Lockdowns have persisted into 2021 as COVID-19 infection rates surge in some countries despite the vaccination rollout. Prospects for the summer season are mixed. While Europe works to overcome hurdles relating to vaccine side effects and rising cases of COVID-19, tourism recovery programmes are still expected to accelerate over the summer, bringing down COVID-19 cases and raising hopes of easing restrictions.

COUNTRIES ARE STILL RECORDING MAJOR DECLINES IN VISITOR ARRIVALS, WITH MANY EXCEEDING FALLS OF 90%

<table>
<thead>
<tr>
<th>Country</th>
<th>Fall (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>-99%</td>
</tr>
<tr>
<td>Iceland</td>
<td>-97%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>-97%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>-94%</td>
</tr>
<tr>
<td>Cyprus</td>
<td>-95%</td>
</tr>
</tbody>
</table>

Source: Tourism Satellite Account, UNWTO

Global, RPK volumes were 75% lower on an year-to-date basis to February 2021 compared to the same period in 2019. In January, there was a 72.2% fall in RPKs versus January 2019.

Europe suffered the steepest declines in RPKs (-92.8%). Given the expectations of pent-up demand in Russia, ForwardKeys data suggests a strong rebound for domestic travel within Europe. There are indications that pent-up demand in Russia is high, with the country experiencing a strong upturn in domestic travel.

Across Europe, while all sub-regions can expect to see some upturn in domestic tourism in 2021 relative to the baselines, in all cases this uplift will be insufficient to offset any corresponding decline in international travel.

Last summer saw a high degree of domestic substitution, as a share of total travel within European destinations, domestic travel jumped from 50% in 2019 to 61% in 2020. Domestic share of total residents’ travel, Europe

Europe suffered the steepest decline in RPKs (-82.8%). As expected, domestic travel, results have been affected less than international travel.

Industrial Performance

Global hotel occupancy rates have significantly lower compared to Q2 2021, reaching a 51.8% decline. Compared with a relatively high rate of 28.5%, this has resulted in a decline of 66.3%.

Traffic data for March is 68.4% lower than in 2019. This suggests an upturn in March compared to February (-7.9%)

According to ACI Europe, over the first nine months of 2020, 40 out of the 69 reporting countries saw falls of over 90% in transport handled. Actual levels of occupancy across Europe varied from 36% in Turkey to less than 7% in Slovakia. European hotel occupancy remained significantly lower compared to pre-Covid-19

Across Europe, while all sub-regions can expect to see some upturn in domestic tourism in 2021 relative to the baselines, in all cases this uplift will be insufficient to offset any corresponding decline in international travel.

The impact of more severe restrictions would most likely stick in Southern and Eastern Europe, whereas domestic travel tends to be more reliant on domestic travel. While Central and Eastern European destinations would see a smaller impact.

COVID-19 Significantly Influenced Demand in Key Overseas Markets

The Netherlands experienced a 70% loss in both visitors and nights from China.

India (-99%), Vietnam (-97%) and Poland (-99) were among the destinations with the steepest declines. Meanwhile, IATA reports that while travel jumped from 55% in 2019 to 69% in 2020.

The full report