

EUROPE'S TOURISM REBOUND PREDICTED TO CONTINUE INTO 2023

- Travel recovery continued in late-2022, owing to strong pent-up demand and excess savings accumulated during the pandemic
- Long-haul travel lags behind short- and medium-haul, but prospects for 2023 are encouraging
- Slower recovery evident in Eastern Europe due to the ongoing war in Ukraine

Brussels, 16 February 2023: The outlook for travel to Europe is promising despite global pressures such as high inflation, the war in Ukraine and consequent energy crisis, and the looming economic recession. The latest data indicates a recovery of 75% of 2019 travel volumes to Europe in 2022. This strong tourism rebound is expected to continue well into 2023, though at a slower pace. Looking forward, international travel to Europe is forecast to reach pre-pandemic levels in 2025, while domestic travel will fully recover in 2024.

The European Travel Commission (ETC) has today released its “European Tourism: Trends & Prospects” report for the fourth quarter of 2022, which provides a comprehensive analysis of the region’s latest tourism and macroeconomic developments. This issue analyses the ongoing challenges faced by the sector and their impact on the tourism outlook for 2023 and beyond.

Commenting following the publication of the report, Luís Araújo, ETC's President, said: *“Looking forward to 2023, we expect the tourism sector in Europe to continue its strong rebound. As European short-haul travel is well on its way to recovery, the tourism industry’s attention has now turned to long-haul arrivals. In welcome news, we can expect the long-awaited return of Asia Pacific visitors in the coming months. As the industry navigates the many challenges it faces this year, it is vital that the sector continues to be receptive to consumer demand, improving the visitor experience at destination and targeting markets and segments less affected by economic slowdown.”*

European destinations on their way to recovering pre-pandemic tourist arrivals

Despite the gloomier economic outlook, European travel recovery persisted in late-2022, supported by a strong pent-up demand. Excess savings during the pandemic likely extended the summer season as travellers were eager to get out and travel after three years of Covid-19 lockdowns.

Year-to-date data, compared to 2019, shows that almost one in two reporting destinations have recovered more than 80% of their pre-pandemic foreign arrivals. Overall, southern Mediterranean destinations posted the fastest recovery as the year ended. High prices spurred the attractiveness of more affordable destinations, with holidaymakers flocking to Türkiye (-2%) to benefit from a weaker lira. Luxembourg (-4%), Serbia (-6%), Greece (-6%), and Portugal (-7%) are also approaching 2019 levels.

The slowest destinations to recover were in Eastern Europe due to the war in Ukraine and lack of Russian visitors to destinations heavily reliant on this market. Sharpest declines are observed in Finland (-38%), Lithuania, Latvia, and Romania (all -42%).

Re-opening of Asia Pacific countries to boost travel flows to Europe in 2023

Long-haul travel has been a key weakness to date in the post-pandemic rebound, mostly due to greater costs associated with overseas travel, higher hesitancy related to Covid-19 safety concerns and the slower re-opening of Asia Pacific countries. However, booking data saw an uptick in the middle of last year, largely originating from the Southwest Pacific and South Asia regions.

As the Asia Pacific region broadly reopened over the second half of 2022, travel demand from the region to Europe is likely to rebound in 2023. In particular, encouraging news came in December with the end of the three-year-old “zero-Covid” policy in China. Experts anticipate a gradual return of Chinese travellers to Europe from the second quarter of 2023, as significant barriers remain. Following the surprise announcement, the logistics around restoring flight routes to reconnect China to the

rest of the world will require time. Furthermore, most Chinese travellers will need to acquire a visa to travel and many may need to renew their passports.

Transatlantic travel remains strong

Transatlantic travel is expected to continue making significant contributions to European destinations. The US leads the recovery of long-haul travel to Europe, thanks to short-lived and fewer travel restrictions, and the strength of the dollar against the Euro. Based on year-to-date data, almost one in four of reporting destinations saw US arrivals exceed 2019 levels. Arrivals from this market to Europe are 25% below 2019 levels in 2022 and are expected to recover 82% of 2019 volumes in 2023. Canada is performing similarly to the US, if a little weaker, with arrivals from Canada to Europe looking to be 28% below 2019 levels in 2023.

Growth from North America, however, might slow in 2023 as the economic outlook points to a mild recession due to challenges associated with inflation, labour markets and consumer and business confidence, among others.

The full report can be downloaded from ETC's website under the following link: <https://etc-corporate.org/reports/european-tourism-2022-trends-prospects-q4-2022/>

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Note to editors

The **European Travel Commission** (ETC) represents the national tourism organisations of Europe. Established in 1948, ETC's mission is to strengthen the sustainable development of Europe as a tourist destination and to promote Europe in third markets. Its 34-member tourism boards work together to build the value of tourism for all the diverse European destinations through cooperation in sharing best practice, market intelligence and promotion. For more information, visit www.etc-corporate.org and follow [@ETC_Corporate](https://twitter.com/ETC_Corporate).

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