

## EUROPE'S TOURISM REBOUND CONTINUES INTO 2023, DRIVEN BY STRONG TRAVEL ENTHUSIASM

- European travel recovery continued in the second quarter of 2023, owing to high consumer demand despite stubborn inflation and increasing travel costs
- The US proves to be the strongest long-haul source market to Europe to date this year
- European air traffic takes a positive turn going into peak season, with volumes edging closer to pre-pandemic levels in mid-June

**Brussels, 11 July 2023:** Europe's tourism recovery is maintaining its momentum despite economic headwinds, reaching about 95% of 2019 levels of international tourist arrivals. Though inflation and increased travel costs are squeezing consumers' wallets, travel spending is still prioritised over other discretionary expenses. The latest data available shows that one-quarter of reporting European destinations have surpassed pre-pandemic levels of foreign arrivals.

The European Travel Commission (ETC) has today released its "European Tourism: Trends & Prospects" report for the second quarter of 2023, which provides a comprehensive analysis of the region's latest tourism and macroeconomic developments.

Commenting following the publication of the report, **Miguel Sanz, ETC's President**, said: *"It is encouraging to see the positive recovery of international tourist arrivals in the first half of 2023. With this in mind, European destinations must be prepared to effectively manage the increased demand and return of travellers. Tourist strategies must embrace travel dispersal in order to support destinations in addressing overcrowding, while also spreading the benefits of tourism to less-travelled areas. Tourism can and should be leveraged as a social, economic, and sustainable force for good."*

### Consumers becoming increasingly price-driven

This summer, many consumers will make their travel decisions with cost in mind, as weaker economic conditions put pressure on travellers' budgets. Household finances and discretionary spending will remain strained going into the peak travel season in Europe (June to August), but this should not derail the overall recovery.

Travellers are still showing strong demand for travel despite economic woes. Considering this, it comes as no surprise that price sensitivity will continue to benefit destinations offering more value for money. Recent data up to May shows that value-for-money destinations are performing well, with Serbia (+27%), Bulgaria (+21%), Montenegro (+12%) and Türkiye (+9%) among those leading the recovery.

### European air volumes on the rise

The recovery in air traffic volumes was lagging behind consumer demand across Europe in 2022 and early 2023. However, the tide looks to be turning, with data up to June showing recovery edging closer to pre-pandemic levels. This can be attributed to increased airline capacity across both European and foreign airline carriers, which will hit the market in time for the peak summer months. European flight scheduling is returning to its pre-pandemic 2019 levels, with planned seat capacity at 96% this summer. The latest data also shows that European international Revenue Passenger Kilometers (RPKs) have continued a steady recovery, achieving 90.8% of 2019 levels in April.

It remains to be seen whether airline capacity can meet demand this summer, although current schedules suggest this will be sufficient. At the same time, potential disruptions from aviation strikes, labour shortages and war-related airspace closures still pose great uncertainty for the sector.

### US leads overseas travel recovery to Europe

US travellers taking advantage of favourable exchange rates are expected to drive many European destinations' recovery this summer. Most recent data shows that 52% of reporting destinations have surpassed pre-pandemic levels of US tourist arrivals

so far this year. With continued high inflation and a potential recession weighing on American households, affordability will be a key factor in holidaymakers' choice of travel destination within Europe.

Southern Mediterranean destinations such as Portugal (+79%), Türkiye (+78%), and Montenegro (+43%) have reported substantial growth in arrivals from the US market. In Eastern Europe, Latvia (+135%) and Poland (+51%) also recorded significant arrivals growth from the US. In the case of Latvia, the strong increases could be connected to visiting friends and relatives from the Latvian diaspora living outside Europe, while journalists reporting on Russia's war in Ukraine and an influx of volunteers and military personnel could be contributing to Poland's performance.

*The full report can be downloaded from ETC's corporate website under the following link: <https://etc-corporate.org/reports/european-tourism-2023-trends-prospects-q2-2023/>*

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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](http://www.etc-corporate.org) and follow [@ETC\\_Corporate](https://twitter.com/ETC_Corporate).

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