28)			Growth (2018-23)	
	000s	Share**	Annual average	Cumulative growth*	Share 2028**	Cumulative growth*	Share 2018**
Total outbound travel	**37,198**	-	**5.9%**	**33.1%**	-	**-4.1%**	-
Long haul	14,404	38.7%	7.8%	45.7%	42.4%	-5.0%	39.1%
Short haul	22,794	61.3%	4.6%	25.1%	57.6%	-3.6%	60.9%
Travel to Europe	**6,574**	**17.7%**	**4.6%**	**25.1%**	**16.6%**	**2.0%**	**16.6%**
European Union	1,002	2.7%	48.9%	631.0%	14.8%	-78.7%	12.1%
Northern Europe	1,571	4.2%	2.4%	12.5%	3.6%	14.0%	3.6%
Western Europe	2,121	5.7%	2.8%	15.0%	4.9%	5.4%	5.2%
Southern Europe	2,741	7.4%	6.7%	38.3%	7.7%	-4.3%	7.4%
Central/Eastern Europe	141	0.4%	10.3%	63.0%	0.5%	-24.8%	0.5%

*Shows cumulative change over the relevant time period indicated. 2018-23 includes COVID-19 pandemic related declines.
**Shares are expressed as % of total outbound travel

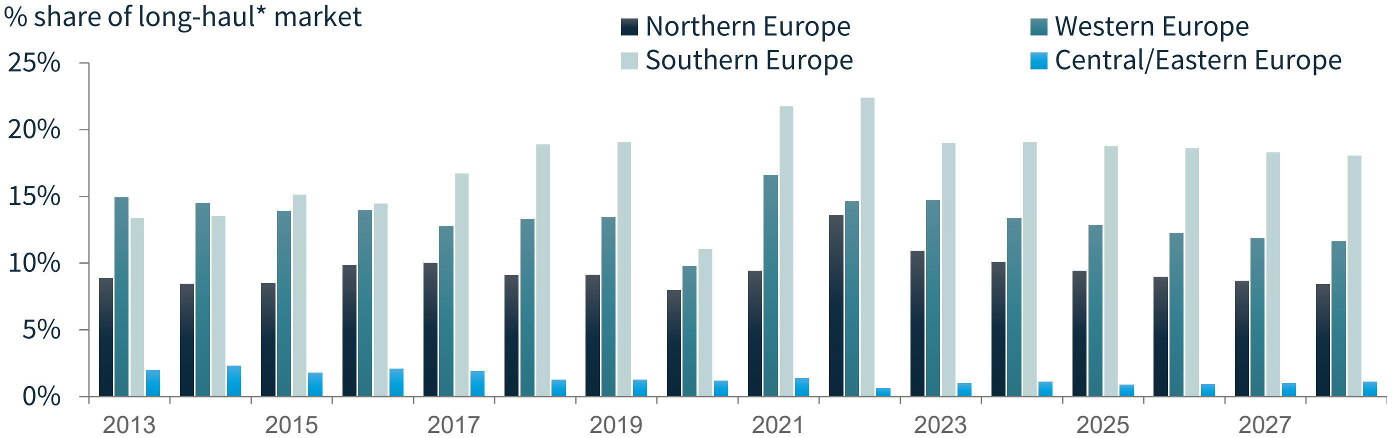
Source: Tourism Economics

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

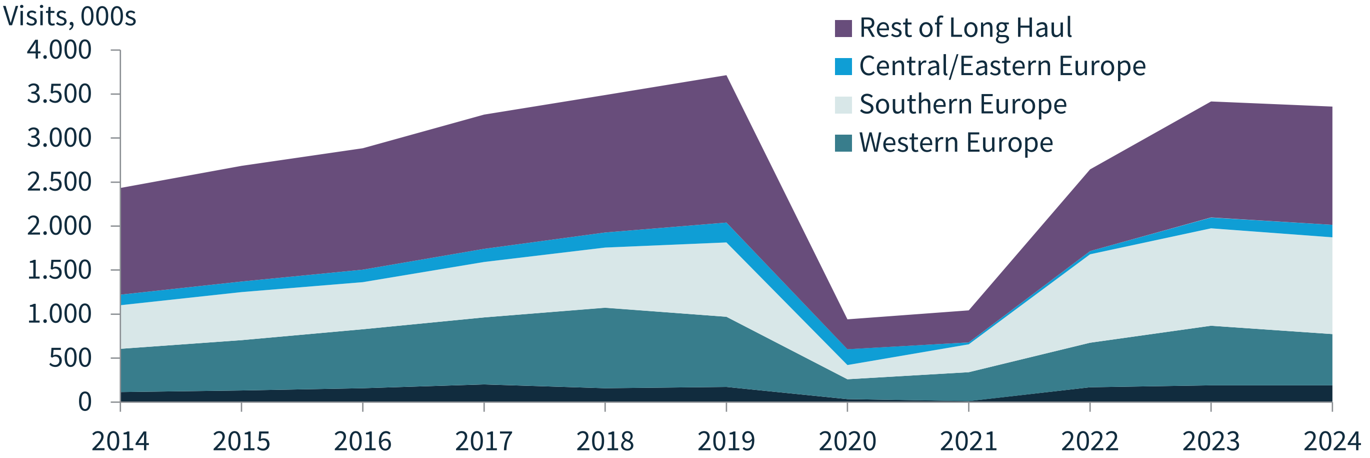
Mexico market share summary

	2023		Growth (2023-28)			Growth (2018-23)	
	000s	Share**	Annual average	Cumulative growth*	Share 2028**	Cumulative growth*	Share 2018**
Total outbound travel	18,503	-	8.4%	50.0%	-	-17.1%	-
Long haul	3,435	18.6%	7.1%	41.0%	17.5%	-3.0%	15.9%
Short haul	15,068	81.4%	8.7%	52.0%	82.5%	-19.8%	84.1%
Travel to Europe	**2,115**	**11.4%**	**4.2%**	**22.6%**	**9.3%**	**6.8%**	**8.9%**
European Union	416	2.2%	37.2%	386.7%	7.3%	-67.6%	5.7%
Northern Europe	192	1.0%	2.7%	14.5%	0.8%	21.4%	0.7%
Western Europe	676	3.7%	6.1%	34.2%	3.3%	-26.1%	4.1%
Southern Europe	1,105	6.0%	2.8%	14.9%	4.6%	62.1%	3.1%
Central/Eastern Europe	142	0.8%	6.6%	37.9%	0.7%	-37.3%	1.0%

*Shows cumulative change over the relevant time period indicated. 2018-23 includes COVID-19 pandemic related declines.
**Shares are expressed as % of total outbound travel

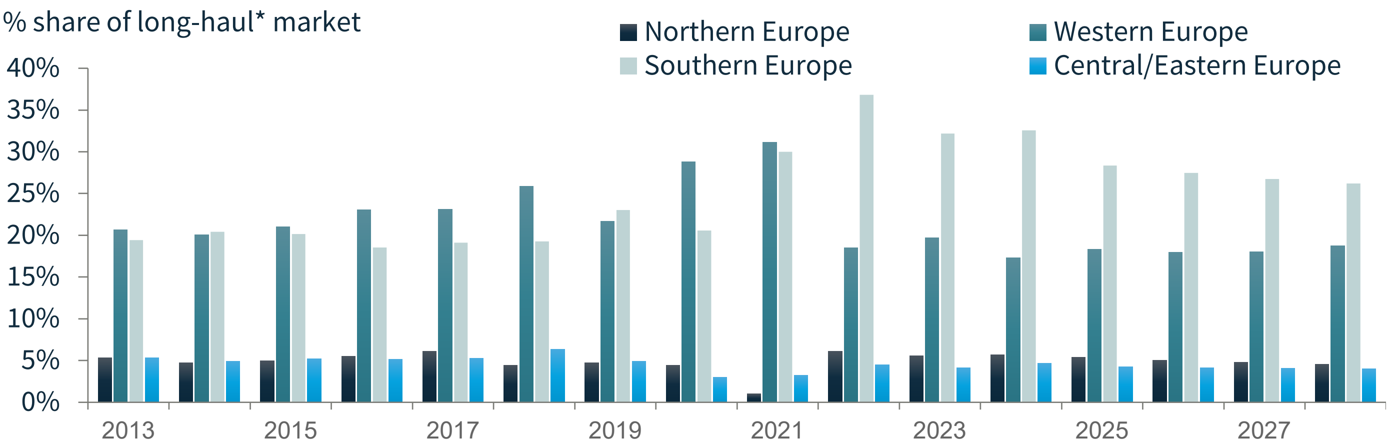
Source: Tourism Economics

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

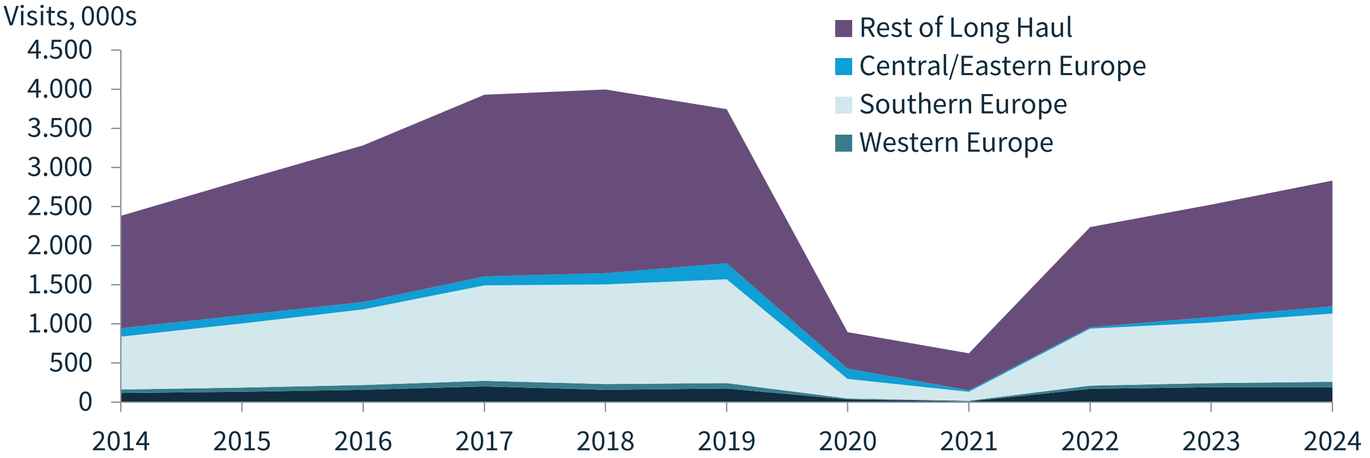
Argentina market share summary

	2023		Growth (2023-28)			Growth (2018-23)	
	000s	Share**	Annual average	Cumulative growth*	Share 2028**	Cumulative growth*	Share 2018**
Total outbound travel	8,590	-	7.3%	42.2%	-	-33.6%	-
Long haul	2,491	29.0%	9.2%	55.2%	31.6%	-38.8%	31.5%
Short haul	6,099	71.0%	6.5%	37.0%	68.4%	-31.2%	68.5%
Travel to Europe	1,056	12.3%	8.1%	47.6%	12.8%	-38.6%	13.3%
European Union	290	3.4%	30.8%	283.0%	9.1%	-69.0%	7.2%
Northern Europe	140	1.6%	2.0%	10.3%	1.3%	-16.2%	1.3%
Western Europe	50	0.6%	11.9%	75.6%	0.7%	-33.0%	0.6%
Southern Europe	774	9.0%	8.7%	52.0%	9.6%	-39.1%	9.8%
Central/Eastern Europe	91	1.1%	8.9%	53.0%	1.1%	-55.9%	1.6%

*Shows cumulative change over the relevant time period indicated. 2018-23 includes COVID-19 pandemic related declines.
**Shares are expressed as % of total outbound travel

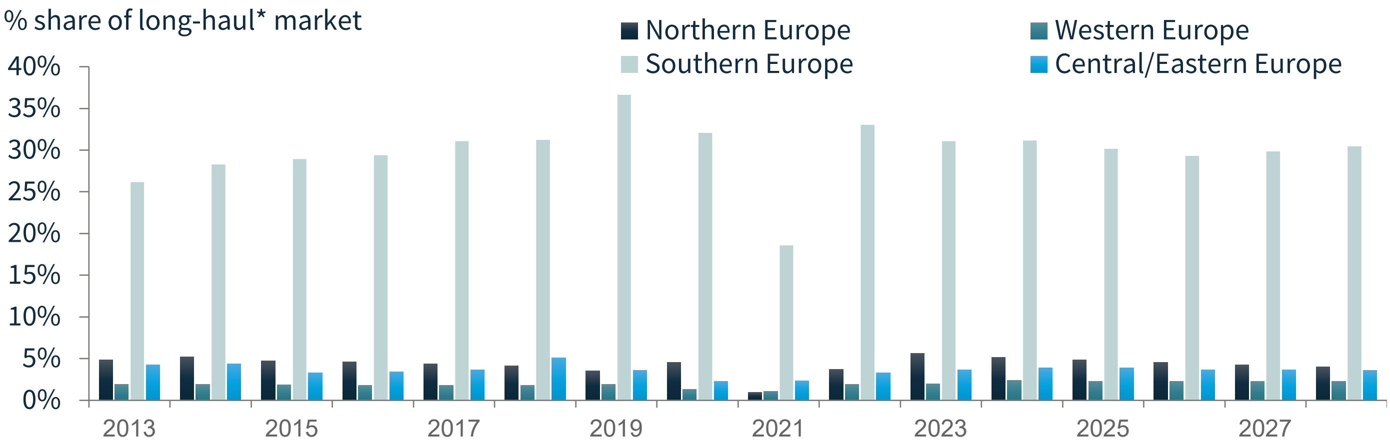
Source: Tourism Economics

Argentina Long-Haul* Outbound Travel



*Long haul defined as tourist arrivals to destinations outside South America
Source: Tourism Economics

Europe's share of Argentinian market



*Long haul defined as tourist arrivals to destinations outside South America
Source: Tourism Economics

Brazil market share summary

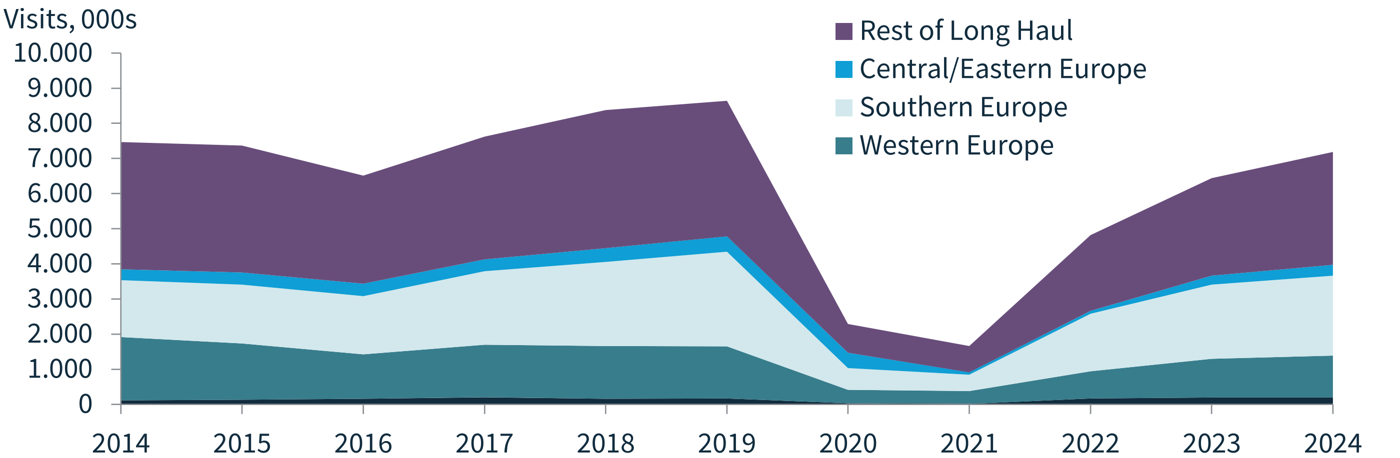
	2023		Growth (2023-28)			Growth (2018-23)	
	000s	Share**	Annual average	Cumulative growth*	Share 2028**	Cumulative growth*	Share 2018**
Total outbound travel	9,790	-	8.2%	48.2%	-	-16.4%	-
Long haul	6,665	68.1%	9.3%	55.6%	71.5%	-22.2%	73.2%
Short haul	3,125	31.9%	5.8%	32.3%	28.5%	-0.3%	26.8%
Travel to Europe	3,887	39.7%	7.9%	46.0%	39.1%	-16.2%	39.6%
European Union	1,071	10.9%	31.1%	286.8%	28.6%	-70.0%	30.5%
Northern Europe	353	3.6%	2.9%	15.2%	2.8%	17.1%	2.6%
Western Europe	1,103	11.3%	8.7%	52.0%	11.6%	-26.4%	12.8%
Southern Europe	2,116	21.6%	7.6%	44.3%	21.0%	-11.7%	20.5%
Central/Eastern Europe	315	3.2%	11.3%	70.5%	3.7%	-28.3%	3.8%

*Shows cumulative change over the relevant time period indicated. 2018-23 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

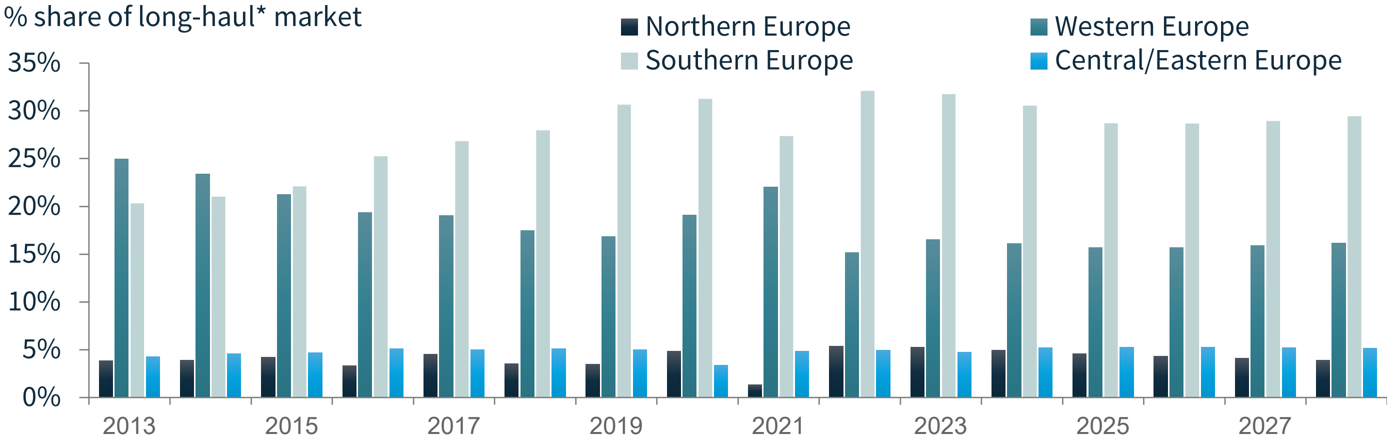
Source: Tourism Economics

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

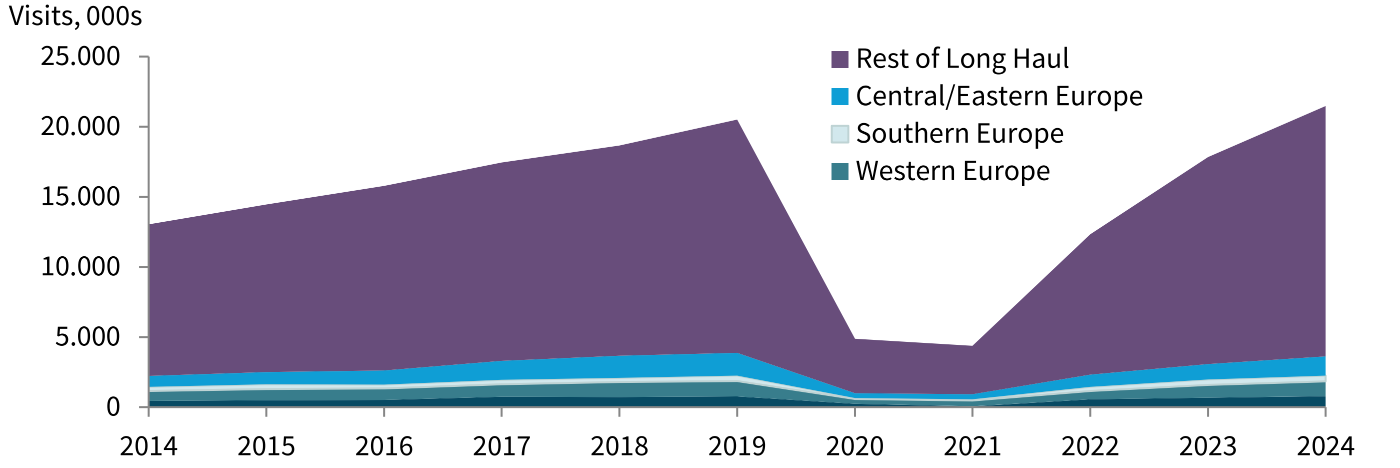
	2023		Growth (2023-28)			Growth (2018-23)	
	000s	Share**	Annual average	Cumulative growth*	Share 2028**	Cumulative growth*	Share 2018**
Total outbound travel	18,795	-	11.9%	75.6%	-	-4.4%	-
Long haul	17,837	94.9%	12.2%	78.2%	96.3%	-4.3%	94.8%
Short haul	958	5.1%	4.9%	27.3%	3.7%	-6.0%	5.2%
Travel to Europe	**3,062**	**16.3%**	**9.5%**	**57.1%**	**14.6%**	**-16.6%**	**18.7%**
European Union	626	3.3%	25.1%	206.9%	5.8%	-52.5%	6.7%
Northern Europe	662	3.5%	8.4%	49.9%	3.0%	-9.2%	3.7%
Western Europe	934	5.0%	5.7%	32.0%	3.7%	-11.7%	5.4%
Southern Europe	369	2.0%	7.2%	41.3%	1.6%	20.3%	1.6%
Central/Eastern Europe	1,096	5.8%	13.5%	88.1%	6.2%	-30.4%	8.0%

*Shows cumulative change over the relevant time period indicated. 2018-23 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

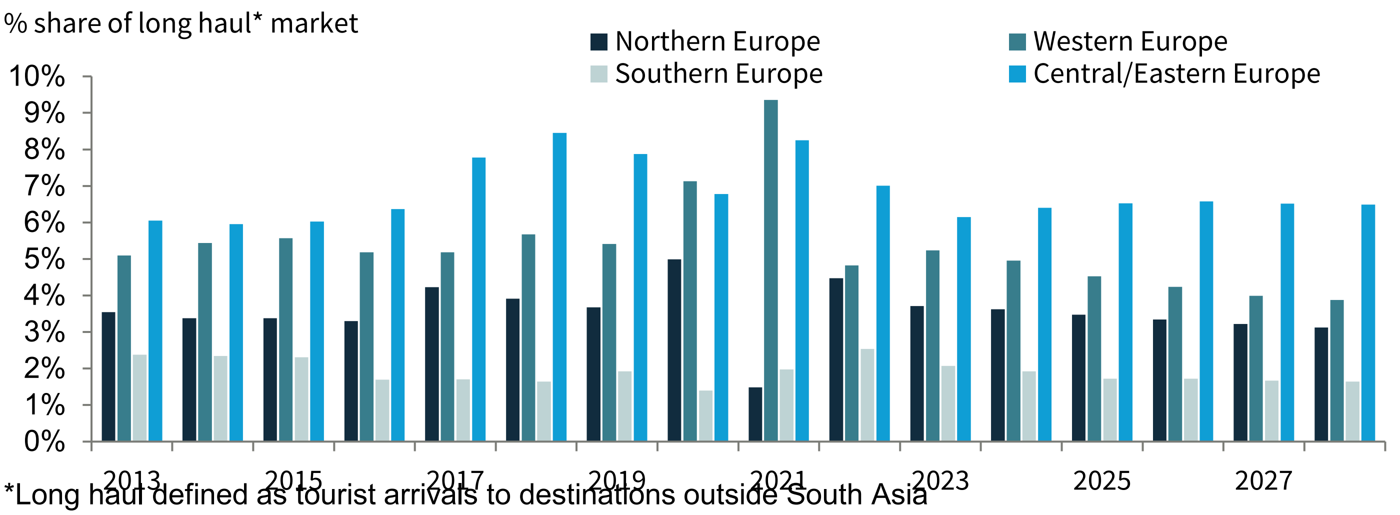
India long-haul* outbound travel



*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

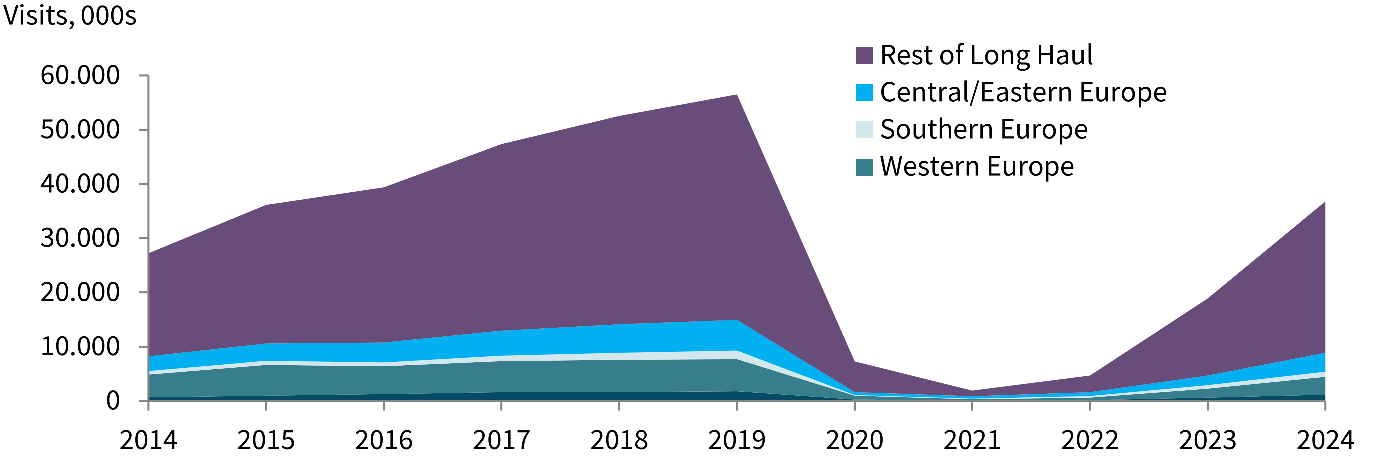
	2023		Growth (2023-28)			Growth (2018-23)	
	000s	Share**	Annual average	Cumulative growth*	Share 2028**	Cumulative growth*	Share 2018**
Total outbound travel	42,471	-	27.9%	242.5%	-	-58.2%	-
Long haul	18,911	44.5%	32.3%	305.0%	52.6%	-64.0%	51.8%
Short haul	23,560	55.5%	23.9%	192.4%	47.4%	-51.9%	48.2%
Travel to Europe	**4,673**	**11.0%**	**33.1%**	**317.5%**	**13.4%**	**-66.9%**	**13.9%**
European Union	1,057	2.5%	50.0%	658.8%	5.5%	-83.9%	6.5%
Northern Europe	596	1.4%	32.2%	304.5%	1.7%	-63.7%	1.6%
Western Europe	1,695	4.0%	34.3%	336.2%	5.1%	-71.5%	5.9%
Southern Europe	643	1.5%	16.8%	117.0%	1.0%	-50.4%	1.3%
Central/Eastern Europe	1,738	4.1%	36.7%	378.0%	5.7%	-66.7%	5.1%

*Shows cumulative change over the relevant time period indicated. 2018-23 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

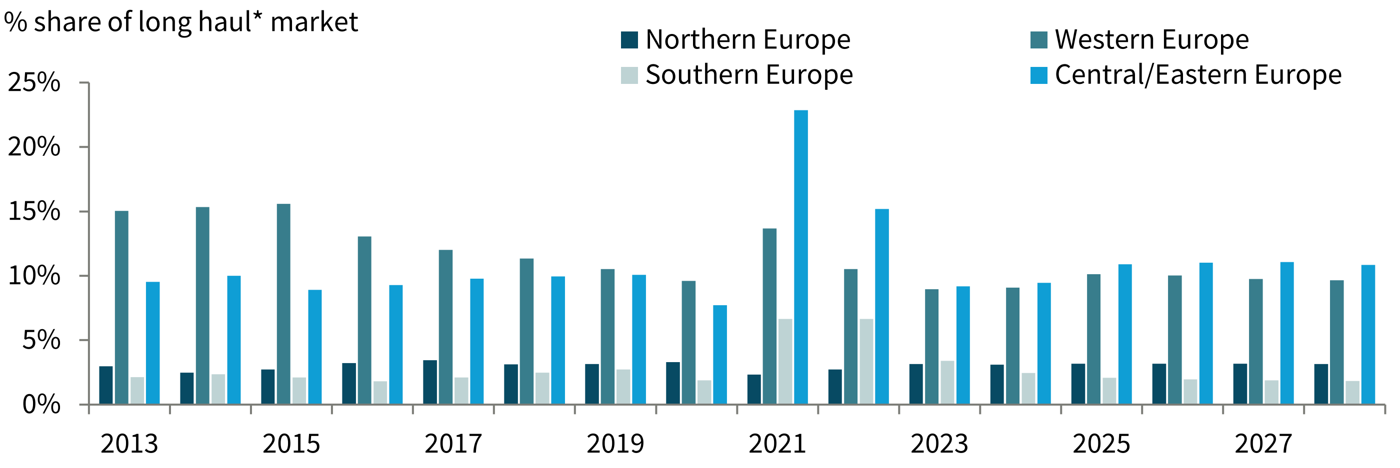
China long-haul* outbound travel



*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

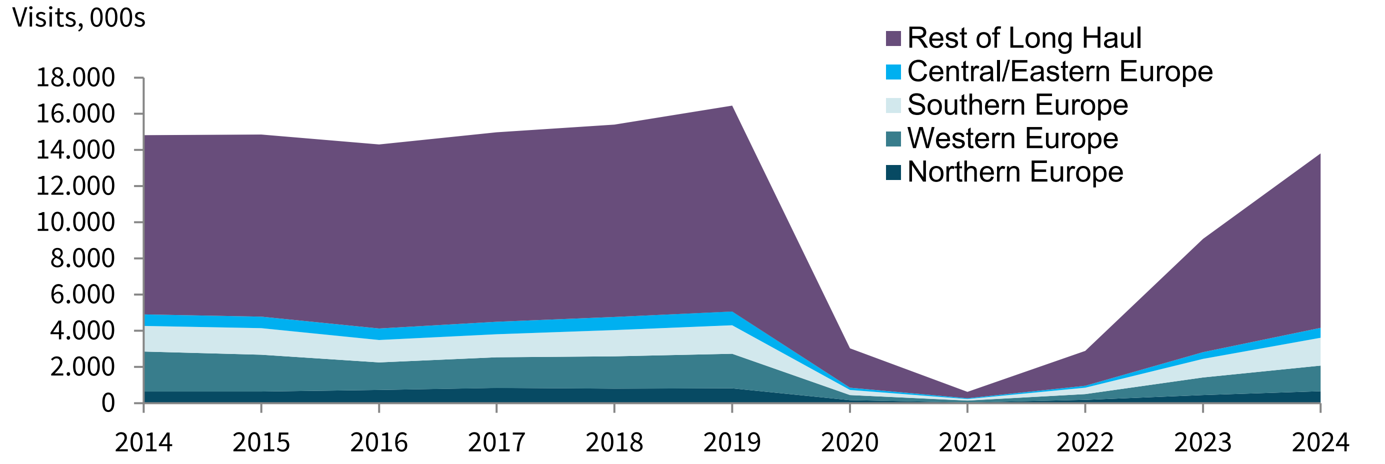
Source: Tourism Economics

Japan market share summary

	2023		Growth (2023-28)			Growth (2018-23)	
	000s	Share**	Annual average	Cumulative growth*	Share 2028**	Cumulative growth*	Share 2018**
Total outbound travel	13,651	-	19.9%	147.3%	-	-43.2%	-
Long haul	9,087	66.6%	19.7%	145.3%	66.0%	-41.0%	64.0%
Short haul	4,563	33.4%	20.2%	151.3%	34.0%	-47.2%	36.0%
Travel to Europe	2,823	20.7%	18.0%	129.1%	19.2%	-40.8%	19.8%
European Union	770	5.6%	43.0%	498.0%	13.6%	-81.7%	17.5%
Northern Europe	452	3.3%	18.1%	129.3%	3.1%	-44.0%	3.4%
Western Europe	972	7.1%	18.5%	133.8%	6.7%	-45.8%	7.5%
Southern Europe	1,031	7.6%	13.9%	92.0%	5.9%	-28.2%	6.0%
Central/Eastern Europe	370	2.7%	26.2%	220.3%	3.5%	-49.5%	3.0%

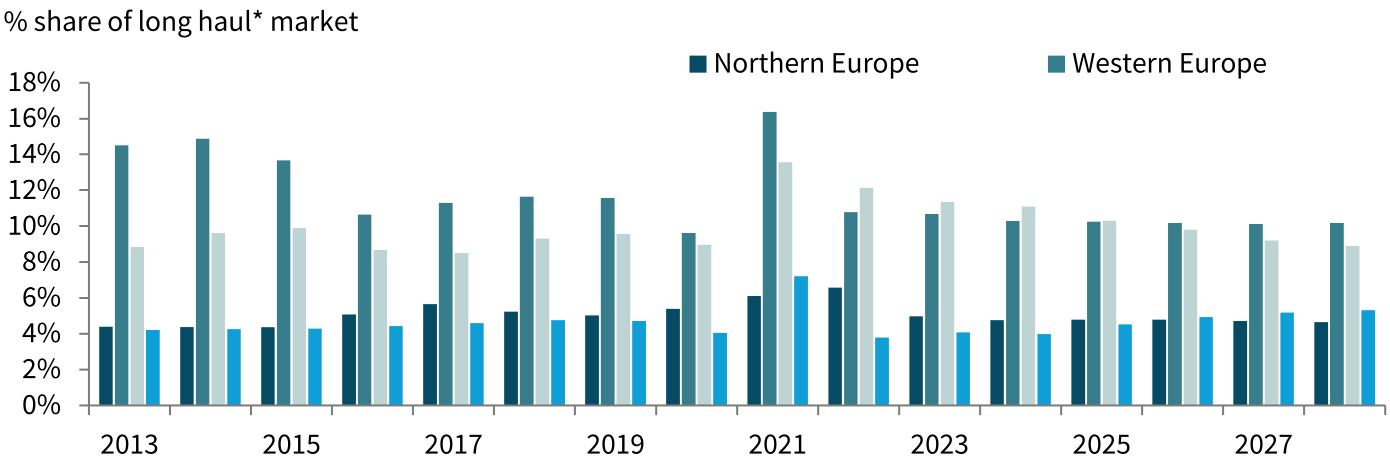
*Shows cumulative change over the relevant time period indicated. 2018-23 includes COVID-19 pandemic related declines.
**Shares are expressed as % of total outbound travel
Source: Tourism Economics

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



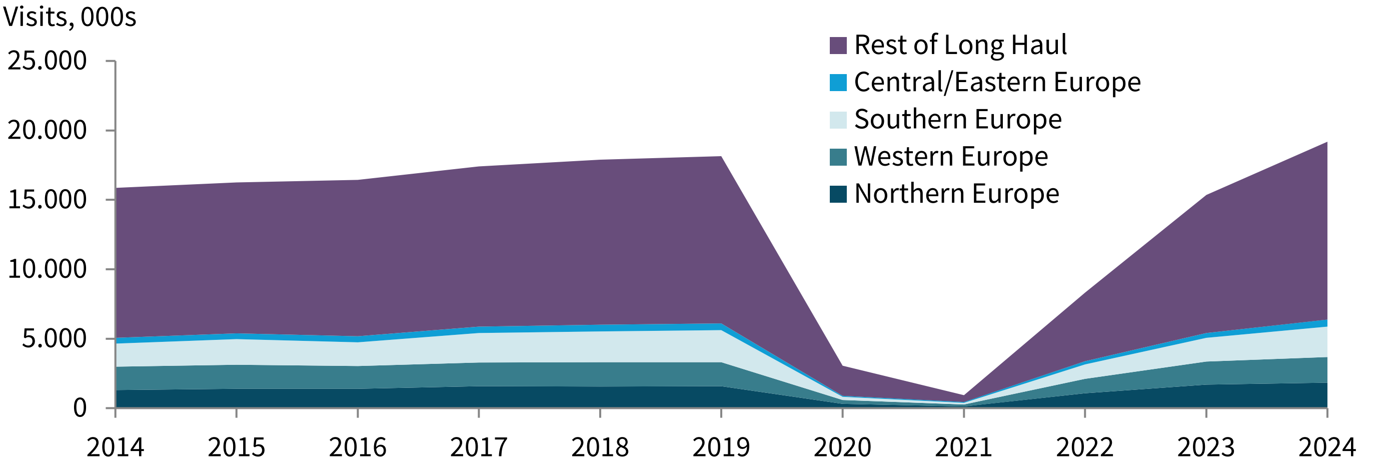
*Long haul defined as tourist arrivals to destinations outside Northeast Asia
Source: Tourism Economics

Australia market share summary

	2023		Growth (2023-28)			Growth (2018-23)	
	000s	Share**	Annual average	Cumulative growth*	Share 2028**	Cumulative growth*	Share 2018**
Total outbound travel	15,988	-	12.4%	79.4%	-	-13.7%	-
Long haul	15,349	96.0%	12.2%	78.0%	95.3%	-14.2%	96.6%
Short haul	639	4.0%	16.2%	112.0%	4.7%	1.3%	3.4%
Travel to Europe	**5,405**	**33.8%**	**7.9%**	**46.6%**	**27.6%**	**-10.2%**	**32.5%**
European Union	835	5.2%	50.5%	673.0%	22.5%	-83.3%	26.9%
Northern Europe	1,689	10.6%	3.5%	18.5%	7.0%	9.0%	8.4%
Western Europe	1,672	10.5%	5.1%	28.4%	7.5%	-5.3%	9.5%
Southern Europe	1,698	10.6%	13.3%	86.8%	11.1%	-23.0%	11.9%
Central/Eastern Europe	345	2.2%	11.7%	73.9%	2.1%	-30.7%	2.7%

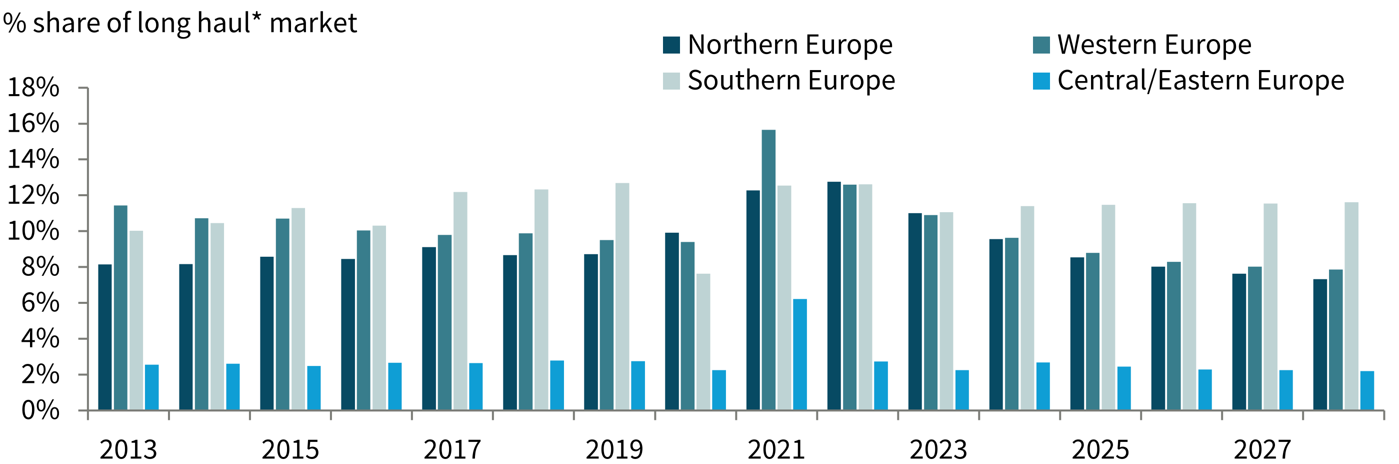
*Shows cumulative change over the relevant time period indicated. 2018-23 includes COVID-19 pandemic related declines.
**Shares are expressed as % of total outbound travel
Source: Tourism Economics

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

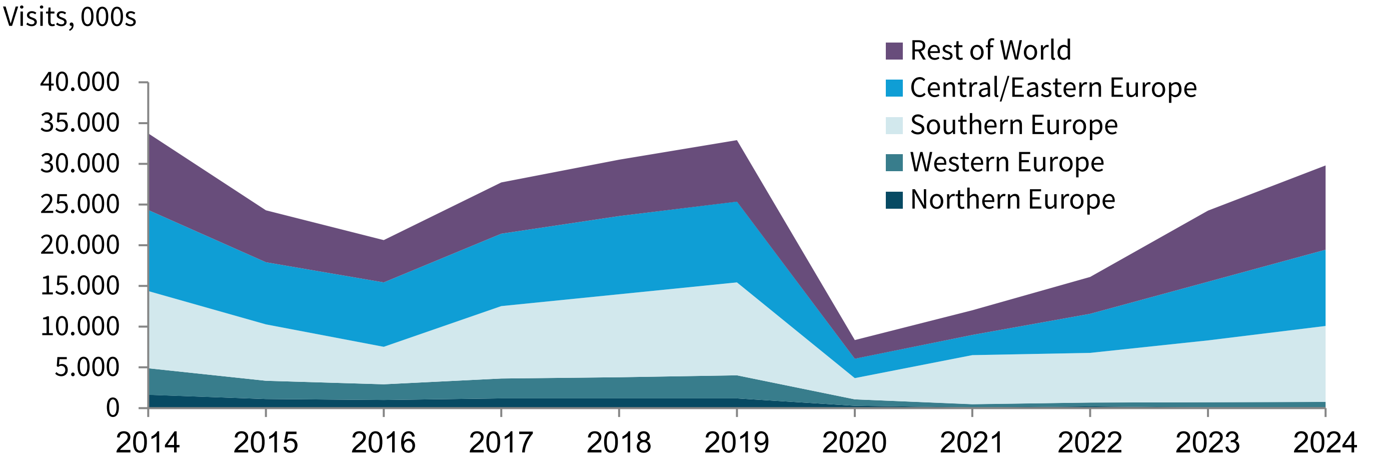
	2023		Growth (2023-28)			Growth (2018-23)	
	000s	Share**	Annual average	Cumulative growth*	Share 2028**	Cumulative growth*	Share 2018**
Total outbound travel	24,248	-	11.9%	75.8%	-	-20.5%	-
Long haul	8,751	36.1%	8.8%	52.1%	31.2%	26.3%	22.7%
Short haul	15,497	63.9%	13.6%	89.2%	68.8%	-34.2%	77.3%
Travel to Europe	**15,497**	**63.9%**	**13.6%**	**89.2%**	**68.8%**	**-34.2%**	**77.3%**
European Union	2,225	9.2%	10.7%	66.4%	8.7%	-74.3%	28.4%
Northern Europe	110	0.5%	48.5%	621.7%	1.9%	-90.9%	3.9%
Western Europe	614	2.5%	33.3%	320.5%	6.1%	-76.5%	8.6%
Southern Europe	7,588	31.3%	9.0%	53.7%	27.4%	-25.5%	33.4%
Central/Eastern Europe	7,186	29.6%	14.7%	98.8%	33.5%	-24.9%	31.4%

*Shows cumulative change over the relevant time period indicated. 2018-23 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

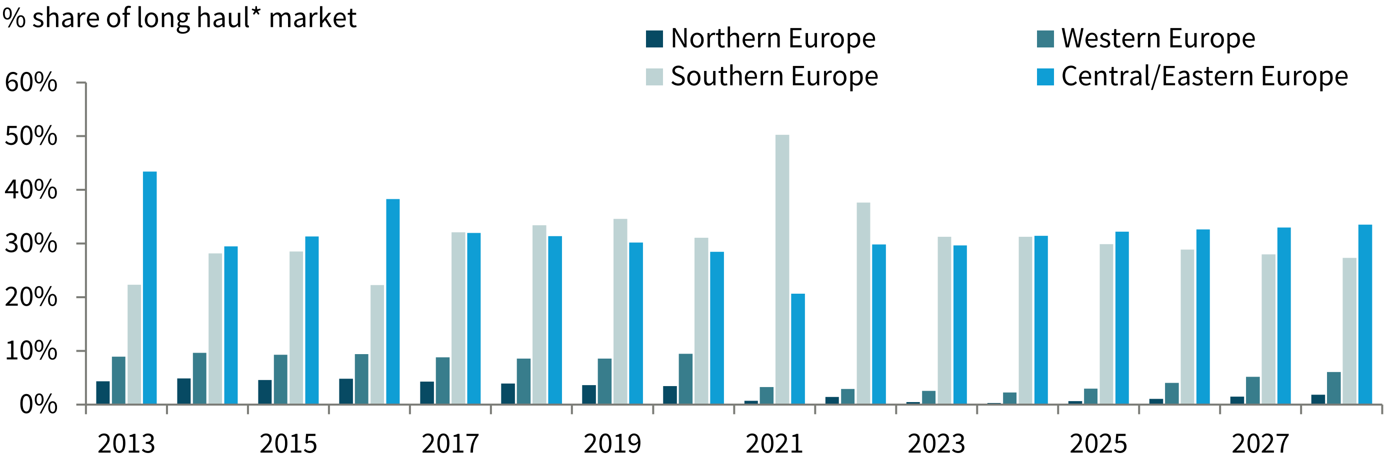
Russia long-haul* outbound travel



*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

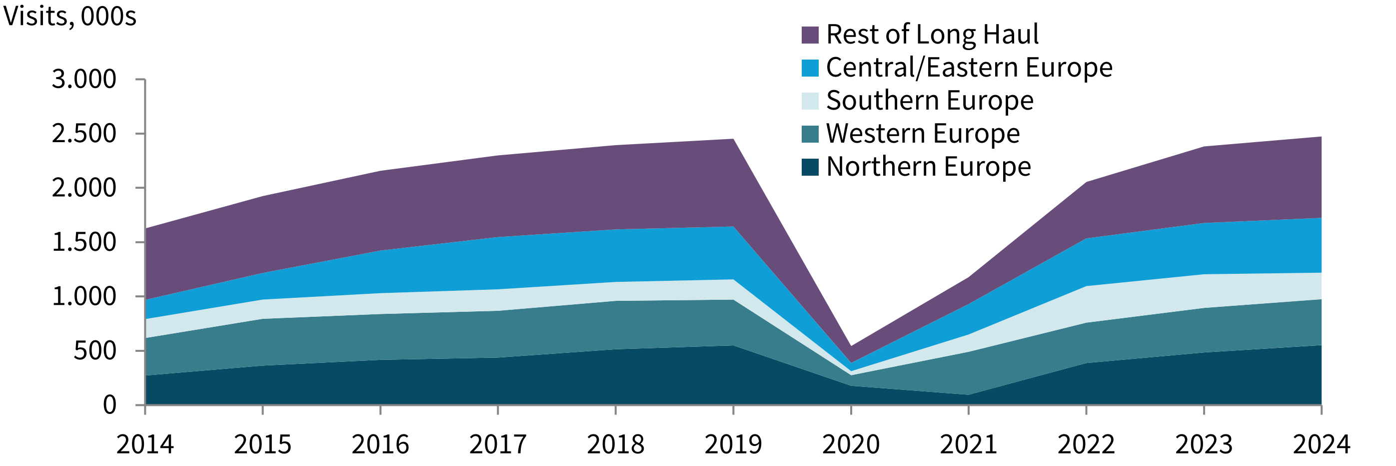
	2023		Growth (2023-28)			Growth (2018-23)	
	000s	Share**	Annual average	Cumulative growth*	Share 2028**	Cumulative growth*	Share 2018**
Total outbound travel	4,281	-	7.8%	45.7%	-	16.2%	-
Long haul	2,383	55.7%	4.3%	23.6%	47.2%	-0.4%	64.9%
Short haul	1,898	44.3%	11.7%	73.6%	52.8%	46.9%	35.1%
Travel to Europe	1,675	39.1%	3.4%	18.3%	31.8%	3.5%	43.9%
European Union	296	6.9%	31.5%	293.6%	18.7%	-64.1%	22.4%
Northern Europe	484	11.3%	6.3%	35.7%	10.5%	-5.8%	14.0%
Western Europe	412	9.6%	3.0%	15.8%	7.6%	-7.4%	12.1%
Southern Europe	310	7.2%	-2.8%	-13.4%	4.3%	77.1%	4.8%
Central/Eastern Europe	469	11.0%	4.3%	23.6%	9.3%	-3.2%	13.2%

*Shows cumulative change over the relevant time period indicated. 2018-23 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

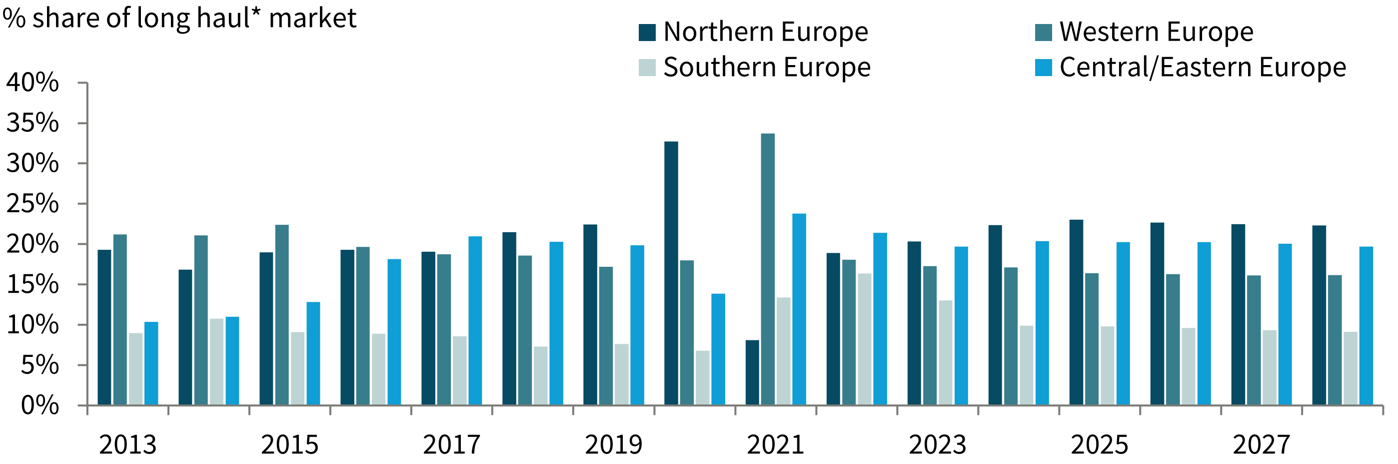
United Arab Emirates long-haul* outbound travel



*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

At a global level, recent data continue to paint a broadly positive picture of the economic outlook. Indeed, the JP Morgan global composite PMI increased to its highest level in a year, suggesting that our forecast for a slight easing in the quarter-on-quarter rate of global GDP growth in Q2 could prove too pessimistic.

Although, recent inflation data in the advanced economies have added to concerns about sticky underlying inflationary pressures, the ECB pushed ahead with a widely flagged policy rate reduction. It joins the Bank of Canada, the Riksbank, and the Swiss National Bank in the rate cutting camp.

The decision to cut partly reflects policymakers returning to a more forward-looking assessment for the appropriate policy stance. It is expected that the Fed will follow suit in September. The combination of steady, albeit unspectacular, growth and high services inflation points to a gradual pace of rate cuts and if services inflation fails to fall back, a prolonged pause in 2025 is plausible. But all in all, global GDP is expected to grow by 2.6% this year before picking up to 2.8% in 2025 on the back of this policy easing.

Summary of Economic Outlook, % change*

	2023					2024				
Country	GDP	Consumer expenditure	Unemploy-ment**	Exchange rate***	Inflation	GDP	Consumer expenditure	Unemploy-ment**	Exchange rate***	Inflation
UK	0.1%	0.2%	4.0%	-2.0%	7.3%	0.9%	0.7%	4.2%	1.7%	2.5%
France	1.1%	0.9%	7.1%	0.0%	4.9%	0.9%	1.0%	7.2%	0.0%	2.3%
Germany	0.0%	-0.6%	5.7%	0.0%	5.9%	0.1%	0.8%	5.8%	0.0%	1.8%
Netherlands	0.2%	0.4%	3.6%	0.0%	3.8%	0.7%	2.3%	3.8%	0.0%	2.7%
Italy	1.0%	1.2%	7.7%	0.0%	5.6%	0.8%	0.2%	7.4%	0.0%	1.1%
Spain	2.5%	1.8%	12.2%	0.0%	3.5%	2.5%	1.8%	11.7%	0.0%	3.3%
Russia	3.6%	6.5%	3.2%	-21.2%	5.9%	3.6%	4.1%	2.8%	-7.2%	6.9%
US	2.5%	2.2%	3.6%	-2.6%	4.1%	2.4%	2.4%	3.9%	0.1%	3.3%
Canada	1.2%	1.7%	5.4%	-6.1%	3.9%	0.2%	1.4%	6.7%	-1.4%	2.6%
Brazil	2.9%	3.1%	8.0%	0.7%	4.6%	1.2%	1.1%	7.7%	-3.5%	4.0%
China	5.2%	9.2%	3.6%	-7.6%	0.2%	4.7%	6.1%	3.4%	-2.1%	0.4%
Japan	1.9%	0.6%	2.6%	-9.2%	3.3%	0.4%	-0.2%	2.4%	-8.2%	2.2%
India	7.7%	3.4%	8.1%	-7.4%	5.7%	6.8%	5.7%	7.7%	-0.6%	4.7%

Source: Tourism Economics based on GEM as of 17.06.2024

* Unless otherwise specified

** Percentage point change

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

Eurozone

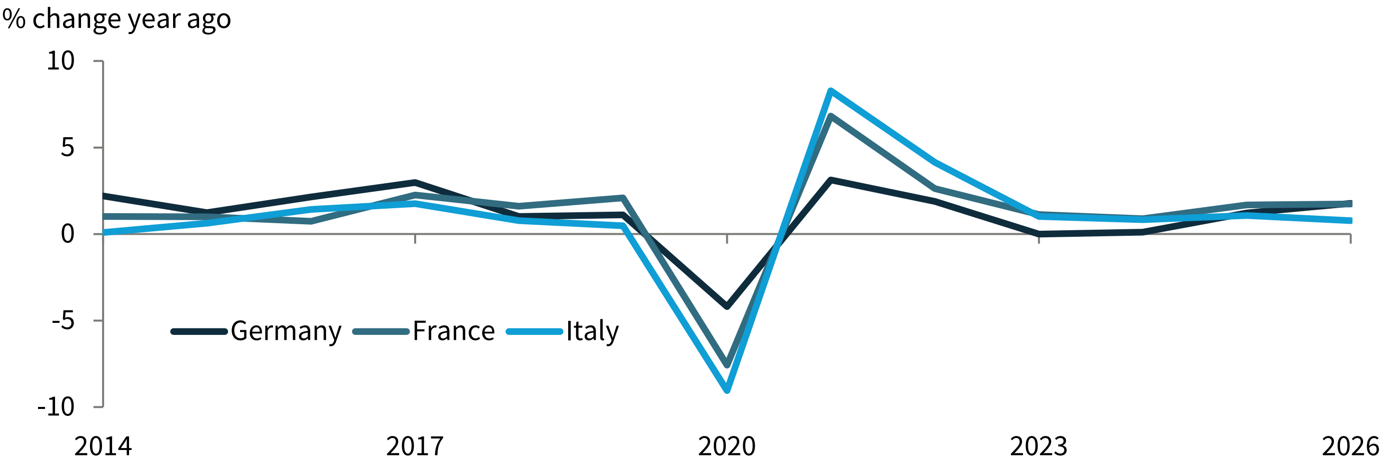
The Eurozone Q1 GDP growth was confirmed at 0.3%, this expansion was broad-based across the largest economies and the components suggest activity was supported by a robust net trade contribution. Private consumption grew but only marginally. Meanwhile, investment was negative during the quarter amid tight credit conditions, despite a positive quarter for construction investment in Italy and Germany. In terms of country performances, Spain and Portugal reported strong activity at the start of this year. However, it is not expected that it is indicative of a new structural north-south divergence in economic growth.

In line with expectations, the ECB cut its policy rates by 25bps at its June meeting. However, the ECB did not offer any major hints about forthcoming moves, although the policy statement and President Christine Lagarde's press conference retained a hawkish bias. The forecast assumes that progress on domestic inflation and wages will not be fast enough to reduce the ECB's hawkish tilt sufficiently, we now expect only two additional rate cuts this year in September and December.

Recent surveys suggest that the recovery should continue, and monthly incoming data remain positive. May's Economic Sentiment Index (ESI) complemented the supportive PMIs by signalling a broad-based improvement across countries and sectors. Based on this, it is likely that the economy will report similar rates of growth in Q2 and Q3 before activity gains more pace at the end of this year and into next. Economic activity will likely strengthen as positive cyclical tailwinds in the form of lower inflation, monetary policy easing, and better demand prospects in industry come to the forefront.

Eurozone GDP is expected to expand by 0.8% this year and leading indicators in industry suggest a turning point in the business cycle is near, with industrial sectors gaining momentum in 2024 and setting up for a solid 2025. This should help the more industrialized countries, such as Germany.

Economic performance in key Eurozone economies, real GDP



Source: Oxford Economics

United Kingdom

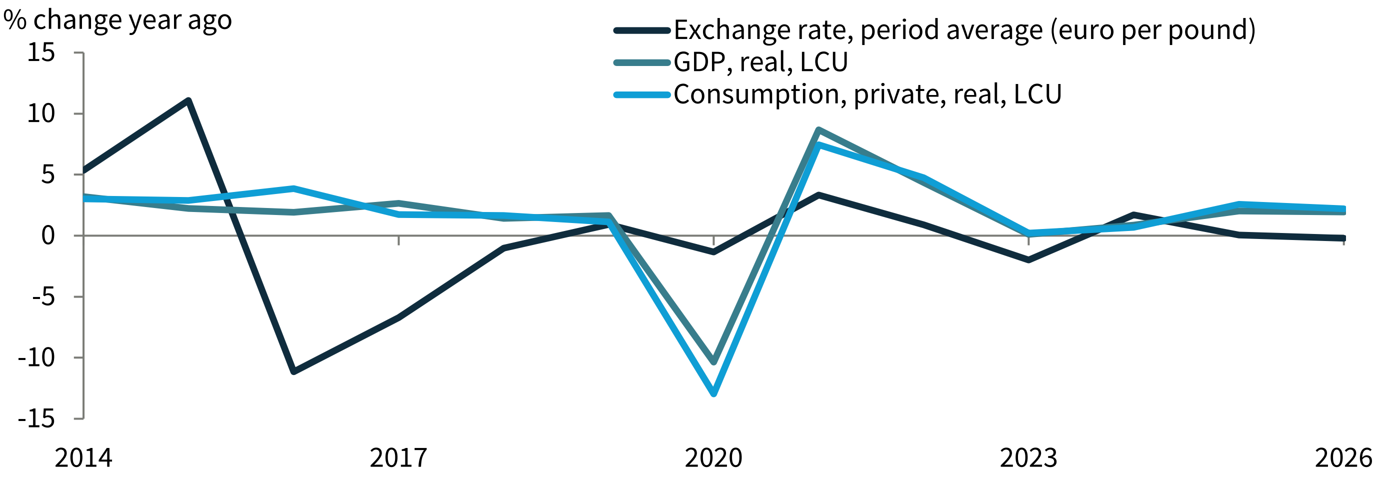
The preliminary estimate for Q1 reported quarterly GDP growth of 0.6%, more than reversing the small falls in GDP in H2 2023. Monthly data showed GDP accelerated on a monthly basis through Q1, culminating in 0.4% monthly growth in March. Some of March's consumer strength likely reflects the earlier than normal timing of Easter. The lack of industrial action in the health sector was also a positive factor in March, after public sector strikes had exerted a sizeable drag for large parts of the past 18 months.

Business survey data suggests the economy has carried decent momentum in Q2. But a sharp fall in retail sales in April indicates there was some payback in Q2 from the early Easter, and this may also affect other sectors. Meanwhile, further strikes by junior doctors at the end of June will drag on health activity. GDP growth is therefore likely to be slower on a quarterly basis in Q2 than Q1.

A large fall in the energy price cap ensured that CPI inflation dropped to 2.3% in April, the lowest rate in nearly three years. But services inflation, a series identified by the Monetary Policy Committee (MPC) as being a key indicator of inflation persistence, was much higher than the BoE anticipated. This has likely ended hopes of an interest rate cut at the MPC's June meeting. However, provided that the incoming data is supportive, it is still expected the MPC will cut Bank Rate by 25bps in August and November, leaving Bank Rate at 4.75% at year-end.

As a result, the boost to real household incomes from a sharp fall in inflation will be the key driver of stronger growth over the near-term. The lagged impact of past interest rate rises will weigh on the recovery this year, but lower interest rates will likely begin to offer support to growth next year. Due to the snap election set for July, there is greater uncertainty over the growth impact of fiscal policy going forward. Overall, GDP growth is expected to rise by 0.9% this year, a marked improvement on 2023 and pick-up to 2% in 2025.

United Kingdom economic outlook



Source: Oxford Economics

United States

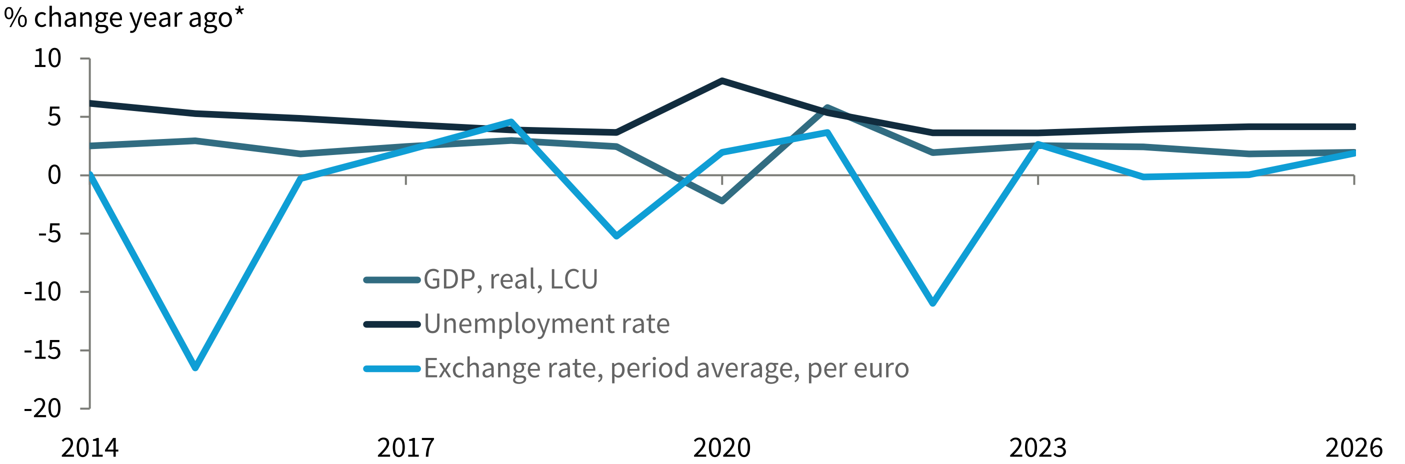
GDP had a slower start to the year, expanding by just 1.6% at an annualised rate in Q1. However, it is not an immediate cause for concern because real final sales to domestic purchasers, the economy's main economic engine, are fine and threats to the expansion do not appear overly threatening. The weakness in the economy in Q1 may be a little hangover after the economy grew rapidly in H2 2023.

In terms of consumer spending, the overwhelming majority of households are still in decent shape, underpinned by the solid labour market, and the strong state of household balance sheets. If anything, the risks to spending appear to be to the upside. However, the slowdown in hiring and the renewed pressure on real incomes from stubborn inflation have hit those at the low end of the income distribution disproportionately hard, putting pressure on their spending. But as economic growth is only expected to cool, rather than stall, it is not anticipated that there will be a significant rise in layoffs or the unemployment rate.

Inflation is expected to moderate on a monthly basis in H2 this year as the disinflation in rents begins to appear and nominal wage growth cools further. President Biden's new tariffs on China won't have a substantial impact on domestic inflation. A concern is that market rents could pick up again, putting upward pressure on inflation. The forecast assumes the first rate cut will occur in September, followed by another in December and cuts at every other meeting in 2025.

The outcome of the presidential election does pose a risk to the fiscal side of the economy, where there could be significant policy changes based on the outcome. On balance, GDP is expected to expand by 2.4% this year (slightly down on 2023).

United States economic outlook



Source: Oxford Economics *Unemployment rate is absolute

Japan

According to the preliminary estimates, Japan's GDP contracted by 0.5% on the quarter in Q1 after staying flat in Q4 2023. The weakness was broad-based as most final demand components shrank in quarterly terms, partly due some automakers temporarily halting shipments in early Q1 as Japan's auto-testing scandal deepens.

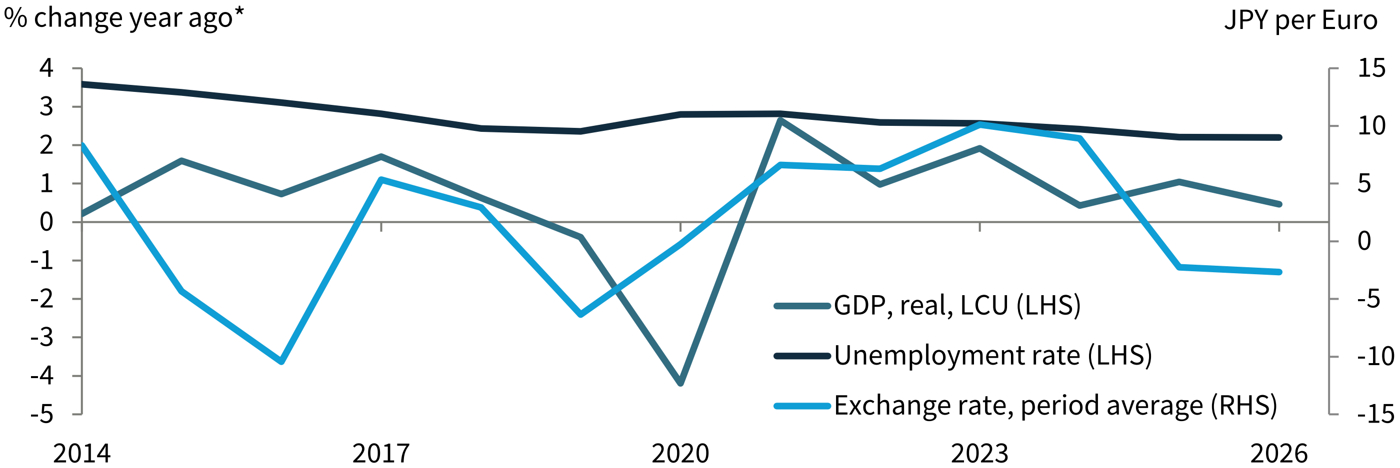
Looking ahead, activity should improve as the effects of the auto production halt will fade in Q2 and households' real incomes will recover, particularly in the second half of the year when the annual pay rise (around 5%) will be reflected in incomes. But the pace of recovery will stay modest as pent-up demand fades. However , weak external demand is likely to continue to hamper growth.

Considering the robust wage settlement, as well as the BoJ's updated inflation outlook and its appetite to end the zero-interest rate policy, it is expected that the BoJ will raise its policy rate in September. The terminal rate for the BoJ looks to be 1%, though the risks that it won't be reached are significant.

After the yen appreciated somewhat in early May following a foreign exchange intervention from the Ministry of Finance, the currency gradually depreciated by late May as the market started to price in fewer rate cuts by the US Federal Reserve this year. The yen will likely stay weak despite the BoJ's gradual rate hikes in the coming years, as US dollar strength is likely to persist.

Despite more positive growth looking set for the second half of 2024, the weak start to this year is expected to see economic growth expand by only 0.4% this year, down from 1.9% in 2023. The benefits of easing inflation on consumer spending will play a larger role in 2025.

Japan economic outlook



Source: Oxford Economics *Unemployment rate is absolute

Emerging Markets

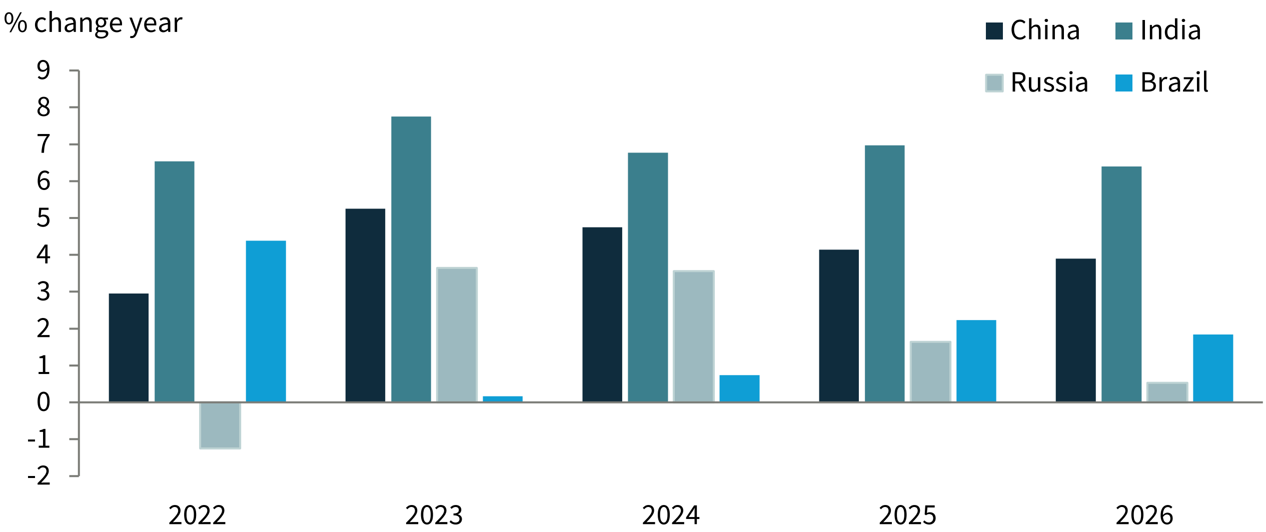
China's outperformance in manufacturing from early this year extended into Q2, exports broadly held up, and the implementation of previously announced fiscal stimulus kicked in. On the flip side, indicators on private consumption slowed down, while the deceleration across housing activity persisted. The reported sequential boost in quarterly growth to 1.6% (seasonally adjusted) in Q1 from 1.2% in Q4 probably won't last into the following quarters. The softness and unpredictability of external demand, and cautious stimulus, are likely to drive growth to slow in Q2, with GDP growth averaging 4.7% this year.

The slowdown in economic growth in India at the end of Q1 proved short-lived, with vehicle sales rebounding in April from a drop in the previous month. Goods and services tax collections have been on a steady upward trend in seasonally adjusted terms since the start of the year, after being broadly stable throughout the second half of 2023. Further to this, private consumption should be bolstered by improving labour market conditions, although a hotter-than-expected summer could weigh on rural households in the coming months. The inflation outlook for the coming months remains mixed, with a hot summer potentially pushing food prices up while oil prices remain volatile. It is anticipated that the Bank of India’s rate cut this year will be pushed out to Q4.

Q4 national accounts in Brazil showed that the economy stalled for two consecutive quarters as the agricultural sector's jump in Q1 normalised after a bumper harvest last year. This was offset by growth in both the services and industry sectors. But overall, economic growth is unlikely to keep up with the pace of global growth for much longer as more restrictive fiscal and monetary policies should translate into weaker growth.

Russian GDP growth is likely to have slowed to 4.9% in Q1 on the year from 5.1% in Q4. In sequential and seasonally adjusted terms, growth accelerated to 1.1% on the quarter in Q1 from 0.8% in Q4. The high-frequency indicators suggest that sequential growth was particularly strong in January-February, before cooling in March. Household consumption and investment will likely drive economic expansion this year. With a 6% of GDP hike in the current year's military spending from 3.9% of GDP in 2023, government consumption will also bolster growth. Monetary tightening has so far failed to dampen consumer demand. However, its effect may become more pronounced in H2 2024 and early 2025. Overall, GDP growth should expand by 3.6% this year, matching the pace of last year.

Economic growth in selected emerging markets, GDP real



Source: Oxford Economics

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

TRAVELSAT© Sentiment Index & Sentiment Analysis Technology

E-Reputation data is sourced from the TRAVELSAT© Sentiment Index, an advanced social listening-based technique applied to travel and destinations developed by MMGY TCI Research. A proprietary script allows web-crawling posts and social content shared that can influence destination reputation, in direct relation to tourism or from other non-tourism external factors that impact attractiveness for potential visitors (politics, safety, social events, societal, economic context, business, geopolitics...).

The “sentiment” reflects the state of travel brands’ online reputation. These are seen through online social conversations at a global level. They are shared by differing media, consumers, companies, citizens, brands and officials on websites, forums, blogs & social networks. While sentiment is not predictive of travellers’ planning, a positive e-reputation is essential to generate favourability towards destinations and travel brands, particularly when choosing a destination.

Data are reported as Net Sentiment Scores measuring the balance of sentiment polarity in online social conversations concerning the topic and destinations monitored: % of positive comments - % of negative comments. In this sense, scores range from -100 to +100, where 0 is the middle point balancing an equal number of positive and negative mentions.

The sections on Value for Money and Sustainable Travel are measured through sentiment scores stemming from written reviews from 45 sources (TripAdvisor, Google Reviews, Booking…). In order to calculate the scores MMGY TCI Research uses advanced Sentiment Analysis Technology to detect the positive and negative sentiment towards specific concepts or topics in written reviews. In order to form the concepts, often referred to as “dimensions”, keywords or lexicons are detected in the text. The context in which these are used in a review and the polarity of other words in the review are also used in determining the full polarity of the review (Positive, Neutral, or Negative).

Sentiment scores range from 0 to 10, with the lowest score being 0 and the highest being 10. When it comes to sentiment analysis, the score can be seen as the polarity of written reviews that a destination or point of interest has received. In this sense, a score over 5 means that the consolidated polarity of all reviews is more positive than it is negative, with the opposite being the case for scores below 5. A score of 5 will mean an equal proportion of positive and negative polarity.

Appendix 3

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
Türkiye - Türkiye Tourism Promotion and Development Agency
Ukraine – State Agency for Tourism Development of Ukraine (SATD)