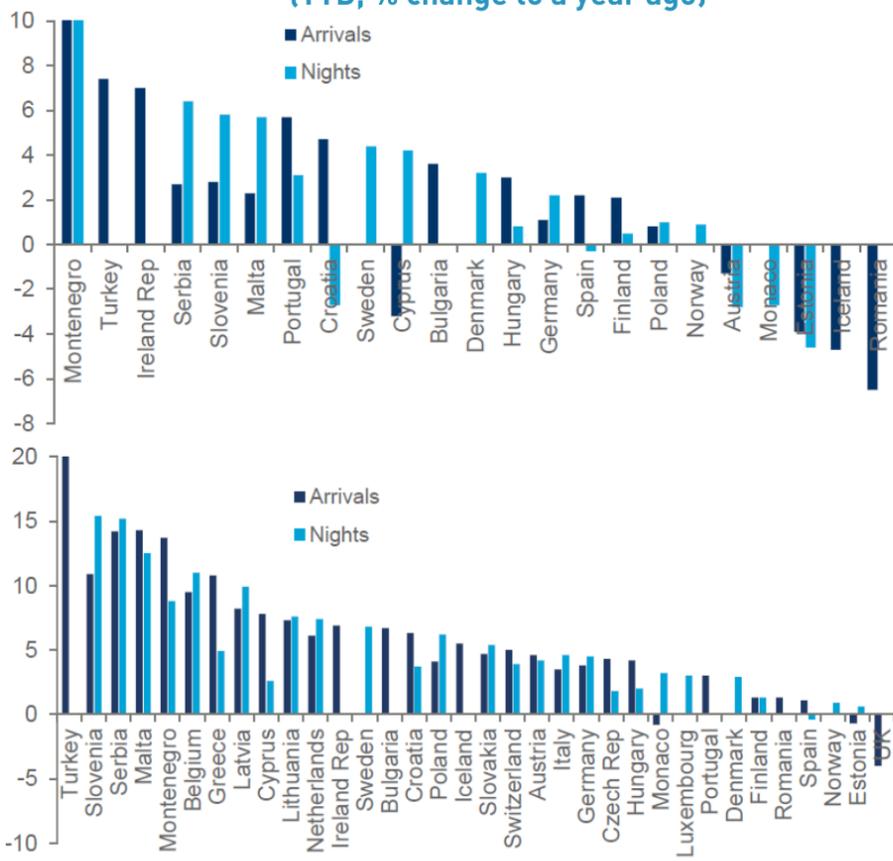


European Tourism Trends & Prospects

Quarterly Report 1/2019

2019 kicked-off on a positive note for the European tourism sector following the solid regional performance in 2018 (+6%)

International Tourist Arrivals to Select Destinations (YTD, % change to a year ago)



2019

Top Performers (Jan-Mar*)

* data varies by destination

- ★ Montenegro 40.6%
- ★ Turkey 7.4%
- ★ Ireland Rep 7%
- ★ Portugal 5.7%
- ★ Croatia 4.7%
- ★ Bulgaria 3.6%

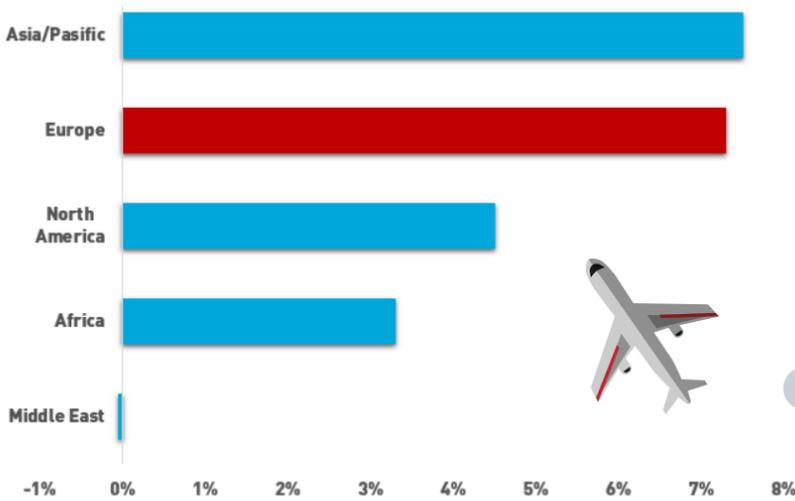
2018

Top Performers (Jan-Dec)

- ★ Turkey 21.8%
- ★ Malta 14.3%
- ★ Serbia 14.2%
- ★ Montenegro 13.7%
- ★ Slovenia 10.9%
- ★ Greece 10.8%

Robust European Air Performance

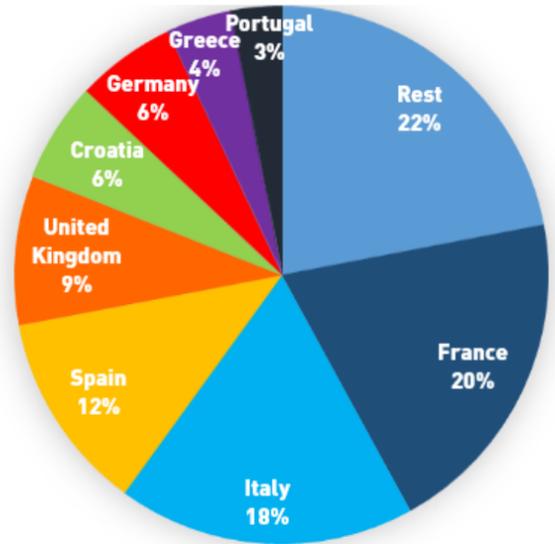
Revenue Passenger Kilometers (RPK) by region



- Global air transport, measured in Revenue Passenger Kilometres (RPK), has grown 5.9% in 2019 year-to-date (i.e. to February) compared to the same period in 2018.
- Despite a slowdown in China, Asia/ Pacific region continued to experience the strongest rate of RPK growth (7.5%, based on data to February).
- European RPK growth accelerated to 7.3% year-to-date, unaffected by uncertainty surrounding Brexit and signs of a softer economic outlook across the region.
- North American traffic grew by 4.9% in the first two months of the year.
- Africa continues to grow very slowly with year-to-date RPK growth of 3.3%, as the expected improvements failed to materialise over the course of 2018.
- Middle East is the only global region, where the passenger volumes recorded little or no growth for more than in 2018.

Special Feature: The Vacation Rentals Market in Europe

Total Capacity Distribution by country



Interesting Facts...

60% of available bedspaces across Europe are in rental accommodation

14.3m bed spaces is the capacity of the vacation rentals market across Europe compared to 8.7 million bedspaces in hotels.



France, Italy and Spain account for half of all capacity for the vacation rentals market across Europe.

Europe's performance reflects increased demand from overseas markets



US arrivals to Europe were up **10%** in 2018, with a similar rate of growth expected for 2019, despite a forecasted economic slowdown and risks facing the US economy this year. Malta (+40%), Turkey (+34%) and Sweden (+28%) recorded the highest rates of growth from the US.



14 out of 20 countries showed arrivals increase from **Canada**. Fastest growth was seen in Cyprus (+69%), followed by Hungary (+34%) and Montenegro (+28%).



16 out of 17 reporting destinations saw from **India** based on 2019 year-to-date data. The biggest increase in Indian arrivals was in Hungary (+53%) and overnights in Monaco (+65%). Serbia, Spain, Turkey, Iceland, Austria and Montenegro all saw growth in arrivals of more than **15%**.

Despite a slowing economy, **14.2 million** Chinese tourist arrivals were recorded in Europe in 2018, a **6%** increase compared to 2017. Arrivals from **China** remained solid with **17 out of 22** European destinations reporting some form of expansion in the first quarter of 2019.



Europe hosted some **23 million** Russian arrivals in 2018 based on latest data available. Strong growth from **Russia** was reported in Turkey (+34%), Serbia (+25%) and Montenegro (+14%).



Demand from **Japan** showed a mixed picture with **11 out of 20** destinations reporting growth. However, Japan faces an enforced 10-day additional holiday straddling April and May to mark the abdication of Emperor Akihito and this is likely to increase outbound tourism.

