European Tourism Trends & Prospects

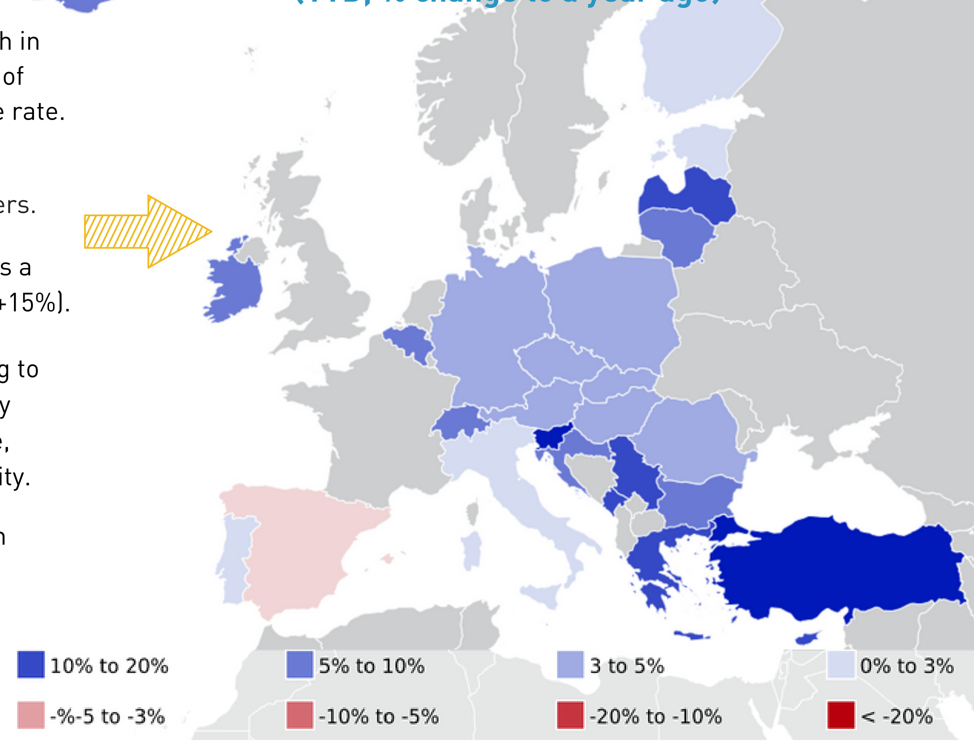
Quarterly Report 4/2018

Virtually All Reporting Destinations Welcomed More Arrivals and/or Overnights Compared to a Year Ago

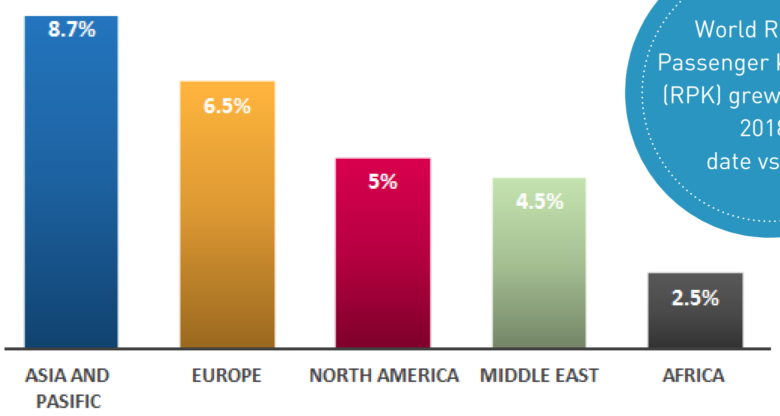
Top European Destinations' Performances

- Turkey (+22%) continued to recover. Growth in tourist arrivals was driven by a wide range of source markets and a favourable exchange rate.
- Serbia (+15%) continues to benefit from its visa-free access to Chinese passport holders.
- Malta's efforts to consolidate its position as a year-round destination are materialising (+15%).
- Montenegro (+14%) saw solid growth owing to promotional activities carried out in priority markets (namely Germany, the UK, France, Poland and Russia) and good air connectivity.
- Latvia (+10%) was the only Central/Eastern European destination that enjoyed double digit arrivals expansion.

International Tourist Arrivals to Select Destinations in 2018 (YTD, % change to a year ago)



Strong European Air performance



World Revenue Passenger Kilometres (RPK) grew by 6.6% in 2018 to date vs. 2017.

European hotels fared well when compared to other world regions with increasing Occupancy rates (1.2%) and ADR (2.3%) yielding a 3.5% growth in RevPAR.

- European RPK growth accelerated to 6.5% year-to-date despite the more mixed economic picture.
- Asia/ Pacific experienced the strongest rate of RPK growth based on data to August, with air passenger demand to, from and within the region 8.7% higher vs. same period in 2017.
- North American traffic continues to pick up (5%) from the levels of growth seen in 2016 and 2017.

Growth from Long-haul Source Markets Remains Strong

Europe hosted some 23 million Russian tourist arrivals in 2018 based on latest data available. Strong growth from Russia was reported in Malta (+40%), Denmark (+33%) and Turkey (+33%).

Demand from Japan showed a mixed picture with 20 out of 30 destinations reporting growth. Turkey (+70%) saw a notable increase in arrivals together with the Baltic and some Balkan countries.

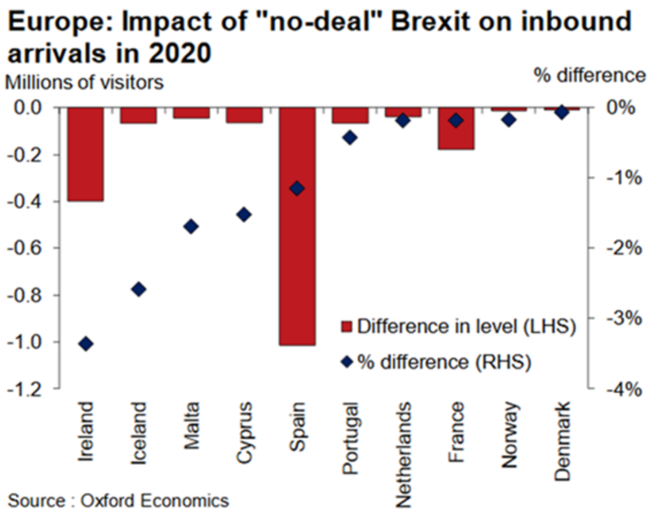
21 out of 29 countries showed arrivals increase from Canada. Fastest growth was seen in cruise destinations such as Greece (+76%) and Cyprus (+65%), followed by Slovenia (43%), Turkey (35%) and Montenegro (+32%).

Over 2018, the US dollar strengthened against both the euro and sterling, making Europe an affordable destination for US travellers. Slovenia (+56%), Cyprus (+47%) and Turkey (+33%) recorded the highest rates of growth from the US.

Arrivals from India have increased in all but two reporting destinations. Montenegro (+280%), Turkey (+97%) and Latvia (+66%) recorded fastest growth from this market.

Arrivals from China remained solid with 24 out of 30 European destinations reporting some form of expansion. Growth from this market is driven by China's expanding middle class with higher purchasing power, improving air connectivity and improved visa procedures.

Special Feature: Impacts of 'No Deal' Brexit



- Weaker sterling under 'No Deal' could mean that UK tourism inflows would be 4% higher. However, with additional impacts included from sentiment and disrupted market access, Oxford Economics (OE) foresee a net negative impact.
- UK outbound tourism would decline by 9% relative to baseline with more than 8 million fewer outbound trips. Spain and Ireland are the two countries most affected by a 'No Deal' Brexit.

TourMIS, UNWTO, Tourism Economics, STR Global, IATA, Oxford Economics

EUROPEAN TRAVEL COMMISSION