In 2021, strong vaccination coverage in Europe, the EU Digital Covid-19 Certificate and the easing of travel restrictions which allowed the release of large-pent up demand, set the grounds for tourist revival. However, the emergence of the Omicron variant at the year-end weighed on this recovery and brought back mobility restrictions for international travel. Year-to-date data informs estimates of a 62% decrease in tourist arrivals to Europe in 2021 over 2019 levels. The outlook, however, remains positive, with travel demand projected to be just 20% below pre-pandemic levels in 2022, fuelled by domestic and intra-European travel demand.

65% of reporting destinations posted declines in tourist arrivals below the weighted European average (~62%)

<table>
<thead>
<tr>
<th>Country</th>
<th>% Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>-81%</td>
</tr>
<tr>
<td>Finland</td>
<td>-80%</td>
</tr>
<tr>
<td>Latvia</td>
<td>-78%</td>
</tr>
<tr>
<td>Estonia</td>
<td>-77%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>-76%</td>
</tr>
</tbody>
</table>

Source: TourMIS *data varies (Jan-Dec) by destination

Special Focus: Transatlantic Travel

Long-haul trips are projected to remain 48% below 2019 volumes in 2022, and account for only 18% of all international travel. Long-haul travel should exceed 2019 levels in 2025. The long-haul share of international visitors is expected to exceed the pre-pandemic peak from 2007 onwards.

Global Overnight Visitors: Baseline Projections

In 2019, US arrivals to European destinations accounted for more than 80% of arrivals from North America, with 60% of these arrivals to Western European destinations. The US share for Western European inbound fell to 2.6% in 2020, from 6.2% a year prior. It is expected that this share will return to 9% of total Western European inbound by 2025.

Eurocontrol data shows that while total flight volumes in Q4 remained below 2019 levels, almost all countries reported growth in the number of flights arriving and departing in Q4 2021 versus Q2 2021 relative to 2019.

In terms of capacity, Europe saw growth of 30.7% in the December quarter, with ADR growth reaching 48.8%.

Europe fell by more than other regions in 2020, so growth in 2021 has facilitated less of a recovery relative to 2019.

Global Hotel Performance

Global air passenger demand continued its recovery in the final months of 2021, with global revenue passenger kilometers (RPK) in November 43% below 2019 levels. Despite the easing of restrictions in Australia, air passenger demand continued to register falls in Canadian arrivals of over 80%, while Portugal, Hungary, Italy and Slovakia all reported declines greater than 90%.

In 2021 versus Q3 2021 relative to 2019.

Outbound travel from Brazil has faced some limited recovery in Q4 2021.

Special Focus: Transatlantic Travel

US travel to Europe has improved, due to eased travel restrictions and high rates of vaccination. It is expected that China’s zero Covid stance will continue for the short-term. Therefore, it is unlikely the US share will return to 9% of total Western European inbound by 2025.

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