

EUROPEAN TOURISM SECTOR CONTINUES TO DEFY INCREASED GLOBAL RISKS

- *Europe saw its number of international tourist arrivals expand by 4% in 2019 compared to the previous year to remain the most visited region worldwide*
- *The US remains the largest long-haul source market of tourist arrivals to European destinations*
- *As China is one of the major outbound travel markets worldwide, restrictions and bans to prevent the spread of COVID-19 will take a toll on the tourism industry*

Brussels, 13 February 2020: According to the European Travel Commission's (ETC) latest quarterly '[European Tourism Trends and Prospects](#)' report, Europe enjoyed a healthy 4% increase in tourist arrivals in 2019 compared to 2018¹. While the rate of expansion was slower than previous years across certain individual destinations, the overall regional performance remains in positive territory. Increasing numbers of tourist arrivals generate income and support employment and investment in Europe, not only acting as a catalyst for economic expansion, but also contributing to and demonstrating the social and cultural value in the region.

Montenegro, Turkey, and Lithuania registered double-digit increases in tourist arrivals, whilst Portugal, Serbia Slovakia and The Netherlands also outperformed the average. Montenegro's 21% surge was shored-up by greater connectivity and infrastructure investment, while Turkey (+14%) is set to invest heavily and diversify its tourism promotion activities throughout 2020 with the aim of increasing the volume and quality of tourists. Increased air connectivity has helped Lithuania's (+10%) performance, while the recent award of most "Accessible Tourist Destination 2019" to Portugal (+7%) reflects the country's efforts to promote accessible tourism. Visa relaxation policies and bilateral business relations between destinations and source markets also continue to be key factors in encouraging travel, particularly in Serbia (+7%).

However, it hasn't been entirely positive for all European destinations. In Romania (-4%) continued challenges related to infrastructure and tourism promotion remain, while the demise of WOW Air and a strong Krona explain the steep decline in arrivals to Iceland (-14%).

The report also includes an analysis of tourism taxes and focusses on how such taxes could be levied in an environment where competition has all but eroded any other form of price stimulus.

US travellers encouraged by a supportive economic environment, while unforeseen events are expected to hamper Chinese outbound travel

The report's findings suggest that positive economic conditions in the US are also encouraging travellers. Supportive economic conditions have spurred the value of the dollar against the euro, making Europe an affordable travel destination. The US economy is signalling a moderate rate of expansion and, although GDP growth is expected to slow somewhat in 2020, record low unemployment rates coupled with rising wages have supported a significant uplift in consumption and consumer confidence. Most European destinations recorded increased US tourist arrivals at the end of 2019, with fastest growth registered in Turkey (+30%), Cyprus (+27%) and Montenegro (+26%).

While the US-China trade truce is expected to help restore business confidence, challenges in China remain following the outbreak of COVID-19 during the recent Lunar New Year, a key travel season. Although necessary,

¹ UNWTO World Tourism Barometer. Volume 18 January 2020

the measures implemented to prevent the spread of the virus (e.g. travel bans and route cancellations) intensify the challenges and concerns about the impact of the outbreak on the global tourism sector and represent a significant downside risk to Chinese travel demand in 2020. According to Tourism Economics' forecast, European destinations will see Chinese arrivals in the range of 7% (most likely case) and 25% (downside case) lower in 2020 compared to the pre-crisis estimate. All that being said, 2019 finished strongly for Chinese travel to Europe with a handful of European destinations receiving a soaring influx of Chinese travellers, namely Montenegro (+83%), Serbia (+39%), and Monaco (+38%).

2020 threats and future strategies for success

Overall, European tourism is resisting the pull of major global downside risks, including concerns of worldwide economic slowdown or conflict, global health crises, sustainability raising concerns and climate disasters. Despite this, ETC Executive Director Eduardo Santander is encouraging the tourism industry to remain vigilant: *"Notwithstanding reduced trade tensions internationally and further clarity surrounding Brexit, heightened risks cannot be overlooked. The sector must seek to mitigate against these risks given the importance of tourism for European economic and social development. Diversifying marketing and promotion strategies, addressing shifts in consumer behaviour, strengthening collaboration among destinations and increasing measures to foster the sustainable development of tourism can all help destinations to remain competitive in the long run."*

With this in mind, it is also important to note that growth is not an ultimate measure of success for the tourism industry. The sustainable development of a destination is necessary for it to remain competitive in the long term and avoid being the victim of its own success. The sector will need to develop a new understanding of success going forward.

The full report and the infographic can be downloaded from ETC's corporate website under the following link: <https://etc-corporate.org/reports/european-tourism-2019-trends-prospects-q4-2019/>

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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 742 million international arrivals in 2019 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>.