

POSITIVE START TO 2019 FOR THE EUROPEAN TOURISM SECTOR, BUT CHALLENGES LIE AHEAD

- **Maintaining growth in 2019 will be more difficult than 2018, however, the majority of destinations are currently reporting growth.**
- **The vacation rental market accounts for around 60% of available bed spaces across Europe.**

Brussels, 9 May 2019: According to the European Travel Commission's latest quarterly report, "[European Tourism - Trends & Prospects 2019](#)", Europe kicked off 2019 on a positive note following an impressive 6%¹ growth in 2018. Looking ahead to the rest of the year, a more moderate rate of expansion is expected for 2019 (around 3.6%), with short term risks, such as the slowing global economy, trade tensions and political uncertainty weighing on growth projections.

Despite challenges, the majority of destinations which have reported data for early-2019 performances, have shown continued growth in foreign arrivals and overnight stays. Among the most impressive performers is Montenegro, which has invested in improved winter infrastructure allowing the destination to extend the tourism season for interested travellers. This investment, coupled with significant promotional activities and improved air connectivity, has seen the country record growth of 41% in arrivals compared to the same period a year ago.

Other destinations that have experienced considerable growth in international arrivals are Turkey and Ireland, (both +7%). Despite lingering weakness in the value of pound relative to the euro, growth in travel to Ireland from the UK was modest, but significant given the UK accounts for over 40% of total arrivals to Ireland. Amidst the Brexit downturn, Ireland is set to reduce reliance on its second largest source market through a market diversification approach. Elsewhere, large destinations such as Portugal (+6%) and Spain (+2%) broke arrival records in absolute terms early in the year, benefitting from increasing year-on-year tourism revenues. While both gained market share during this period, the strong recovery of the Turkish tourism sector means these Iberian destinations will face significant challenges for the remainder of 2019.

Speaking following the launch of the report, Eduardo Santander, Executive Director of ETC said: *"The European tourism industry has yet again proved popular in early 2019. Strong air connectivity, significant promotional activities and strong demand from Europe's largest long-haul source markets have all played a key part in delivering this growth. However, at all times, it is important for us to be conscious of the challenges that lie ahead. We must work together across Europe, with the assistance of European and national policy-makers, to ensure the drivers of sustainable tourism growth are in place for the benefit of all."*

Europe's key long-haul markets continue to have an ever-increasing impact on the European tourism demand. Amongst other factors, travel facilitation reforms, improved transport capacity and investments in marketing and product development have been key drivers of growth from the Chinese travel market in recent years. While Cyprus saw the strongest growth in arrivals (+125%) from this market, growth in overnights was led by Slovenia (+125%), followed by Montenegro (+66.6%) and Serbia (+53.5%).

US arrivals to Europe increased 10% in 2018 compared to the year prior. A similar rate of expansion is projected for 2019 despite an expected global economic slowdown and risks facing the US economy. The relative strength of the US dollar versus the sterling and the euro continues to make Europe an affordable destination for US travellers. Destinations that registered strongest growth in arrivals from this market early in the year were Malta (+40%),

¹ UN World Tourism Organization (UNWTO)

Turkey (+34%) and Spain (+26%).

Large capacity in Europe's vacation rental market

The ETC quarterly report also includes a special piece dedicated to the European vacation rental market aimed at quantifying the impact of the vacation rentals sector to fully understand available capacity and total destination performance. A number of trends have driven strong growth in the European vacation rentals sector, with consumer sentiment shifting somewhat in favour of a more 'authentic' or 'local' experience. Furthermore, increased internet connectivity and the almost ubiquitous use of mobiles has facilitated new ways of booking and renting.

According to the research, the potential total capacity across Europe of the vacation rentals market is 14.3 million bed spaces. This is very significant in scale, particularly when compared to the 8.7 million bed spaces which makes up the hotels sector in total. This large capacity in Europe's rental market is helping to realise demand growth, particularly in France, Italy and Spain, who account for half of all bed capacity in the market, given constraints in the hotel sector. Significantly, rather than affecting overall hotel performance, the analysis of room rates suggests that the rise in importance of vacation rentals actually complements traditional accommodation, with no evidence indicating that vacation rentals and hotels compete with each in terms of cost.

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The full report, an executive summary and an infographic can be downloaded from ETC's corporate website under the following link: <https://etc-corporate.org/reports/european-tourism-trends-prospects-q1-2019/>

Note to editors - About the European Travel Commission

The European Travel Commission is an association of National Tourism Organisations (NTOs). It was created in 1948 to promote Europe as a tourist destination to the long-haul markets outside of Europe, originally in the USA and later in Canada, Latin America and Asia. It currently has 33 member NTOs, including 7 from outside the European Union. Europe is the world's no. 1 tourist destination with 712 million international arrivals in 2018 and more than 50% of the market share of worldwide tourism.

For further information: ETC's corporate website <http://www.etc-corporate.org> is aimed at industry, government and educational personnel interested in tourism to Europe. Tourists seeking travel-specific information and ideas are directed to ETC's consumer portal <http://www.visiteurope.com>.