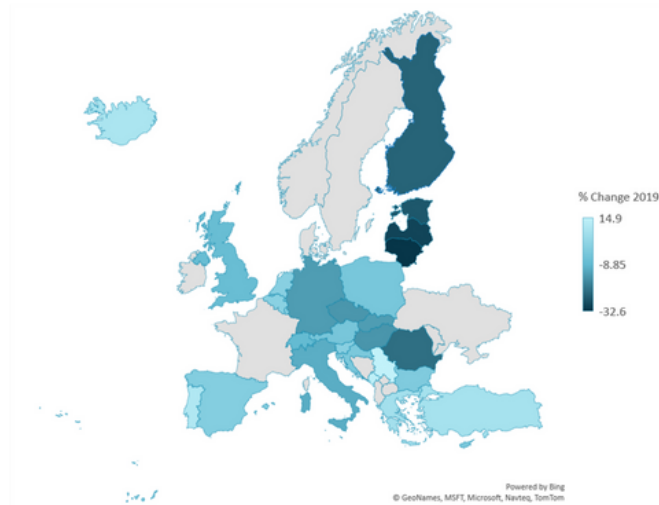


EUROPEAN TOURISM DISPLAYED ENCOURAGING RESILIENCE THIS SUMMER ALTHOUGH RECOVERY HAS BEEN UNEVEN ACROSS DESTINATIONS.

- Amid climate-related challenges and economic risks, European tourism is gradually rebounding, expected to reach 91% of pre-pandemic levels by the end of 2023.
- European airports near full passenger traffic recovery, with only a -3.4% decline in August 2019, but disruptions such as strikes remain a concern.
- The Israel-Palestine conflict poses a risk during shoulder and off-peak seasons, especially for popular destinations for some of these tourists, like France and Turkey.

European travel demand is down only 3.2% compared to 2019 levels, with intra-European and US travel flows driving this resilient performance.

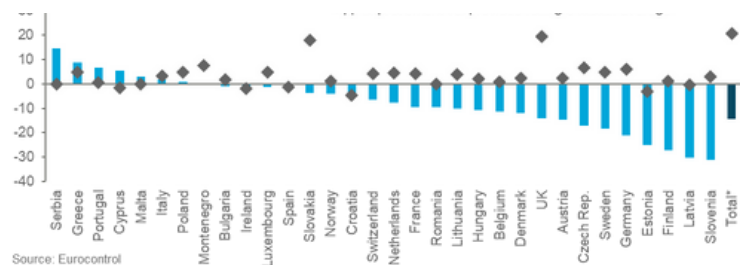


Destination	% Change	Destination	% Change
Serbia	+15%	Lithuania	-33%
Montenegro	+14%	Latvia	-30%
Portugal	+11%	Estonia	-27%
Iceland	+9%	Finland	-24%
Türkiye	+8%	Romania	-22%

Industry Performance

- Following an improvement in Q2, the recovery in European RPKs has gone back on itself, with the latest data at 10.1% below 2019 levels and on par with what it was at the start of this year.
- At a country level, there are slightly fewer countries seeing flight volumes above 2019 levels, with Serbia now leading the recovery in flights volumes ahead of Greece.

European air traffic by country, total flights arriving and departing

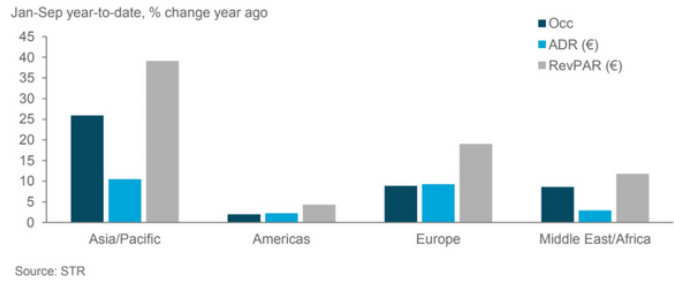


- Passenger load factor has continued to improve overall throughout the year so far, with the global load factor 1% above 2019 levels in the second quarter of this year, with a further improvement in August.



- RevPAR growth across Europe continues to moderate relative to the same period in 2022, although still in double-digit territory (19%).
- The recovery across all metrics in APAC is still considerably behind other regions such as the Americas and Europe, which can help to explain the stronger relative growth rates.

Global Hotel Performance

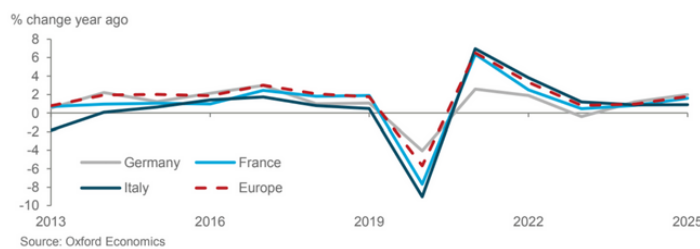


- Regarding short-term rentals, variations over European reservations were up by +48% since Q3 2022, averaging 137% this quarter. Great Britain (+57%), Italy (+48%), Spain (+32%) and France (+27%) all noted growth in reservations.

Special Focus: Inflation & Travel

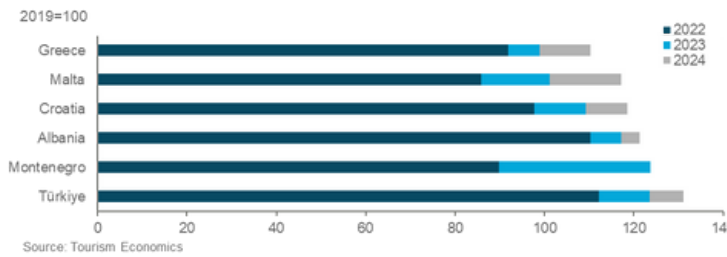
- The economic outlook across Europe appears subdued, with 0.5% GDP growth expected for this year and projected growth of 0.9% in 2024.
- The price of holidays was a top concern for cost-conscious travellers this year, who employed cost-saving tactics like shoulder-season travel, package holidays, and advanced bookings.

Economic performance in key eurozone economies, real GDP



- Luxury travel grew as well, led by high-net-worth individuals with a preference for boutique hotels and exclusive experiences.
- Favourable exchange rates have influenced travel choices, with Transatlantic travel into Europe, and particularly Türkiye, benefiting from strong currency advantages.

Overnights for selected destinations



- New Mediterranean travel destinations like Türkiye, Montenegro, Albania, and Croatia have emerged as competitors to traditional Western European destinations, offering lower prices.
- Younger individuals are prioritising travel over other expenses and savings due to the unfavourable economic environment and limited travel opportunities during the pandemic, but also multi-generational holidays are becoming more common.

The US continues to dominate as Europe's leading outbound market

Canada has almost an equal split between countries reporting growth and those reporting shortfalls compared to 2019
Türkiye (+59%) had the greatest increase in arrivals, while countries in Central Europe were the weakest performing destinations.

Almost every destination has continued to report steep declines from Russian travellers relative to 2019.
The sole destination reporting growth is Serbia which has seen a 159% increase in arrivals from Russia and a 233% increase in nights.

Most countries saw Japanese arrivals levels behind 2019 by 60% or more, as it is one of the most reluctant to travel overseas.
Serbia breaks the decline pattern, with a recorded growth in overnights of +55%

Türkiye continued to be a popular destination for Australians, with arrivals up 54% on 2019 levels.
Spain (+44%), Cyprus (+30%) and Portugal (+23%) all saw strong growth, while Estonia and Lithuania (both -52%) recorded the sharpest declines.

Chinese arrivals are still significantly down at -70% compared to 2019
The Czech Republic (-87%), Austria (-85%) and Estonia (-82%) are the destinations with the steepest shortfalls in Chinese tourist arrivals when compared to 2019.

For Americans, Türkiye stood out as the strongest destination, experiencing a 115% increase in US arrivals.
Only nine reporting countries, including Germany (-10%), Austria (-8%) and Belgium (-2%) recorded metrics below 2019 levels.

Serbia (+155%) and Montenegro (+94%) saw very strong increases from India.
Portugal (+19%) and Türkiye(+17%) saw more moderate increases. Most of the reporting destinations recorded lower levels of Indian tourism than in 2019

The nights recovery continues to outshine growth in arrivals from Brazil.
Serbia (+21%) and Montenegro (+45%) were the strongest performers in overnights and arrivals respectively.

FOR DETAILED RESULTS, PLEASE HAVE A LOOK AT

Data Sources: [TourMIS](#), [Tourism Economics](#), [STR Global](#), [IATA](#), [Eurocontrol](#), [Transparent](#)

THE FULL REPORT

