

DOMESTIC AND SHORT HAUL TRAVEL WILL PLAY CRUCIAL ROLE IN THE RECOVERY OF EUROPEAN TOURISM AMID DRAMATIC DECREASE IN DEMAND

- *The European tourism sector deals with a surge in cancellations, a decline in bookings, and rising unemployment across the sector with travel to Europe expected to be 54% lower in 2020 compared to 2019*
- *The likelihood of a stable and quick recovery is expected to be greater for destinations that rely more heavily on domestic and short-haul travellers*
- *Consumer activity is starting to pick up, with increased flight bookings for destinations such as Greece, Portugal and Spain for July and August*

Brussels 9 July 2020: According to the European Travel Commission's (ETC) latest quarterly report "[European Tourism: Trends & Prospects](#)", the global health crisis has left the tourism sector in Europe facing a crisis like no other, with heightened uncertainty surrounding its recovery. Latest forecasts indicate that travel to Europe is expected to be 54% lower this year than in 2019.

To minimise the knock-on effects of the outbreak, economies in Europe are starting to reopen while stimulating tourism to salvage the summer holiday season and limit the financial fallout from the pandemic. The pace of recovery by destination will vary and will depend on the extent to which they rely on international source markets and the revival of consumer confidence.

Travel industry continues to struggle in face of ongoing pandemic

The report states that the impact of the global health crisis is becoming clear with European tourism growth expected to remain below 2019 levels until 2023. During the first four months of the year, Europe saw a dramatic 44% decline in international tourist arrivals compared to the same period in 2019¹. Tourism jobs losses in Europe in 2020 could be monumental, ranging between 14.2mn to 29.5mn². Uncertainty still dominates and the duration of pandemic restrictions will be key to determine the losses in the sector.

Data reported by destinations to the months of April/May reflect the level of the disruption caused by the pandemic. Croatia (-86%) and Cyprus (-78%) saw the biggest declines reflecting the sizeable losses of key source markets, such as Italy and the UK, which were heavily impacted by the pandemic. Despite Iceland's (-52%) steep decline in arrivals, success in taming the spread of the virus owing to its rigorous tracking and tracing system has allowed the Nordic island to confidently open its border to international travel this summer.

Depressed bookings seen across all Europe

Latest data available showed a -96.9% decline in bookings³ to Europe across all subregions over the period January-May 2020 compared to the same period last year. On a positive note, as consumer activity is starting to pick up, data has also shown a jump in flight bookings for destinations such as Greece, Portugal and Spain for July and August. Leisure visitors account for the bulk of new tickets purchased, but recovery has been stronger among travellers aiming to visit friends and relatives.

¹ UNWTO World Tourism Barometer

² World Travel and Tourism Council (WTTC)

³ ForwardKeys

Opportunity for recovery in domestic and short-haul travel

The recovery of travel to all destinations worldwide will depend on economic factors, the speed with which travel restrictions are lifted, the health of the aviation industry, and the risk aversion of potential travellers. The likelihood of a stable and quick recovery of travel demand is likely to be greater for destinations that rely more heavily on domestic and short-haul travellers. Lower cost of travel, remaining international travel restrictions, uncertainty around transport availability as well as a heightened risk aversion is likely to increase consumer preference for travelling closer to home.

The average share of domestic travellers is at 44,5% within European country destinations, while short-haul arrivals amount for 77% of all travellers. Combining both arrivals from within the country and reliance on short-haul travel, Germany, Norway and Romania are the most resilient and likely to be quicker and more stable in recovery. On the contrary, Iceland, Montenegro and Croatia have the lowest score with greater risk in recovery. These destinations have small domestic tourism markets and a much higher reliance on international demand, including a sizable proportion of travel from markets outside Europe which will be more likely to be subject to restrictions for longer.

New trends in tourism

The report notes that tourism as we knew it has ceased to exist, while success lies on swiftly embracing digitalisation and leveraging new technologies to adapt to the “new normal” and to shifts in consumer behaviour. A sector traditionally characterised by human interactions will now have to provide the same valuable intangible aspects through more touchless methods in a more digitalised world. Sustainability will be key in building a resilient and more competitive sector through the implementation of a model that is economically, socially, and environmentally viable in the long-term.

Eduardo Santander, Executive Director of ETC stated: “The COVID-19 pandemic has had a profound impact across the sector. We have been talking for so long about sustainable growth, climate change, digitalisation and innovation, this is an opportunity to press the reset button, challenge pre-established models and finally take all these matters seriously. We must use the recovery from this terrible situation to accelerate the transformation and shift to the tourism of tomorrow.”

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-2020-trends-prospects-q2-2020/>

ENDS

[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 more information, please visit www.etc-corporate.org.

Media contact

Shane Bradley
Hume Brophy Communications

etc@humbrophy.com

Ph: +32 (0)2 234 6860