



EUROPEAN TOURISM INSIGHTS 2009–10
A Report of the Market Intelligence Group of the
EUROPEAN TRAVEL COMMISSION

Foreword

2008 and 2009 were extremely challenging years for European tourism and, despite a clear recovery in 2010, the year ended with visitor levels still some way below our 2008 peak. It is therefore all the more comforting to look back on these difficult times in the knowledge that Europe appears to have outperformed all other regions of the world in the first half of 2011, achieving more than 6% growth from January through April in terms of international tourist arrivals.

Looking forward, the economic recovery has become more firmly entrenched, industry performance has been encouraging, and there are a number of other positive signs. But prospects for the global economy remain clouded with uncertainty due to the continuing European sovereign debt crisis, fears about the stability of the euro, new fiscal austerity measures, and the tenuous outlook for employment and, consequently, consumer confidence.

Added to all these concerns are the increasingly widespread examples of industry-specific taxation, which will undoubtedly have a negative impact on travel and tourism demand in the short to medium term.

Nevertheless, all is not doom and gloom and, as European Travel Commission Members will confirm, this is by no means the first time we have faced difficult circumstances – not only demonstrating our resilience, but emerging even stronger than before.

So, with this thought in mind, we are delighted to share with you details of Europe's tourism performance in 2009 and 2010 through the fifth edition of European Tourism Insights. This important publication provides a historical perspective of trends and events that have shaped Europe's tourism – not to mention that of individual destinations, small and large, traditional and emerging.

A handwritten signature in black ink, appearing to read 'L. Vella', with a horizontal line underneath.

Leslie Vella
Chairman
ETC Market Intelligence Group



EUROPEAN TOURISM INSIGHTS 2009-10

A Report produced for the Market Intelligence Group
of the **European Travel Commission (ETC)**
by **The Travel Business Partnership**

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ETC Market Intelligence Report

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European Tourism Insights 2009-10

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Introduction

Acknowledgements

This new report from the European Travel Commission's (ETC's) Market Intelligence Group (MIG) provides a quantitative and qualitative overview of Europe's tourism performance in 2009 and 2010. The fifth in the *European Tourism Insights* series, the report is one of several publications monitoring trends and developments in Europe's travel and tourism industry.

ETC's MIG network brings together a distinguished team of tourism research professionals drawn from the ETC membership – currently, 35 national tourism organisations (NTOs) across Europe. But the main strength of the group derives from its capacity to generate unprecedented levels of co-operation between competitors to the benefit of all concerned. Fundamentally, while the components of the group individually pertain to each of the 35 member countries, the group in its totality is European in its outlook.

The main purpose of this report is to provide a statistical review of international tourism performance across Europe – as well as individually, among ETC's 35 Member countries – providing an overview of the main trends and developments, and setting Europe's performance in the context of world tourism, highlighting some of the main factors driving and shaping demand.

The ability to produce a report such as this is due in large part to the involvement of the MIG's members with other events, partner associations and organisations. Foremost among these is the annual World Travel Monitor Forum in Pisa, last organised in November 2010 by IPK International.

ETC also recognises the great value of the Group's collaboration with its partners – the World Tourism Organization's (UNWTO's) Tourism Trends and Marketing Strategies Programme, European Cities Marketing (ECM), the European Travel & Tourism Action Group (ETAG), and the European Tour Operators Association (ETOA).

Such collaboration with a cross-section of international, regional, public and private components of the industry gives the output of the group the seal of authority it so richly deserves. Just as importantly, the data capture and display platform created specifically for ETC in the form of the TourMIS¹ database has also proved invaluable for the regular and timely provision of the range of tourism data necessary for such a report.

¹ www.tourmis.info - in collaboration with the Austrian National Tourist Office and MODUL University, Vienna

Scope of the report and methodology

The road to recovery The last few years have proved extremely challenging for the travel and tourism industry worldwide, not least in Europe. The second half of 2008 and 2009 saw the worst global economic recession since the 1930s and, although several key economies in Europe had started to register growth by mid-2009, the growth remained fragile, with the region overall suffering a 5% decline in arrivals and a 13% fall in receipts over the full 12 months of the year.

Admittedly, arrivals did bounce back in 2010, but the modest 3% increase in arrivals recorded meant that the total lagged 2008's peak by more than 10%. And Europe's international tourism receipts continued to decline in 2010 (albeit by only around 1%), falling to well below 2007's level.

The good news is that, over the first four months of 2011, statistics gathered by the World Tourism Organization (UNWTO) point to a 6% increase in international arrivals in Europe – a trend that we look forward to analysing next year. In the interim, this report looks back on the past two years, for which fairly comprehensive statistical trends are now available from ETC Member NTOs.

Data sources and definitions As usual, a wide range of statistical and anecdotal sources have been used in compiling this report, all of which are cited where relevant. Most of the statistical data concerning arrivals and overnight volumes has come from ETC Members – national tourism organisations (NTOs) of the respective countries – or their national tourism administrations and statistical offices, either directly or via the TourMIS website (www.tourmis.info).

In addition, we are indebted to IPK International for data on European outbound travel as a whole (Figures 6 to 9 are derived from *The World Travel Trends Report* produced by IPK International for ITB Berlin), to the Association of European Airlines (AEA) and Airports Council International (ACI) for the data on air travel, and to STR Global for statistics on the performance of the region's hotel industry.

'Europe', as defined for this report, differs from the region as defined by the World Tourism Organization (UNWTO) in that it generally excludes Israel and the countries of the Caucasus and Central Asia which were part of the former Soviet Union. But it does include Turkey. Data for other countries of the former Soviet Union (including Belarus and Moldova) is often not available, so they may be absent from the tables. Not all the countries listed are members of the ETC, and of course not all are members of the European Union.

Overview of European Tourism in 2009-10

Europe in the world context

Tourism did not turn down until late in the world crisis ...

2008 and 2009 represented the height of the international financial and economic crisis which put an end, temporarily, to the long-established boom in world tourism. The effects were so dramatic, with the day-to-day situation changing so rapidly, that annual totals for tourism movements and spending ceased to have much meaning. Short-term indicators and percentage growth figures for individual months and quarters can only be understood with careful reference to the trends in the corresponding period of the previous year, and indeed of the year before that.

Figure 1
Sequence of events and trends in tourist arrivals during and after the crisis, Q3 2007-Q4 2010
(% changes over same quarter in previous year)

Quarter	Events	Trend in tourist arrivals (%)	
		World	Europe
Q3 2007	Turmoil on financial markets (Aug): fears about losses on sub-prime mortgages, etc	+6.9	+4.2
Q4 2007	Run on Northern Rock (Sep) Global Warming conference in Bali (Dec)	+7.3	+6.3
Q1 2008	Turmoil on stock markets (Jan) Collapse of Bear Stearns (Mar)	+8.2	+6.4
Q2 2008	International oil prices reach US\$120/barrel Typhoon in Indian Ocean; earthquake in Sichuan	+4.0	+2.0
Q3 2008	Beijing Olympics (Aug) Rescue of Freddie Mac and Fannie Mae	-0.7	-1.2
Q4 2008	Collapse of Lehman Bros (Sep), AIG and others Financial markets seize up; collapse in world trade	-2.4	-4.5
Q1 2009	Barack Obama sworn in (Jan) Rescue of Citibank, Bank of America and others	-10.2	-12.5
Q2 2009	(A)H1N1 rated as 'imminent pandemic' (Apr) General Motors files for bankruptcy (Jun)	-6.3	-6.8
Q3 2009	Asian economic recovery well underway Tamil Tigers defeated (Aug)	-1.3	-1.3
Q4 2009	Dubai World threatens to default Copenhagen Conference on global warming	+1.2	-2.2
Q1 2010	Earthquake in Haiti (Jan) Greek financial crisis spiralling out of control	+6.6	+1.8
Q2 2010	Volcanic eruption disrupts European air travel (Apr) €750 bn rescue fund for euro (May)	+7.1	+2.8
Q3 2010	FIFA World Cup in South Africa (Jun-Jul) Floods in Pakistan and China (Aug)	+7.0	+4.1
Q4 2010	ECB/IMF financial rescue for Ireland (Nov) 'Big freeze' in Europe (Nov-Dec)	+5.6	+4.2

Source (arrivals data): World Tourism Organization (UNWTO)

It is worth remembering that the financial crisis was already unfolding in the second half of 2007, but that world tourism traffic did not peak until the second quarter of 2008, as Figure 1 shows. In general, the first quarter of 2008 was good for the European tourism industry; the second and third quarters saw a rapid deterioration; and the fourth quarter (in the wake of the seizing up of financial markets and the collapse in world trade) was regarded at the time as terrible. As a result, international tourist arrivals in Europe more or less stagnated in 2008 as a whole (+0.5%).

However, the first and second quarters of 2009 were very much worse, and the gradual improvement in the figures in the second half of the year, and the modest monthly increases (calculated on the same month a year earlier) recorded in the first half of 2010, represented a stabilisation around a lower level of activity rather than a substantial recovery.

In these circumstances, the annual figures tend to disguise the trends, as reflected in the following chart. Figure 2 shows the annual trends in international tourist arrivals worldwide by destination region, as published by the World Tourism Organization (UNWTO) in June 2011.

**... but when it did,
tourism in Europe was
worst affected**

The data confirms that arrivals in Europe were growing more slowly in 2007 and 2008, as the boom in tourism approached its climax – more slowly than in the world as a whole and more slowly than in any of the other individual regions of the world. Arrivals then fell a little more heavily in 2009 than in the world overall.

The graph gives the impression that the results for Europe were only slightly worse than those for the rest of the world. This is a little misleading: because of the importance of Europe in world tourism (it accounted for 52% of global arrivals in 2009), the world total is heavily influenced by Europe. Asia Pacific, Africa and the Middle East continued to perform substantially better through 2007-09 than Europe, and the totals for the Americas disguise the fact that, while international arrivals lagged in North America (for different reasons in the individual countries), those in Central and South America generally prospered.

Nevertheless, by comparison with declines of up to 18% in individual months in 2009, and declines of up to 25% or even, exceptionally, 50% reported in individual months by individual countries, the overall decrease in international arrivals in Europe in 2009 (5%) was not nearly as catastrophic as expected. In the end, most of the damage to the industry was inflicted not so much by the decline in tourist numbers, as by the slashing of prices in response to those dreadful figures for individual months.

**Europe was also slow to
start its recovery ...**

By the end of 2009 arrivals in European destinations had more or less stabilised at levels 5-10% below those of 2007. But while tourism in the rest of the world was already making a marked recovery in the first half of 2010, it continued to stagnate in most of Europe. The lack of confidence in the euro after the Greek financial crisis and the eruption of the Icelandic volcano, Eyjafjallajökull, in April 2009 did not help.

... but monthly trends improved as the year progressed

At the latest count, international tourist arrivals in Europe are estimated to have reached 477 million in 2010, some 15 million (+3.3%) more than in 2009, but still nearly 9 million short of the 2008 peak.

January 2010 ended a run of 19 consecutive months of negative growth. February and March showed positive growth, but the first quarter still recorded the lowest level of arrivals since 2006. In April, the sector was badly affected by the air traffic disruption caused by the volcanic eruption in Iceland. The recovery gained momentum in the second half of the year, but came to a temporary halt in December because of the severe weather conditions in various countries.

The tourism recovery in Europe was slower than in other regions of the world, essentially because of the lack of scope for growth in intra-regional travel (inbound long-haul travel was showing signs of a faster recovery):

- Economic growth was still slack in many countries in the region.
- Unemployment had risen and was expected to take time to fall again; incomes were not rising and consumer confidence was fragile.
- The financial crisis was still not completely over – there were continuing doubts about the creditworthiness of some of the eurozone countries and some countries were still struggling to absorb their real-estate bubbles.
- Governments were forced to bring in austerity measures (increases in taxation and reductions in public and social spending) to bring their deficits under control.

Pockets of strength helped to stimulate growth ...

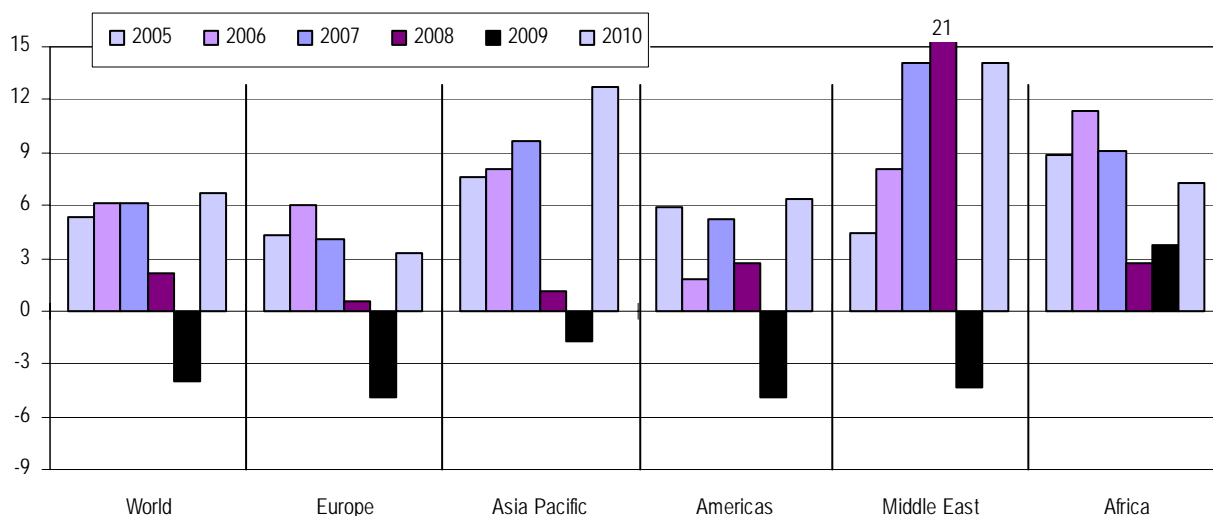
Nevertheless, there were pockets of strength in the European recovery. As source markets, substantial increases in arrivals from Russia, the Nordic countries, Switzerland, Poland and Italy were reported. As destinations, Germany, Turkey and Croatia (among the more important destinations) set new records for arrivals by generous margins.

... but marketplace changes became more entrenched

Some of the trends that emerged during the economic downturn became more entrenched in Europe during 2010, with implications for future travel and tourism demand. In many European markets, domestic and cross-border travel is still more popular than longer-haul trips. Consumers book at the last minute and search the internet intensively for offers and bargains, and they remain very price-sensitive. Length of stay and spending per night have both declined; all-inclusive and fully independent travel (FIT) arrangements have both become popular. And the luxury and economy segments have both recovered, at the expense of the middle ground.

In spite of this emphasis on domestic and cross-border travel, a recovery in long-haul arrivals has been increasingly evident since 2010, reflecting the greater prosperity in other regions of the world. Depending on the nature of individual destinations, they may have enjoyed recoveries or large increases from the USA, Canada, Japan, China, India, Brazil, the Middle East and other emerging markets.

Figure 2
Growth in international tourist arrivals by world region, 2005-10^a
(% change over previous year)



^a Figures for 2010 are provisional – the latest available as in June 2011 – and regions are as defined by UNWTO.

Source: UNWTO

Fall in spending by European travellers ...

The general consensus is that Europeans reacted to the crisis between 2008 and 2010 by travelling closer to home for their holidays (often staying within their home countries), sacrificing secondary holidays in order to maintain their primary holidays, curtailing their lengths of stays and spending, and booking late in order to take advantage of last-minute offers (often spending plenty of time on the internet to find the best of those offers). There were, however, complications in these patterns in individual countries because of local circumstances.

In some countries in Central & Eastern Europe and the Balkans, for example, disposable incomes fell so sharply that domestic and cross-border tourism also suffered. Everywhere, business travel was cut back sharply – and business travellers often spend more than leisure travellers, as reflected in the big declines reported in premium-fare transatlantic air travel. All these factors explained the sharp decline in spending by short-haul travellers, which contributed strongly to the overall 13% fall in Europe's international tourism receipts in 2009.

... but not in spending by long-haul visitors to Europe in 2009

Interestingly, spending in Europe by long-haul visitors held up rather better. Europe is an expensive destination for long-haul travellers, both because prices in most of Europe are high by world standards, and because of the extra expense of long-distance flights. As the world economic downturn took hold, it was likely budget travellers, rather than the relatively wealthy, who did without their trips to Europe. This helps to explain reports that luxury segments of the travel market held up better than the more attractively priced segments.

Trends became more complex in 2010 ...

As already indicated, anecdotal reports from the travel trade suggest that many of the travel trends sparked by the economic downturn became entrenched and persisted through the second half of 2010. In particular, European travellers became very price sensitive and enthusiastic about searching for discounts and bargains. Taking holidays at home also became much more fashionable in many countries in Europe.

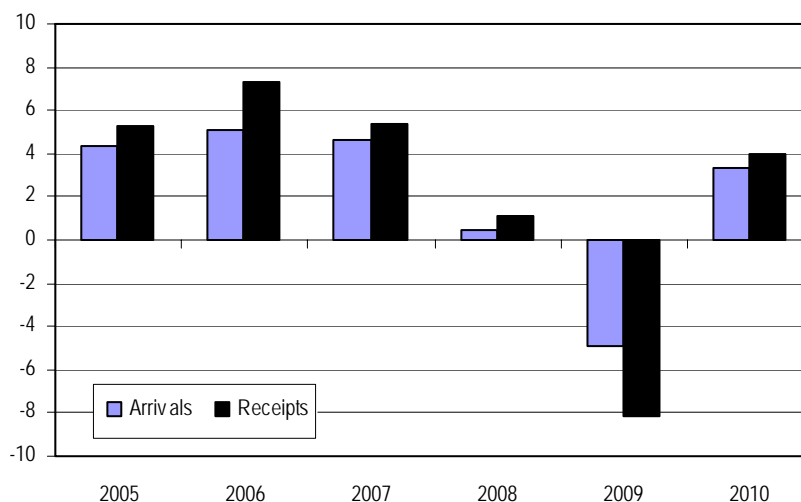
At the same time, those local complications became more prevalent and more complex, making generalisations difficult. By way of example, arrivals from the UK in France continued to decline in 2010, but spending per visitor is reported to have increased very sharply, suggesting that it was the more affluent British who returned to France.

... but receipts also show positive growth

After falling much more heavily than arrivals in 2009 (-8% as against -5%), reversing the trend during the 2003-08 boom, Europe's international tourism receipts rose by some 4% in 2010. This nevertheless means that the year ended at below 2007's level in nominal euro terms while, in real terms, receipts were lower than in 2005.

Figure 3 Europe's international arrivals and tourism receipts, 2005-10

Year	Arrivals ('000)	% annual change	Receipts (€ bn)	% annual change ^a
2005	439.4	4.4	280.5	5.3
2006	461.6	5.1	301.0	7.3
2007	482.9	4.6	317.1	5.3
2008	485.2	0.5	320.7	1.1
2009	461.5	-4.9	294.7	-8.1
2010 ^b	476.6	3.3	306.6	4.0



^a Average annual growth/decline in receipts at current euro prices

^b UNWTO estimates, as at June 2011

Source: UNWTO

Performance by sub-region

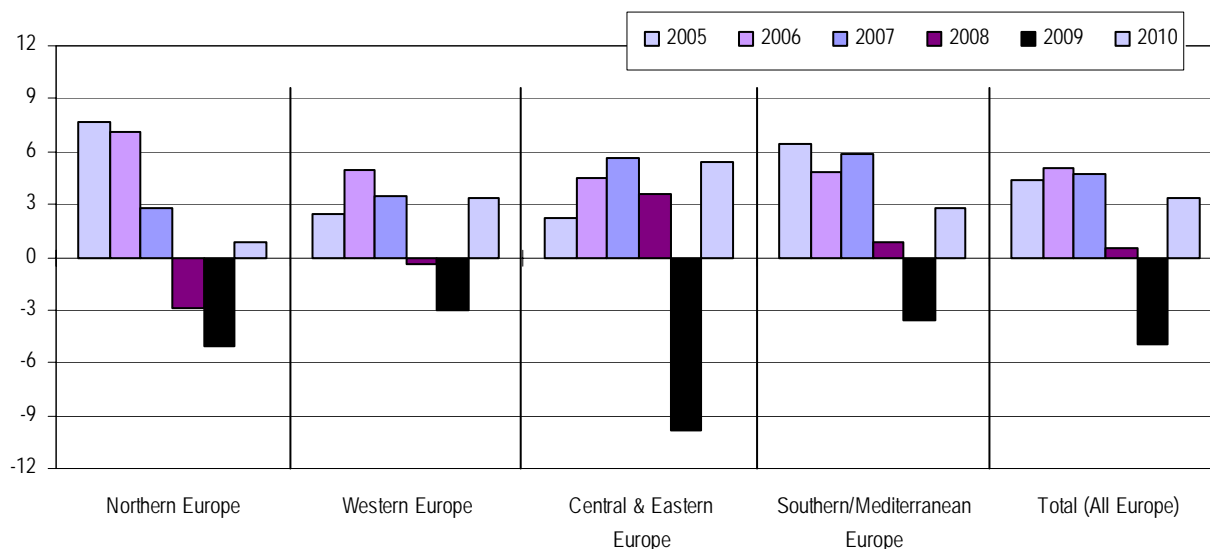
The historical context is important

The effects of the downturn in tourism varied across Europe's different sub-regions. In Figure 4, it is important to look not just at the depth of the decline in 2009, but at the combination of the trends from 2008 to 2010. Thus the 10% decline in Central & Eastern Europe in 2009 followed a 3% increase in 2008, and in that sense was less severe than the 6% decline in Northern Europe, which followed a 3.5% decline in 2008 and was followed by a 5.5% rise in 2010.

Western Europe escaped with a relatively modest decline in 2008 and 2009 (-0.5% and -3%), returning to positive growth (+3.5%) in 2010. And Southern/Mediterranean Europe showed even fewer fluctuations, with a decline of only 3.5% in 2009. But the declines in some individual destinations were very much deeper than the averages for their sub-regions, while a few merely saw arrivals stabilise briefly, showing small declines or even small increases for 2009 as a whole.

All sub-regions recovered in 2010, but Northern Europe's was the weakest (less than +1%).

Figure 4
Growth in international tourist arrivals in Europe by region, 2005-10^a
(% change on previous year)



^a Figures for 2010 are preliminary estimates, as updated in June 2011.

Note: The countries comprising the different European sub-regions, according to UNWTO definitions, are as follows:

Northern Europe: Denmark, Finland, Iceland, Ireland, Norway, Sweden, UK;

Western Europe: Austria, Belgium, France, Germany, Liechtenstein, Monaco, Netherlands, Switzerland;

Central & Eastern Europe: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Russian Federation, Slovakia, and all the other countries of the former USSR, including those in the Caucasus and Central Asia;

Southern / Mediterranean Europe: Albania, Andorra, Bosnia & Herzegovina, Croatia, Cyprus, Former Yugoslav Republic of Macedonia, Greece, Israel, Italy, Malta, Montenegro, Portugal, Serbia, Slovenia, Spain, Turkey.

Source: UNWTO

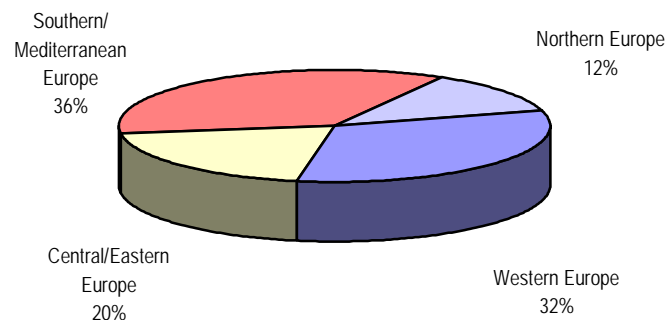
Only in Northern Europe did arrivals decline in both 2008 and 2009

Northern Europe, which accounts for just 12% of European arrivals, was nevertheless performing very well in 2003-07. The two largest destinations (the UK and Ireland) were prospering. The Nordic countries were enjoying much attention from Russia, Eastern Europe and the UK, and were in fashion in many long-haul markets. Finland in particular was exploiting its position on polar air-routes to and from the Far East.

However, Northern Europe suffered badly in 2008-09 (it was the only sub-region of Europe to record substantial declines in arrivals in both years). Ireland had ceased being Europe's 'tiger economy' and business travel to both Ireland and the UK was very seriously affected. The cheap pound eventually brought shoppers from the eurozone to London, but in a declining world market for tourism it did nothing to sustain the long-haul arrivals which are so important to the UK. Many of the Nordic countries' most important markets (including Russia, the Baltic States, several other countries in Eastern Europe and the UK) were temporarily in crisis. Only in Iceland did arrivals continue to rise – and that was of small comfort to people in that devastated economy.

The UK and (more seriously) Ireland continued to suffer declines in 2010, while the Nordic countries performed relatively well, with an emphasis on domestic and neighbouring travel.

Figure 5
Breakdown of Europe's international arrivals by sub-region, 2010 (%)



Source: UNWTO

The downturn was relatively gentle, and the recovery stronger, in Western Europe

Western Europe, which accounts for as much as 32% of total arrivals in Europe, has tended in recent years to see relatively modest and relatively stable rates of growth in tourism. Accordingly, the downturn in arrivals in 2008-09 was moderate. All countries in the sub-region except Switzerland are members of the eurozone, and the strength of the euro may have dampened long-haul demand. But all member economies reported increases in domestic tourism and in visits from neighbouring countries in 2008-09, which helped to moderate the downturn.

A famous contrast emerged in 2009-10 between an economically hesitant and financially vulnerable eurozone and the prosperity of its largest member, Germany. The Germans themselves did not travel abroad more in 2010, but their tourism industry is highly competitive and attracted record numbers of

visitors (+11%). Austria (+3%), Belgium (+6%) and the Netherlands (+10%) also set new records in 2010, mainly because of demand from neighbouring markets for short visits. Arrivals in France seem to have been more hesitant (0.0%), but large increases from some long-haul markets were reported. Arrivals in Switzerland (+4.0%) were restrained by the strong Swiss franc, but the destination remained popular (and has continued to remain popular, despite further appreciation) in many long-haul markets.

Business travel to Germany held up better – and began to recover sooner – than that to the UK, while Belgium continued to benefit from the attraction of Brussels as capital of the EU.

**The downturn arrived late
in Central Europe – but
then bit hard**

The collapse of the Iron Curtain revealed huge pent-up demand for travel to and from the countries of Central Europe – i.e. those countries which were 'behind' the Iron Curtain but not part of the USSR, and which are now members of ETC. This demand was encouraged by the later accession of these countries to the EU and, eventually, to the Schengen area, and was facilitated by the arrival of low-cost/no-frills airlines.

However, this factor had largely run its course by 2004 and in 2005-07 tourism in Central & Eastern Europe was growing no faster than that in the rest of Europe. The economic downturn came late to the region but, when it came, in the last part of 2008, its bite was ferocious, with arrivals falling by 10% for the year overall. The performance of individual countries showed wide variations, however, and a few destinations continued to do well.

Bulgaria, for instance, a latecomer to the boom in tourism, saw arrivals merely stabilise, and Russians continued to arrive in Estonia (and Finland) in growing numbers towards the end of 2008, and they began to return again relatively soon, late in 2009. But many countries in Central Europe suffered serious economic crises. And, with low and falling disposable incomes, there was no scope for an increase in domestic and cross-border tourism, which brought some relief to tourism in many other parts of Europe.

This situation generally persisted in 2010. Although some destinations reported substantial increases (including a number in Eastern Europe and Central Asia – Armenia, Georgia, Azerbaijan and Kazakhstan), arrivals were still far short of their peak levels and prices were generally low. Exceptions, in terms of arrivals among the more visited destinations, were Estonia (+12%), Hungary (+5%), Poland (+5%), Romania (+5%) and Bulgaria (+5.5%).

Russians have been arriving in large numbers in many destinations in Europe, but inbound travel to Russia has remained limited, despite a 4.5% increase in 2010 – much of that coming from migrant workers, VFR and business travellers from neighbouring countries in the Commonwealth of Independent States (CIS).

**Mixed fortunes in
Southern/Mediterranean
Europe**

Arguably, the most important trend in European tourism over the last few years has been the emphasis on Southern/Mediterranean Europe. But UNWTO's definition of this sub-region is broad, and a distinction must be drawn between the Western Mediterranean, where growth was generally very modest, and the Eastern Mediterranean (including the Western Balkans), where it was more dynamic. Even this is an oversimplification: city tourism in Spain had

continued to prosper, but sun & beach resorts in Spain and Portugal were outmanoeuvred and outpriced by those in Turkey and North Africa. (The strong euro was an important factor.) Greece and Cyprus did not benefit as they suffered from the strong euro. Indeed, tourism in Greece has not really got back on an even keel since the 2004 Olympics – until, perhaps, this year.

Meanwhile, trends in the Western Balkans (i.e. the former Yugoslavia plus Albania) have been complicated: Slovenia was already a small but mature destination, while Croatia was joining the ranks of highly competitive, major international destinations. Arrivals in the other countries were on a much smaller scale, but rising rapidly – often as much on the basis of cross-border (including VFR) travel as on organised holiday travel from further afield.

These patterns were very largely sustained through the downturn in 2008-09 and the recovery in 2010. Thus, arrivals in Turkey merely stabilised in the middle of 2009 and then returned to growth, with a shift in focus towards prospering markets in the Middle East. Arrivals in Portugal, Spain, Greece and Cyprus fell heavily in 2009 and struggled to stabilise in 2010. These countries are particularly exposed to the UK market, which has remained very weak. This was also a factor in a sharp reversal in arrivals in Malta in 2009, but Malta then achieved a comprehensive recovery in 2010.

Croatia suffered only a small decline in arrivals in 2009 and soon returned to modest growth. In many Balkan countries, including Greece and Croatia, disposable incomes fell sharply in 2009-10, making it impossible to sustain domestic and cross-border travel demand. However, Albania and Montenegro have been achieving substantial increases in organised tourism from further afield in Europe, and this growth continued in 2009-10.

Finally, Italy was very lightly affected by the downturn: arrivals (in TF – tourists at frontiers – terms) fell by 2% in 2008 and rose by 1% 2009. It is close enough to major markets in Western Europe to benefit from the trend towards staying closer to home, and fashionable enough among the affluent in long-haul markets to have sustained demand from those markets. Provisional results for 2010 point to a further 1% increase.

Outbound travel trends

European outbound trips fell by 6% in 2009 ...

IPK International's European Travel Monitor (ETM), part of the World Travel Monitor, looks at the other side of the coin – it measures outbound trips from more than 30 European source countries rather than arrivals in the destinations. (TourMIS and UNWTO do not provide data on outbound travel, essentially because very few countries monitor outbound trips, and those that do use a variety of different measures and methodologies.)

However, the ETM generally paints a very similar picture to that of UNWTO. It suggests that European adults aged 15 years and over made 395 million trips abroad of a minimum one night's stay in 2009 – 6% fewer than in 2008. There was an improvement in the figures as the year progressed but, while in the rest of the world outbound trips were already recovering by the end of the year, in Europe they were still declining. This was despite the fact that the 'base figures' (the figures in the last part of 2008) were so weak.

Figure 6
European outbound travel, 2009-10

	2009	2010	% change	
			2009/08	2010/08
Trips (mn)	395	402	-6	2
Short breaks (1-3 nights)	110	123	1	12
Long trips (4+ nights)	285	279	-10	-2
Overnights (mn)	3,500	3,500	-12	0
Average length of trip (nights)	9	9	-5	-5
Spending (€ bn)	331	330	-13	-1
Spending per trip (€)	837	817	-5	-3
Spending per night (€)	97	98	1	1

Source: European Travel Monitor, IPK International

**... followed by a 2%
rise in 2010**

Moreover, in 2010, when the recovery in the rest of the world was well underway, outbound trips from these European markets rose just 2% – and the recovery was confined to short breaks (trips lasting 1-3 nights), while long trips continued to decline.

Short breaks did not decline at all in 2009 and increased by 12% in 2010, while long trips were down by 10% in 2009 and a further 2% in 2010. This is at first sight at variance with the common notion that people were more inclined to sacrifice their secondary holidays than their main holidays. However, given the large numbers of Europeans who take more than one holiday abroad of more than three nights, it is quite possible that many sacrificed a second long holiday in favour of an extra short break. In 2010, short breaks accounted for more than 30% of outbound trips by Europeans, up from 25% in 2008.

Nights spent abroad fell by 12% to 3.5 billion in 2009 and stabilised at that level in 2010. Spending fell by 13% in 2009 and by 1% in 2010 to €330 billion, and spending per trip by 5% and 3% to €817. However, spending per night did not fall, in spite of the decline in accommodation prices.

**Holiday trips have held up
better than business
and VFR**

Holidays (including short breaks), which account for nearly three quarters of European outbound trips, fell 5% in 2009 but largely recovered in 2010. Many segments held up relatively well. Sun & beach holidays, which are still the predominant form of main holidays, were down just 3% in 2009 but up 1% in 2010. City trips declined by 3% in 2009 but increased by as much as 13% in 2010, reflecting the renewed shift towards short breaks. There has been a great deal of activity linked to new cultural attractions in Europe, including new museums and performance venues, which attract visitors from neighbouring countries. Travel across European borders to major sporting events has also become more commonplace among enthusiasts.

Touring holidays had been rising faster than average in recent years, but fell sharply in 2009 (-14%), rebounding by 6% in 2010. Countryside holidays declined by 6% in 2009 and a further 12% in 2010. Whether this reflects normal swings and roundabouts in holiday fashions or a more persistent reversal in trends remains to be seen.

Meanwhile, sun & beach holidays sustained demand in 2009, rising modestly in 2010, while city trips showed double-digit growth in demand both years.

Figure 7
Purpose of travel by Europeans, 2009-10

	Trips (mn)	% market share	% change 2009/08	2010/09
Holiday	280	71	-5	2
VFR & other leisure	56	14	-10	-2
Business	59	15	-8	4
Total trips	395	100	-6	2

Source: European Travel Monitor, IPK International

Visits to friends and relatives (VFR) have not been growing recently, in spite of the much-publicised increase in social and employment mobility in the enlarged European Union, and despite the opportunities for saving on travel expenses during a recession by staying with friends and relatives. They declined by 4% in 2008 and by 10% in 2009, falling by a further 2% in 2010. The contraction in demand for migrant workers in Europe may also be affecting related VFR travel.

Signs of recovery in business travel

Business travel was particularly badly affected by the financial and economic crisis. Companies reacted quickly by curtailing business travel (and especially incentive and conference travel). Outbound business trips from European markets fell 8% in 2009 but, according to IPK's European Travel Monitor, demand rebounded in 2010, resulting in 4% more foreign business trips (although yields did not increase). And the trend appears to have been sustained in 2011.

Travel by air, coach, rail and sea all fell

Nevertheless, the recession was associated with something that had not been seen for many years: a decline in air travel. According to the ETM, outbound trips by air in Europe fell by 8% in 2009 and recovered by just 4% in 2010. Early in the recession – even before it, as the cost of aviation fuel soared – there were well-publicised withdrawals of low-cost carriers (LCCs) from newly introduced, but only marginally viable, routes. But 2010 brought plenty of news about a revival of their interest in new routes. On the whole the LCCs sustained their traffic volumes (and increased their markets shares). Some of the long-established, but hard-pressed traditional carriers, however, were forced to weed their schedules quite drastically.

Travel by ship (both ferries and cruise ships) and train, which had been rising rapidly in recent years, also fell sharply. Outbound trips by train fell 6% in 2009 and a further 4% in 2010, in spite of the reported popularity of new high-speed services. Trips by ship fell more sharply at first (by 15% in 2009), but recovered more strongly (rising 10% in 2010). Trips by coach were down as much as 19% in 2009 and hardly recovered at all in 2010 and, since coach travel had not shared in the boom in previous years, this heavy decline is calculated on figures which were already weak. Trips by car, however, continued to increase: they were up 1% in 2009 and 2% in 2010.

Long-haul trips fall out of favour

The long-term trend for larger numbers of Europeans to be able to afford to take their main holidays – or even short breaks – beyond the shores of Europe was largely reversed by the economic downturn. This was temporarily disguised in 2008 by a double-digit increase in trips to the USA due to the cheap dollar in most of that year. With the revival in the value of the US dollar, this factor was taken out of the equation in 2009. Long-haul trips declined by 10%, while short-haul trips fell by 'only' 5%.

Full details are not available for 2010 but travel to North America pretty well stagnated while demand for other long-haul destinations showed some recovery, especially sub-Saharan Africa (thanks to the FIFA World Cup) and Asia Pacific. Meanwhile, short-haul travel to Western and Southwestern Europe (UNWTO geographical definitions) suffered, while North, Central and Southeastern Europe attracted growing interest.

It is important to note that popular destinations in the southern Mediterranean – such as Egypt, Morocco and Tunisia – are counted as short-haul/intra-regional destinations out of Europe by IPK International's World Travel Monitor, while in UNWTO's statistics they would count as long-haul destinations. By IPK's definition, short-haul trips account for as much as 88% of total outbound European trips.

Figure 8
Short- versus long-haul travel out of Europe, 2009

	Trips 2009 (mn)	% market share	% annual change 2009
Short-haul ^a	348	88	-5
Long-haul	47	12	-10
Total trips	395	100	-6

^a Trips to Europe and other Mediterranean destinations

Source: European Travel Monitor, IPK International

Varying fortunes among the top 10 destinations for European travellers

Only one of the top ten destinations for European travellers is a long haul destination, and that one – the USA – suffered the heaviest decline in 2009. Spain, France, the UK and Greece also experienced a sharp drop in demand, and none enjoyed a substantial recovery in 2010.

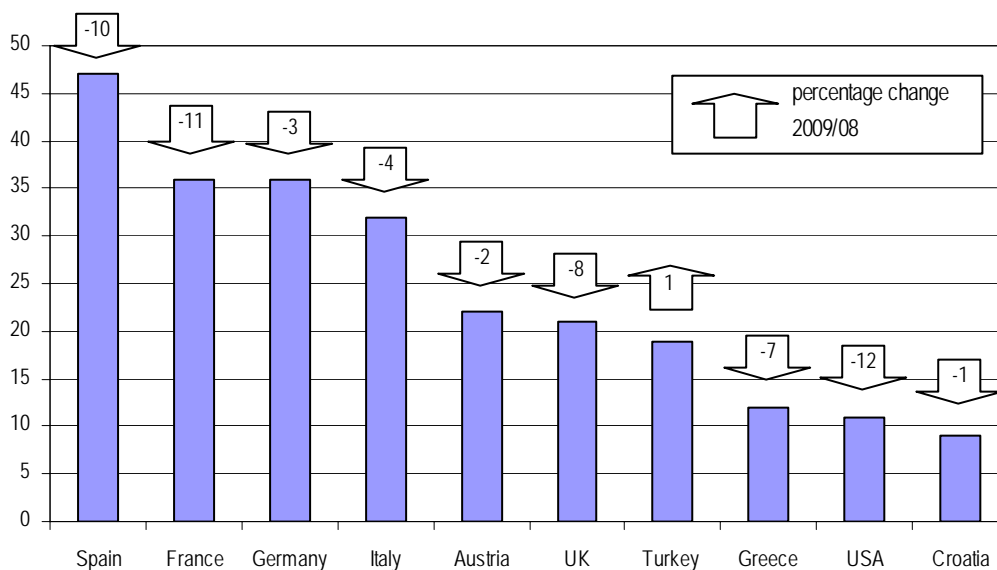
Spain and Greece (both members of the eurozone) were suffering from a loss of price-competitiveness against competitors in the Eastern Mediterranean and North Africa, and the weakness of the euro in 2010 and big reductions in offered prices do not seem to have had a marked effect on their popularity in 2010. European trips to Spain remained weak in 2010, but in the first months of 2011 it is benefiting from the diversion of travellers from holiday destinations in North Africa and the Middle East. European arrivals in Greece did not fall again in 2010 only because of another large increase in arrivals from Russia.

European arrivals in France stagnated at around 36 million in 2010, while those in Germany rose to 44 million. Germany has therefore displaced France from second place among destinations for Europeans (with 10% of the European market against France's 9%).

The 12% decline in trips to the USA in 2009 was not surprising, given the extraordinary increase in trips to that destination in 2008 and the recovery in the value of the US dollar in 2009. The US Department of Commerce reports that trips to the USA from Europe increased by 3.7% in 2010.

Given their competitiveness in recent years, it is not surprising that Turkey and Croatia managed to sustain their arrivals from Europe even in a declining market. But the relatively good performance of Austria and Germany is also worth noting.

Figure 9
Leading destinations for European outbound travellers, 2009
(mn arrivals and % change)



Note that this graph relates only to arrivals from within Europe, whereas Figure 3 (and the related text) refers to arrivals from the whole world. IPK International has not released the corresponding figures for 2010 for public consumption.

Source: European Travel Monitor, IPK International

Air transport

Passenger numbers only began to recover in December 2009

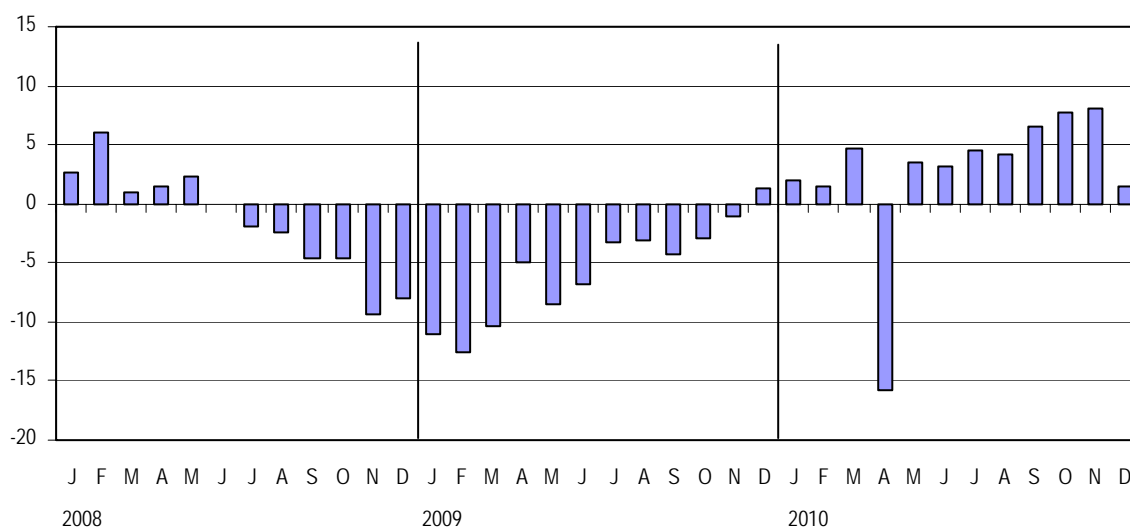
Inevitably, 2008 and 2009 were difficult years for European airlines, and 2010 also had its problems. Passenger numbers and revenues plunged in the second half of 2008 and the first half of 2009 and continued to decline, ever more moderately, in the second half of the year. As the Association of European Airlines (AEA) reported: "Given that the year-on-year comparison was with a steadily worsening trend in the 2008 baseline, it is unsurprising that the rate of traffic loss decreased through the later stages of 2009, finishing with a December traffic volume no lower, but equally no higher, than in December 2008."

The first monthly increase in passenger numbers, compared with the same month a year earlier, was not seen until December 2009, and that was calculated on a figure far short of the peak levels. There were further modest

increases in the first few months of 2010, until the eruption of Eyjafjallajökull in April temporarily disrupted air services.

The numbers started to look better in the last quarter of 2010, but they were still not quite back to their record levels of 2007. Bad weather then dealt another blow to the industry in December.

Figure 10
European airlines' passenger numbers, 2008-10
(% change on the same month of the previous year)



Source: Association of European Airlines (AEA)

European airlines have fared a little worse than world airlines

Overall, AEA Member airlines saw declines in passenger numbers (on scheduled flights, domestic and international) of 1.5% in 2008 and 5.8% in 2009, and a partial recovery (+2.7%) in 2010.

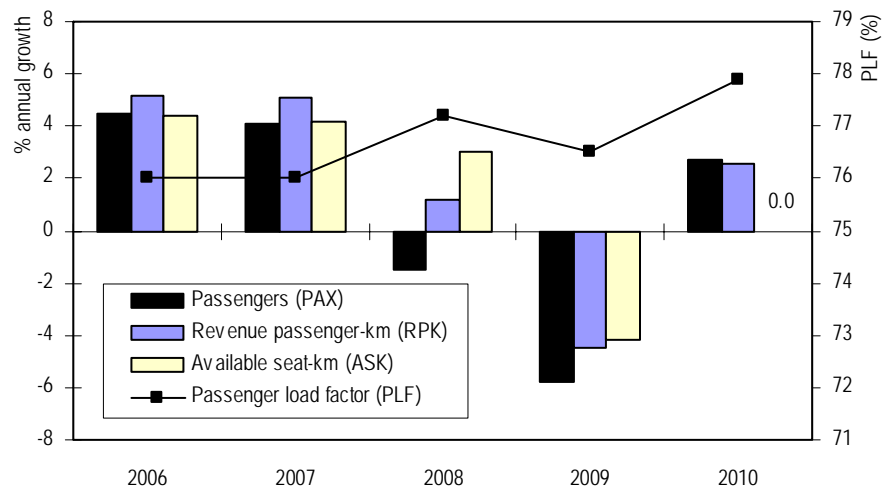
International traffic, in revenue passenger-km (RPK) terms, declined by 4.4% in 2009 and increased by 2.7% in 2010. In comparison, IATA Members, worldwide, saw a slightly smaller decline in 2009, of 3.5%, and a substantially stronger increase, of 8.2%, in 2010.

Figure 11
European airlines' passenger operations^a, 2006-10

Year	PAX ('000)	(% change)	RPK (mn)	(% change)	ASK (mn)	(% change)	PLF (%)
2006	343,634	4.5	736,944	5.2	963,475	4.4	76.0
2007	358,252	4.1	774,907	5.1	1,004,624	4.2	76.0
2008	355,748	-1.5	791,778	1.2	1,041,532	3.0	77.2
2009	325,952	-5.8	747,935	-4.5	983,720	-4.2	76.5
2010	343,458	2.7	774,804	2.6	995,100	0.0	77.9

(continues)

Figure 11 (continued)
European airlines' passenger operations^a, 2006-10



^a Annual growth figures adjusted for changes in membership. % changes in PAX numbers as reported were +4.8% in 2006, -0.7% in 2008, -8.4% in 2009 and +5.4% in 2010. Data as reported in February *Traffic Updates* each year (January in 2011); subsequent revisions are not incorporated.

Source: AEA

Inevitably, profits have suffered

Passenger load factor continued to rise in the first part of 2008 as the boom in air travel reached its climax, and airlines were already moving to cut capacity on less profitable routes because of high oil prices. They reacted quickly to the decline in demand with further cuts in capacity, so load factors fell only slightly in 2009.

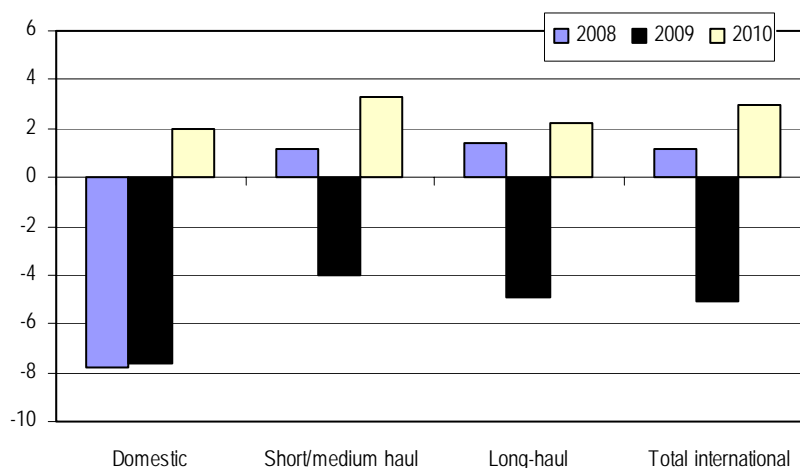
Nevertheless, the crisis had a serious impact on the profitability of the airlines. IATA reports that the European airlines, collectively, made no net profits in 2008, a net loss of US\$4.3 billion (€3.1 billion) in 2009 and an estimated profit of just US\$1.4 billion (€0.9 billion) in 2010. Higher-than-expected fuel prices and industrial action by air controllers and airline staff did not help. Nor did 160,000 flight cancellations – an unusually high number, even allowing for the 100,000 cancellations caused by the Icelandic volcano eruption.

Routes to Africa, the Middle East and South America perform well

In 2008, among AEA member airlines, passenger numbers on international routes, both within Europe and long haul, held up reasonably well, increasing by 1.2%, while domestic passenger numbers fell by 7.8%. In 2009, however, the declines were spread across almost all groups, domestic and international. There were, however, quite large increases in both 2008 and 2009 on what the AEA defines as medium-haul routes – to North Africa and the Middle East. The improvement in 2010 was spread across all groups except the North Atlantic, but was strongest on routes to the Middle East, South America and North Africa. Domestic routes have continued to fare relatively badly.

Figure 12
European airlines' passenger numbers by route^a, 2008-10

	Volume ('000) 2010	% share 2010	% change		
			2008	2009	2010
Domestic	92,739	27	-7.8	-7.6	2.0
Short/medium haul	183,475	53	1.2	-4.0	3.3
Cross-border in Europe	168,339	49	0.6	-6.1	3.0
Europe-North Africa	5,084	1	4.9	2.9	5.6
Europe-Middle East	10,052	3	11.5	7.6	8.2
Long-haul	67,309	20	1.4	-4.9	2.2
North Atlantic	27,224	8	-0.6	-5.7	-0.2
Mid-Atlantic	6,622	2	3.6	-6.7	4.1
South Atlantic	5,877	2	6.1	-5.5	6.3
To Sub-Saharan Africa	8,894	3	3.6	2.4	3.9
To Far East / Australasia	18,444	5	1.1	-6.0	3.1
Total international	250,784	73	1.2	-5.1	3.0
Total scheduled flights	343,523	100	1.5	-5.8	2.7



^a Annual growth figures adjusted for changes in membership. Data as reported in February *Traffic Updates* each year (January in 2011); subsequent revisions are not incorporated.

Source: AEA

Passenger traffic through European airports recovers slowly

International passenger throughput at European airports fell by 6.2% in 2009 and recovered by 4.5% in 2010, according to preliminary data gathered by Airports Council International (ACI). This performance was comparable to that in North America, but airports in Africa, Asia Pacific and more especially the Middle East did substantially better.

European airports accounted for 51% of international passenger throughput in ACI airports in 2010 (down from 53% in 2009), but only 30% of total passenger throughput. (The difference is very largely accounted for by the huge domestic passenger traffic in North America.)

Figure 13
International airline passenger traffic at ACI airports worldwide^a, 2008-10

	Volume ('000) 2010	% share 2010	% change 2008	2009	2010
Africa	84,781	4.3	8.4	-0.7	10.4
Asia Pacific	429,453	21.9	0.1	-1.7	14.2
Europe	1,006,498	51.3	0.9	-6.2	4.5
Latin America/Caribbean	107,718	5.5	5.4	-6.0	8.3
Middle East	111,040	5.7	12.3	7.9	12.1
North America	197,067	10.0	2.4	-5.3	5.7
Total	1,963,557	100.0	2.1	-4.2	7.5

^a Passengers enplaned and deplaned; passengers in transit counted once. Based on preliminary results filed by 905 airports worldwide (subsequent revisions not incorporated).

Source: Airports Council International (ACI)

Not one of the top 35 airports saw an increase in passenger traffic in 2009

The ranking of the top ten European airports remained unchanged in 2009 and 2010, except in the sense that Istanbul Atatürk (along with other Turkish airports) joined ACI Europe and is now included in the rankings. Lower down the ranking there have been significant changes. Moscow Domodedovo has moved up and Milan Malpensa has been moving down since Alitalia abandoned it as a major international hub in 2007. Dublin, London Stansted and Manchester have dropped out of the top 20. Notably, not one of the (then) top 35 saw an increase in passenger throughput in 2009, but only London's Heathrow, Gatwick and Stansted, Dublin, Manchester, Athens and (marginally) Palma de Mallorca and Prague saw further declines in 2010.

Figure 14
Top 35 ACI airports in Europe by total passenger throughput^a, 2009-10

Rank	Airport	Country	Passengers 2010 ('000)	% change 2009/08	2010/09
1	London Heathrow (LHR)	UK	65,884	-1,5	-0.2
2	Paris Roissy (CDG)	France	58,165	-4,9	0.5
3	Frankfurt (FRA)	Germany	53,009	-4,7	4.1
4	Madrid (MAD)	Spain	49,768	-5,1	2.8
5	Amsterdam Schiphol (AMS)	Netherlands	45,212	-8,1	3.8
6	Rome Fiumicino (FCO)	Italy	36,228	-4,0	7.4
7	Munich (MUC)	Germany	34,722	-5,4	6.2
8	Istanbul Atatürk (IST)	Turkey	32,166	na	7.7
9	London Gatwick (LGW)	UK	31,379	-5,3	-3.2
10	Barcelona (BCN)	Spain	29,197	-9,7	6.9
11	Paris Orly (ORY)	France	25,204	-4,2	0.4
12	Zurich (ZRH)	Switzerland	22,827	-0,8	4.3
13	Moscow Domodedovo (DME)	Russia	22,254	-8,6	19.2
14	Antalya (AYT)	Turkey	21,850	na	18.7
15	Copenhagen (CPH)	Denmark	21,452	-8,4	9.1
16	Palma de Mallorca (PMI)	Spain	21,110	-7,1	-0.4
17	Vienna (VIE)	Austria	19,691	-8,3	8.7
18	Moscow Sheremetyevo	SVO	19,329	na	30.9
19	Oslo (OSL)	Norway	19,091	-6,6	5.5
20	Düsseldorf (DUS)	Germany	18,988	-2,0	6.7

(continues)

Figure 14 (continued)
Top 35 ACI airports in Europe by total passenger throughput^a, 2009-10

Rank	Airport	Country	Passengers 2010 ('000)	% change 2009/08	2010/09
21	Milan Malpensa (MXP)	Italy	18,948	-8,7	8.0
22	London Stansted (STN)	UK	18,574	-10,7	-6.9
23	Dublin (DUB)	Ireland	18,432	-12,6	-10.1
24	Manchester (MAN)	UK	17,873	-12,0	-5.1
25	Brussels (BRU)	Belgium	17,149	-8,2	1.1
26	Stockholm Arlanda (ARN)	Sweden	16,989	-11,4	5.5
27	Athens (ATH)	Greece	15,394	-1,4	-5.0
28	Berlin (TXL)	Germany	15,026	-2,1	6.0
29	Lisbon (LIS)	Portugal	14,045	-2,5	5.9
30	Hamburg (HAM)	Germany	12,963	-4,7	6.0
31	Helsinki (HEL)	Finland	12,839	-6,9	1.8
32	Malaga (AGP)	Spain	12,040	-9,3	3.7
33	Geneva	Switzerland	11,786	na	4.9
34	Istanbul Haavelani (SAW)	Turkey	11,632	na	74.2
35	Prague (PRG)	Czech Republic	11,557	-7,8	-0.7

^a Total passengers enplaned and deplaned (passengers in transit counted once)

Source: ACI Europe

Almost all the larger airports saw declines in 2009 and improvements in 2010 ...

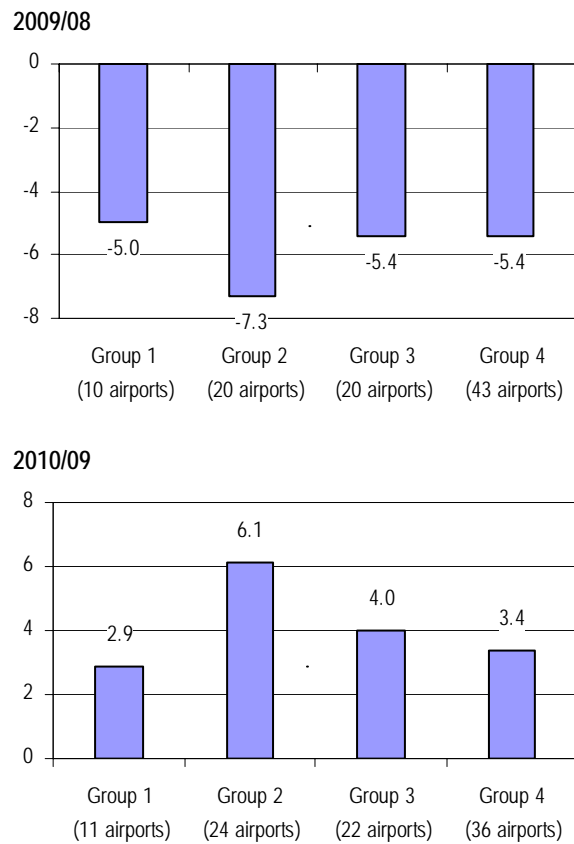
Among the ten giant airports classified by ACI as 'Group 1', handling over 25 million passengers a year, only London Heathrow (which opened a new terminal in April 2008) did not see a substantial decline in passenger numbers in 2009. All except London Heathrow and London Gatwick saw some increase in 2010, ranging from 7.7% for Istanbul Atatürk (now, as a new ACI Europe member, listed as the 11th giant) to 0.5% for Paris Charles de Gaulle. The average increase for these eleven airports in 2010 was 2.9%.

Group 2 airports (the remaining 24 listed in Figure 14, handling 10-25 million passengers a year) did rather worse than average in 2009 (-7.3%) and rather better in 2010 (+6.1%). The best performances over the two years came from the Turkish and Russian airports.

... but some smaller airports did well in both 2009 and 2010

There were great variations in performance among the smaller airports of Europe. Among those whose data was listed by ACI Europe, about a dozen saw significant increases in passenger numbers in 2009. They included Charleroi (34%), Cagliari (14%), Bari (12%), Milan Orio al Serio (10.5%), Riga (10%), Brindisi (9.5%), Stockholm (6%), Marseille (5%), Bodo (4%) and Berlin Schönefeld (2%). At least two dozen suffered declines of 10-35%. In 2010, double-digit increases were posted by Brindisi, Charleroi, Bari, Porto, Bologna. Riga, Dubrovnik, Gothenburg, Fuerteventura, Ibiza, Bordeaux and Turin. Declines ranging up to 2% were posted by about two dozen airports.

Figure 15
Growth in passenger throughput in Europe by size of airport^a, 2009-10 (%)



^a Preliminary data: only 93 of ACI Europe's 400 airports are represented, but all of the top 35 and most of the top 100 are included.

Source: ACI Europe

The hotel sector

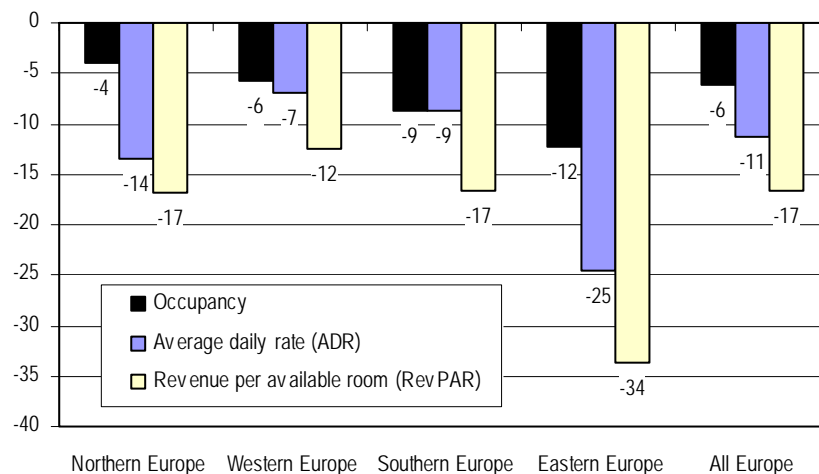
Europe heavily affected by overall turbulence

2009 was naturally a turbulent year for the world's hotel industry, and Europe was particularly badly affected. According to data from STR Global, all regions of the world suffered declines in occupancy, and the decline in Europe (-6%) was only moderate. But in all regions of the world except Africa hotels cut prices in an effort to sustain occupancy, and no region of the world slashed prices as deeply as Europe (-11%). Revenue per available room (revPAR) was therefore down heavily – by 17% in euro terms and about 21% in US dollars. On all these measures, Eastern Europe suffered more than other parts of Europe.

Note that STR Global's breakdown of Europe by sub-region differs slightly from UNWTO's.

Figure 16
Hotel performance in Europe, 2008-09

	Occupancy (%)		ADR (€)		RevPAR (€)	
	2008	2009	2008	2009	2008	2009
Northern Europe	68.2	65.5	102.85	88.99	70.10	58.29
Western Europe	65.8	62.0	110.27	102.51	72.57	63.54
Southern Europe	61.7	56.3	105.92	96.62	65.32	54.40
Eastern Europe	59.0	51.8	106.86	80.66	63.05	41.79
All Europe	65.1	61.1	106.11	94.23	69.13	57.59



Source: STR Global

All round declines in occupancy, ADR and revPAR

Remarkably, every one of the 29 countries covered in Figure 16 recorded deteriorations on all three measures – occupancy, average room rate and revenue per available room. Two countries that might have provided exceptions – Turkey and Croatia – are absent from the survey.

The cheap pound brought European shoppers into the UK, helping to sustain occupancy rates and, by the end of the year, London, Edinburgh and Glasgow were all seeing a distinct improvement in trading conditions. In fact, they ended up with very slight increases in occupancy for the year as a whole, but with the decline in the value of sterling this still meant substantial declines in revenues. Sweden also saw a more competitive exchange rate, but it is less clear that this contributed largely to the relatively strong performance of inbound tourism and in hotel occupancy.

2010 sees rebound, despite continuing turbulence

The global hospitality industry suffered continuing turbulence through 2010. Volatile stock markets, volcanic ash clouds, natural disasters and extreme weather, new governments, continued spending cuts around the world, and the bail-out of both Greece and Ireland, all hit the headlines at some point during the year. However, just as world economies have started to rebound – some, of course, more quickly than others – so, too, has the hotel industry, according to reports from STR Global.

In the full 12 months of 2010, the European hotel industry posted mostly positive results in year-on-year metrics when reported in US dollars, euro and sterling. Recovery took hold over most of the region during the year. Demand returned and, with limited supply increases overall, most hotel markets boosted their occupancy levels and were able to build their average rates. However, while percentage growth rates were good, the final numbers fell short of the peak levels of 2008.

Highlights from key market performers for year-end 2010 included (year-on-year comparisons, in euro terms):

- Istanbul, Turkey, showed the strongest increase in average occupancy – a 14.2% increase to 72.7%.
- In Malmo, Sweden, occupancy fell 5.7% to 63.5%, the largest decrease in that metric.
- Stockholm, Sweden saw ADR rise 19.1% to €118.46, and Munich, Germany a rise of 18.5% to €113.18), the largest increases for the year.
- Two markets reported revPAR increases of more than 30%: Tel Aviv, Israel (+32.3% to €132.10), and Munich (+31.1% to €81.56).
- Copenhagen, Denmark, reported the largest decreases in ADR (-14.8% to €96.33) and revPAR (-12.4% to €62.48) for the year.

Outlook for 2011 remains positive

Reports from STR Global suggest that Europe put in a solid performance over the first six months of 2011, with equal increases in occupancy and ADR across the region, resulting in a 9% revPAR increase. Despite the reoccurring uncertainties in the wider economic environment, European hoteliers benefited from the continued improvement in business, MICE and leisure demand, and the outlook for the coming months remains cautiously optimistic.

Destinations

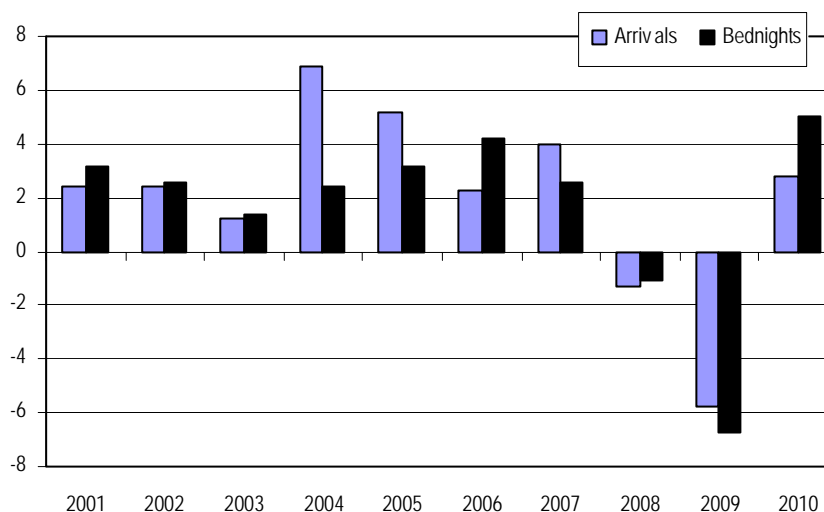
Arrivals versus overnights

Different measures produce slightly different results

The latest available data on TourMIS suggests that tourist arrivals in European destinations declined by 1.3% in 2008 and by 5.8% in 2009, before recovering by 5.0% in 2010. Overnights fell by 1.1% in 2008 and 6.7% in 2009, but recovered very slightly in 2010, by 1.0% (see Figure 17). These figures are not yet representative of all destinations in Europe. (Filing data on TourMIS is a gradual process, and several countries have added data for 2003-07 since the 2007 edition of *European Tourism Insights* was prepared.) However, the broad pattern illustrated by Figure 17 is unlikely to change much when data becomes available for more destinations.

Using different measures than TourMIS and a wider definition of Europe (including all the countries of the former USSR and Israel), UNWTO paints a slightly better picture for arrivals in 2008-09, with an increase of 0.5% in 2008 and a decline of only 4.9% in 2009, but a more moderate recovery, of 3.3%, in 2010 (see Figure 18).

Figure 17
Trends in international arrivals and overnights in Europe, 2001-10^a
(% annual change)



^a Figures for recent years are not yet fully representative: 28 countries have filed data (not all for both arrivals and nights) for 2001, but only 23 have filed data for 2009. Only 11 countries have filed data for 2010, but data for a further 13 destinations has been provided directly by NTOs for 2010.

Source: Data filed by NTOs on TourMIS.

Is there still a trend in favour of short breaks?

The general impression has been that arrivals have tended to outpace overnight volumes in recent years – a trend which has been attributed largely to the influence of low-cost/no-frills airlines in encouraging people to take short breaks. Figure 17 shows that this has not always been the case, and in 2008-10 any long-term trend will have been overwhelmed by the effects of the economic downturn. As already indicated, anecdotal reports suggest that nights fell more sharply than arrivals, because of some combination of a tendency to take shorter trips and to sacrifice secondary holidays in favour of an extra short break. However, the available figures also suggest that, overall, the effects of these trends were marginal.

The overall rankings and performance in 2009-10, in terms of arrivals

The following two tables show the ranking in 2009 of European destinations in terms of total arrivals and of international tourism receipts. The ranking should not be taken too literally: individual countries use very different measures of tourism, and even when they appear to be using the same measures, differences in definitions and methodologies mean that their figures may not be strictly comparable.

Among the top ten, the Ukraine and the Russian Federation are exceptional in that such a large proportion of visitors are between the two – they are not usually regarded as among the leading European destinations for tourism. Both suffered heavy declines in arrivals in 2008 and 2009, and the Ukraine slipped three places in the ranking in 2009.

Figure 18
International tourist arrivals in Europe by destination, 2006-10
(Arrivals in '000 and % change on previous year)

Rank	Destination	Measure ^a	Arrivals 2009	% change				
				2006	2007	2008	2009	2010 ^b
1	France	TF	76,800	3.9	3.8	-2.0	-3.1	2.8 ^{eh}
2	Spain	TF	52,677	3.7	1.1	-2.5	-8.8	1.0
3	Italy	TF*	43,239	12.4	6.3	-2.1	1.2	0.4 ^f
4	UK	VF	28,199	9.3	0.7	-2.4	-6.4	-0.9
5	Turkey	TF*	25,506	-6.7	17.6	12.3	2.0	5.7 ^k
6	Germany	TCE	24,223	9.6	3.6	1.9	-2.7	11.0 ^k
7	Austria	TCE	21,355	1.6	2.5	5.6	-2.6	3.0
8	Ukraine	TF	20,798	7.4	22.1	10.1	-18.3	1.9
9	Russia	TF*	19,420	1.0	2.3	4.7	-10.0	3.2 ^d
10	Greece	TF*	14,915	8.6	0.8	-1.4	-6.4	1.5 ^d
11	Poland	TF*	11,890	3.1	-4.4	-13.5	-8.3	4.5 ^d
12	Netherlands	TCE	9,921	7.3	2.5	-8.2	-1.8	10.9
13	Croatia	TCE	9,335	2.3	7.5	1.2	-0.9	4.8
14	Hungary	TF*	9,058	-7.2	-6.7	2.0	2.8	5.6 ^d
15	Switzerland	THS	8,294	8.8	7.4	1.9	-3.7	4.0
16	Ireland (Rep.)	TF	7,189	9.1	4.1	-3.7	-10.4	-13.8 ^k
17	Belgium	TCE	6,814	3.8	0.7	1.7	-4.9	5.9
18	Portugal	TF	6,439	10.1	6.9	2.6	-7.5	6.0 ^h
19	Czech Republic	TCE*	6,032	1.6	3.8	-0.5	-9.3	5.0
20	Bulgaria	TF	5,739	6.6	-0.1	12.2	-0.7	5.4
21	Sweden	TCE	4,855	-3.2	10.5	-9.5	2.7	3.2 ^e
22	Denmark	TCE	4,503 ^c	0.9	0.6	-5.6	na	10.9
23	Norway	TF*	4,346	6.4	7.5	-0.7	0.0	8.8
24	Finland	TF	3,423	7.5	4.3	1.8	-4.5	7.2 ^k
25	Cyprus	TF	2,141	-2.8	0.6	-0.5	-10.9	1.5
26	Estonia	TF	1,900	1.2	-2.1	3.7	-3.6	11.6
27	Andorra	TF	1,830	-7.9	-1.7	-5.9	-11.1	-1.2
28	Slovenia ^k	TCE*	1,824	4.0	8.3	1.1	-6.8	2.5
29	Albania	TF*	1,792	na	na	25.9	34.0	27.9 ^d
30	Lithuania	TF	1,341	9.0	-31.8	8.4	-16.8	11.7 ^h
31	Latvia	TF	1,323	37.5	7.7	1.9	-21.4	16.4 ^h
32	Slovakia	TCE*	1,298	6.4	4.5	4.9	-26.5	2.2
33	Romania	TCE	1,276	-3.5	12.4	-5.5	-13.0	5.3
34	Iceland	TCE*	1,235	11.4	8.6	4.9	11.7	-3.6 ^j
35	Malta	TF*	1,182	-4.0	10.6	3.8	-8.4	12.7
36	Montenegro ^k	TCE*	1,044	na	na	4.8	1.3	4.2
37	Luxemburg	TCE	849	-0.5	1.0	-4.2	-3.5	na
38	Serbia	TCE*	645	na	na	-7.1	-0.2	5.8
39	Bosnia-Herzegovina	TCE	311	17.7	19.8	4.9	-3.3	17.5
40	Monaco	THS*	265	9.6	4.8	-1.3	-18.3	5.7 ^d
41	Macedonia FYR	TCE*	259	2.6	13.7	10.8	1.7	1.0
42	San Marino	THS*	151	-0.2	37.9	67.8	31.2	-20.9
43	Belarus	TF*	95	-0.6	16.7	-12.4	3.3	na
44	Liechtenstein	THS	52	10.2	6.2	0.3	-10.5	-5.0 ^e
	Total ^m	TF	457,196	5.1	4.7	0.5	-4.9	3.4

^a By country of residence, except * by nationality ^b Often preliminary data or estimates

^c 2008 data ^d Jan-Sep ^e Jan-Oct ^f Jan-Nov ^g VF ^h TCE ^j THS

^k Data provided directly by the NTO or NTA, directly or as filed on TourMIS

^m UNWTO data, including Israel and all the states which were formerly part of the Soviet Union.

When making comparisons between countries, please note that the measures used by different countries vary – see notes to this table.

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals (including same-day arrivals) at frontiers; TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar establishments.

Source: UNWTO except where otherwise indicated

The other eight countries among the top ten (France, Spain, Italy, the UK, Turkey, Germany, Austria and Greece) account for 65% of arrivals in Europe as defined by UNWTO – or 67% of Europe excluding Central Asia and Israel. Among them, Turkey has been climbing up the ranking, overtaking Germany in 2008, while Greece has been slipping back (although it has not lost any places in the ranking in recent years). This pattern was sustained in 2008-10. Also noteworthy is how well Italy has performed in the last four years – substantially better than the others in the top eight, apart from Turkey – and how well Germany performed in 2010.

Further down the ranking, there have been many changes from one year to the next, but few consistent trends over several years. Portugal has slipped a few places. In 2009 Estonia, Latvia and Lithuania all moved up one place, but several countries in Central Europe suffered large declines in arrivals, including Slovakia, Latvia, Lithuania and Romania. In a year in which most destinations suffered declines, the only substantial increases were achieved by Albania, Iceland (with its extremely low exchange rate) and tiny San Marino; Sweden, Hungary, Montenegro and Macedonia FYR achieved more modest increases.

Conversely, most destinations reported modest increases, representing partial recoveries, in 2010. More substantial increases were achieved by the Netherlands, the Nordic countries, the Baltic states (Estonia, Latvia and Lithuania), Bosnia-Herzegovina and Malta. Except in Latvia and Lithuania, these increases were more than sufficient to make up for the declines in 2009. In the sense that there were no declines, or no significant declines, in 2009, for which they needed to compensate, the performances of Hungary and destinations in the Western Balkans in 2010 can also be regarded as relatively strong. By far the best performance in 2009 and 2010 was achieved by Albania.

However, Ireland saw a further 14% decline in arrivals in 2010, compounding declines of 10% in 2009 and 4% in 2008. This makes Ireland, statistically, the destination in Europe most seriously affected by the downturn in tourism in recent years – worse than, for example, Greece, Cyprus, Portugal and the Ukraine.

By one of the laws of statistics, small destinations tend to throw up large increases and decreases from year to year. Thus San Marino reported a 31% increase in 2009 (following even larger increases in 2007 and 2008), but a 21% decline in 2010. Individual cities and resorts will have suffered similarly huge increases and declines in 2009 and 2010, which were disguised by the averages represented by their national totals.

International tourism receipts

Similar – but not identical – patterns in terms of receipts

The top ten destinations in terms of international tourism receipts are the same as those for arrivals, except that Switzerland and the Netherlands replace Ukraine and Russia. They are, however, ranked in a different order, with Spain in first place ahead of France, and Germany ahead of the UK and Turkey. The Netherlands ranks two places higher in terms of receipts than in terms of arrivals, and Switzerland as many as six places higher. Together, the top eight generated 64% of Europe's total international receipts.

Figure 19
International tourist receipts in Europe by destination, 2006-10
(Receipts in € mn and % change on previous year)

Rank	Destination	Receipts 2009	% change at local current prices Currency	% change at local current prices				
				2006	2007	2008	2009	2010
1	Spain	38,125	€	5.6	3.3	-0.4	-9.0	3.9
2	France	35,416	€	4.3	7.3	-2.9	-7.9	-0.8
3	Italy	28,856	€	6.7	2.5	-0.1	-7.2	1.0 ^e
4	Germany	24,885	€	11.4	0.7	3.5	-8.5	5.2
5	UK	21,615	£	11.5	2.6	1.6	-1.3	0.8 ^c
6	Turkey	15,235	\$ ^a	-7.2	9.7	18.7	-3.2	-2.1
7	Austria	13,912	€	2.7	2.9	7.6	-5.3	1.7 ^c
8	Greece	10,400	€	2.9	-0.3	2.8	-10.6	-7.6
9	Switzerland	9,996	Sfr	8.6	8.0	6.7	-3.8	3.7 ^c
10	Netherlands	8,867	€	7.3	7.4	-6.6	-2.2	10.9 ^c
11	Sweden	7,357	SKr	21.3	19.5	0.4	6.3	1.7
12	Belgium	7,146	€	3.4	-2.2	-0.3	-10.6	0.7 ^c
13	Portugal	6,908	€	7.6	10.3	0.5	-7.2	10.2
14	Russia	6,665	US\$ ^a	30.0	23.9	25.1	-21.3	-3.7 ^c
15	Poland	6,460	Zl	10.7	30.7	-3.4	-0.8	-0.5 ^c
16	Croatia	6,380	€ ^a	4.9	7.3	10.5	-14.5	-2.3 ^c
17	Czech Rep. ^f	4,645	Kc	11.1	3.4	-5.4	0.5	1.2
18	Denmark	4,067	DKr	4.5	-1.6	0.8	-1.8	3.5 ^c
19	Hungary	4,037	Ft	2.0	-3.3	17.8	11.5	-1.6 ^c
20	Ireland ^f	3,879	€	10.2	3.9	-3.3	-18.9	-14.9
21	Norway	3,014	NKr	7.5	9.5	4.5	-4.6	9.3
22	Luxemburg	2,992	€	-0.4	1.5	3.9	-1.8	5.0 ^c
23	Bulgaria ^f	2,681	€ ^a	5.5	25.7	10.8	-6.7	2.5
24	Ukraine	2,564	US\$ ^a	11.5	31.9	25.5	-38.0	5.9 ^c
25	Finland	2,022	€	7.6	9.5	5.4	-7.3	8.3 ^f
26	Slovenia ^f	1,800	€	7.2	7.1	15.1	-6.1	-3.2
27	Slovakia ^f	1,675	€	24.2	22.0	19.7	-4.5	0.6
28	Cyprus	1,550	€	74.0	3.9	-4.8	-16.7	3.8
29	Albania	1,302	€ ^a	16.3	24.5	16.8	11.3	-5.8 ^d
30	Romania	885	€ ^a	21.2	13.6	15.6	-34.8	-3.8
31	Lithuania	783	Lita	11.8	1.8	8.8	-14.3	12.8 ^c
32	Estonia ^f	782	€	3.5	-7.1	6.9	-3.1	4.5
33	Serbia	620	€ ^a	29.3	99.1	1.7	-3.4	-3.1 ^e
34	Malta	622	€	0.7	8.7	-2.7	-3.7	27.2 ^c
35	Latvia	518	Lat	39.5	28.3	11.9	-5.3	9.1 ^c
36	Bosnia-Herzegovina	485	BAM	15.1	10.4	4.7	-12.4	-6.7 ^c
37	Montenegro	475	€	41.5	31.8	15.6	-7.9	-0.4 ^b
38	Iceland	408	lkr	29.8	13.0	40.7	30.8	1.2 ^c
39	Belarus	264	US\$ ^a	13.0	13.5	11.8	1.5	10.1 ^b
40	Macedonia FYR	156	€ ^a	41.5	31.8	15.6	0.6	-2.6 ^e
	Total ^g	295,000	€	7.3	5.4	1.4	-8.0	na

When making comparisons between countries, please note that the figures can be heavily influenced by exchange rates and inflation.

^a The destination quotes receipts in this currency, although it is not the official local currency
^b Jan-Jun ^c Jan-Sep ^d Jan-Oct ^e Jan-Nov ^f Data provided directly by the NTO or NTA
^g UNWTO estimates, including Israel and all the states which were formerly part of the Soviet Union.

Note: Data (especially for 2009 and 2010) liable to revision. Many figures re-translated by TBP from US dollar values, which may have introduced rounding errors.

Sources: UNWTO except where otherwise indicated.

Only Iceland (+31%), Hungary (+11.5%) and Sweden (+6%) achieved substantial increases in 2009 in local currency terms, but in all three cases the figures are flattered by (and were no doubt helped by) exchange rate movements: in euro terms, receipts declined by 3% in Sweden and 2% in Iceland and Sweden, and they were flat in Hungary. Receipts in the UK were down just 1% in sterling terms, but by 13% in euro. The heaviest declines in local currencies were suffered by Ukraine and Romania, with receipts down by over a third. Receipts in Russia and Ireland were down a fifth. On average, receipts fell by 8.0% in Europe as defined by UNWTO, and by 7.2% as shown in Figure 19.

The recovery in receipts in 2010, according to the data available in Figure 19, was modest – at 3.3%. The strongest recoveries were posted by Malta (+27%), Lithuania (13%), the Netherlands (+11%, for the first nine months of the year in all three cases), and Portugal (+10%). Ireland (-15%) and Greece (-8%) suffered substantial further declines.

Arrivals and overnights: key trends by destination

Still a number of gaps in coverage

Much of the data in Figure 20 mirrors that provided in Figure 18, but it is repeated for clarity and because it uses the same measures as the following tables on individual markets, which are not necessarily those shown in Figure 18. (UNWTO tends to prefer TF data, whereas TCE is the preferred measure in Europe.) Moreover, it shows figures for nights as well as arrivals. Nights are often a more useful indicator of tourism trends than arrivals, and most European destinations now use nights as their principal indicator.

Although this edition of *European Tourism Insights* is being published later in the year than usual with the specific intention of allowing more time for ETC member countries to release data for 2010, there are still some significant gaps (especially in the case of France), and not all destinations have provided figures for both arrivals and nights. Nevertheless, the table summarises the main trends that occurred in 2009 and 2010.

Mixed performances across Europe

Figure 21 is intended to give a rough idea of how the top 30 European destinations weathered the downturn in tourism. The black bars represent their performances in 2009 compared with 2008; the blue bars their performances in 2010 – compared *not* with 2009, but also with 2008. The bar chart illustrates how great the variations in performance were, and how few destinations escaped unscathed.

The only tourism destinations that performed much better, in volume if not in value terms, in 2010 than they did in 2008 were Turkey, Germany, the Netherlands, Sweden, Estonia and (in terms of arrivals, not nights), Norway and Iceland. And Sweden and Turkey were the only destinations to show positive growth from international tourism overall in 2009.

Figure 20
International tourist arrivals and overnights in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	21,355	-2.6	3.0	NCE	89,864	-3.2	0.0
Belgium	TCE	6,814	-4.9	5.9	NCE	15,451	-5.6	4.8
Bulgaria	TCE	1,948	-12.5	7.0	NCE	9,472	-19.7	11.5
Croatia	TCE	9,335	-0.9	2.4	NCE	50,501	-0.2	1.0
Cyprus	TF	2,141	-10.9	1.5	NCE ^a	11,667	-11.7	na
Czech Republic	TCE	6,032	-9.3	5.0	NCE	17,747	-11.3	3.5
Denmark	TCE	na	na	na	NCE	19,973	-5.7	0.8
Estonia	TCE	1,380	-3.7	13.3	NCE	2,741	-6.5	16.9
Finland	TF	3,423	-4.5	7.2	NCE	4,909	-10.8	2.4
France	TCE	35,720	-8.3	na	NCE	98,069	-7.8	na
Germany	TCE	24,220	-2.7	11.3	NCE	54,824	-3.0	10.0
Greece	TCE	14,915	na	5.4 ^e	NCE ^a	53,399	-6.4	na
Hungary	TCE	3,228	-8.2	4.8	NCE	9,220	-7.9	1.4
Iceland	TCE ^{bp}	1,235	4.9	11.7	NCE	na	-17.5	na
Ireland (Rep.)	TF	7,189	-10.4	-13.8	NCE	30,026	-16.9	na
Italy ^p	TCE	41,125	-1.6	0.9	NCE	na	na	na
Latvia	TCE	754	-20.2	14.5 ^h	NCE	1,700	-19.7	9.1 ^h
Lithuania	TCE	752	-17.3	11.7	NCE	1,758	-14.5	13.7
Luxembourg	TCE ^b	849	-3.5	na	NCE	na	na	na
Malta	TF	1,183	-8.4	12.6	NCE	na	-8.8	11.8
Monaco	THS ^b	265	-18.3	5.7 ^h	NHS	na	na	na
Montenegro	TCE	1,094	1.3	4.2	NCE	6,695	-3.9	4.2
Netherlands	TCE	9,921	-1.8	11.0 ^k	NCE	25,014	-1.0	8.7 ^k
Norway	TF	4,346	0.0	8.8 ^b	NCE	7,620	-7.9	0.9
Poland	TCE	3,862	-4.6	7.1	NCE	9,609	-5.5	4.7
Portugal	TF ^b	6,439	-7.5	na	NHS ^a	23,214	-11.4	2.1
Romania	TCE	1,276	-13.0	5.1 ^h	NCE	2,668	-20.6	3.5 ^h
Serbia	TCE	645	-0.2	5.8	NCE	1,470	5.1	-1.2
Slovakia	TCE	1,298	-26.5	2.2 ^d	NCE	3,769	-28.4 ^d	1.0 ^d
Slovenia	TCE	1,824	-6.8	2.5	NCE	4,936	-7.8	1.2
Spain	TF	52,189	-9.1	1.0	NHS	141,228	-9.1	9.5
Sweden	TCE	4,855	2.7	5.9 ^{bj}	NCE	11,318	3.6	4.3 ⁿ
Switzerland	THS	8,294	-3.7	4.0	NHS	20,164	-6.2	1.4
Turkey	VF	27,077	2.8	5.7	NCE	na	na	na
Ukraine	TF	20,798	-18.3	1.9	NCE	na	na	na
UK	VF ^a	29,889	-6.3	-1.0	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

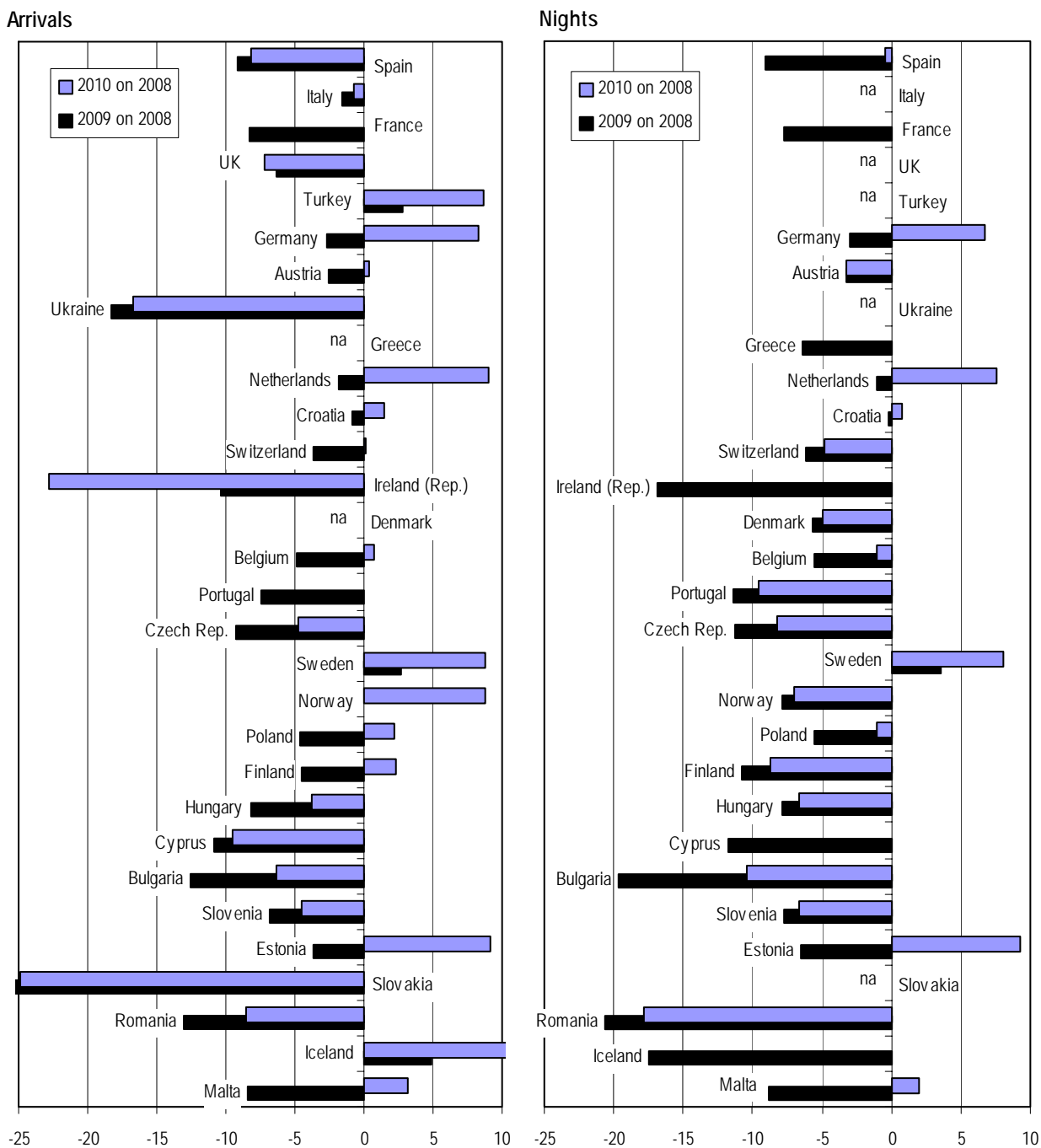
^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ⁱ Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

^p 2009 data from ISTAT; 2010 data from Banca d'Italia (in this and subsequent tables)

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights;
TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar;
NCE = Nights in all forms of commercial accommodation; NHS = nights at hotels and similar

Sources: NTOs (directly or as filed on TourMIS).

Figure 21
International arrivals and overnights in Europe's top 30 destinations^a, 2009-10
(% change on 2008)



^a Top 30 destinations ranked (i.e. listed from top to bottom) by arrivals, 2009. Data as shown in Figure 20. Note that 2010 data does not necessarily represent the full year.)

Sources: ETC Members (directly or as filed on TourMIS)

Major European Markets

Germany

Continued weak performance in terms of outbound travel

IPK International's European Travel Monitor (ETM) shows clearly that domestic tourism accounts for the lion's share of German travel demand, and has been absorbing all the growth in demand in recent years. This pattern was reinforced during the economic downturn, with demand heavily focused on domestic and short-haul trips. The share of outbound trips in overall adult trip volume fell to 24% in 2009, and to 23% in 2010 – 9% fewer than at their peak in 2000. Meanwhile, the number of domestic trips has increased by more than 20% since 2000.

According to the ETM, Germans made 73 million outbound trips in 2009 (5% fewer than in 2008), generating 675 million nights abroad (-5%) and spending of €62 billion (-4%).

Some 51 million (71%) of these trips were for holidays, up a modest 1% – in contrast to the trend in recent years. Business trips, which had been the only prospering segment of the market in 2006-08, declined by 5% in 2009 and by a further 1% in 2010, despite showing signs of recovery at the beginning of the year. They still represent only about 12% of total outbound trips.

A mere 10-11% of German outbound trips are for destinations outside Europe (a lower share than is usual for European markets), but 2010 saw a sharp rise in long-haul trips (+8%) as against a 2% decline in short-haul travel to destinations in Europe and other parts of the Mediterranean. Germans' top five international destinations – Austria (with a 17% share in 2010, overtaking Spain), Spain (15%), Italy (13%), Turkey (7%) and France (5%) all suffered a fall in demand.

Prospects for 2011

While prospects for the German travel market have looked good since the end of 2006 – thanks to the dramatic recovery in business confidence that year, which was largely due to Germany's remarkable success in export markets – it has not realised its promise.

Consumer and retail confidence indicators have in general remained weak in the belief that inflation and tax rises are likely to outweigh any increases in earnings. Although the German economy has far outperformed other European markets, concerns over the euro's stability have had a bigger impact on Germans and made them even more cautious about spending.

Trends so far this year recorded by TourMIS suggest that German travellers are venturing beyond their traditional destinations in greater numbers, but there has also been a revival of demand for some holiday favourites such as Spain. This is due in no small part to the switch away from North Africa, as a result of the civil unrest and violence in parts of the region, to tried and tested holiday destinations. German arrivals so far in the Netherlands and Austria have declined through the first four to five months, but 15 of 19 destinations reporting trends have seen increases in arrivals from Germany, and overnight volume has risen for about half of them. So there is room for optimism.

Figure 22
International tourist arrivals and overnights from Germany in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	10,623	-0.8	0.8	NCE	48,857	-2.6	-1.4
Belgium	TCE	770	-0.7	6.2	NCE	1,879	-1.2	6.3
Bulgaria	TCE	300	-21.0	2.1	NCE	2,167	-26.0	0.2
Croatia	TCE	1,580	2.2	-3.4	NCE	11,451	4.3	0.2
Cyprus	TF	131	-0.7	6.1	NCE ^a	1,158	-1.3	na
Czech Republic	TCE	1,393	-5.6	-3.1	NCE	4,852	-8.3	-4.9
Denmark	TCE	na	na	na	NCE	12,397	-3.1	-3.1
Estonia	TCE	76	-17.4	11.2	NCE	154	-17.8	8.6
Finland	TCE	na	na	na	NCE	526	-9.4	-2.9
France	TCE	4,157	-4.9	na	NCE	11,768	-4.1	1.7 ⁿ
Greece	TCE	2,354	-4.2	5.5 ^e	NCE ^a	na	na	na
Hungary	TCE	520	-7.9	-1.4	NCE	2,156	-8.5	-5.6
Iceland	VF	na	15.0	4.8	NCE	na	na	na
Ireland (Rep.)	TF	408	-10.5	-11.5	NCE	2,182	-6.6	na
Italy	TCE	9,086	4.7	-5.0 ^p	NCE	47,278	4.1	-6.5 ^p
Latvia	TCE	94	-23.6	5.5 ^h	NCE	197	-25.4	2.6 ^h
Lithuania	TCE	110	-15.5	-3.9	NCE	100	-16.0	1.9
Luxembourg	TCE	na	na	na	NCE	na	na	na
Malta	TF	123	-18.6	-1.0	NCE	na	-18.6	1.9
Monaco	THS	na	na	na	NHS	na	na	na
Montenegro	TCE	18	-17.8	38.5	NCE	110	-19.9	38.2
Netherlands	TCE	2,744	2.8	5.0 ^k	NCE	10,173	2.5	4.0 ^k
Norway	TF	617	2.3	na	NCE	1,586	-5.6	1.1
Poland	TCE	1,127	-1.4	0.2	NCE	3,797	-4.1	0.9
Portugal	TF	na	na	na	NHS ^a	3,342	-8.6	-1.8
Romania	TCE	181	-15.0	0.7 ^h	NCE	425	-18.3	-0.8 ^h
Serbia	TCE	39	6.2	8.0	NCE	82	-1.4	2.8
Slovakia	TCE	134	-18.4	-1.7	NCE	527	-22.6	-7.0
Slovenia	TCE	195	-12.1	-0.4	NCE	578	-12.3	0.1
Spain	TF	8,935	-11.2	-1.4	NHS	39,731	-11.0	5.8
Sweden	TCE	na	na	na	NCE	1,819	-1.0	5.8 ⁿ
Switzerland	THS	2,294	-2.1	-2.5	NHS	6,031	-4.5	-3.6
Turkey	VF ^b	4,488	1.7	-2.3	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na
UK	VF ^a	2,780	-4.1	8.0	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ⁱ Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

^p Note that this is not the usual series for this destination

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights;
TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar;
NCE = Nights in all forms of commercial accommodation; NHS = nights at hotels and similar

Sources: NTOs (directly or as filed on TourMIS).

United Kingdom

UK outbound still down on 2006 peak

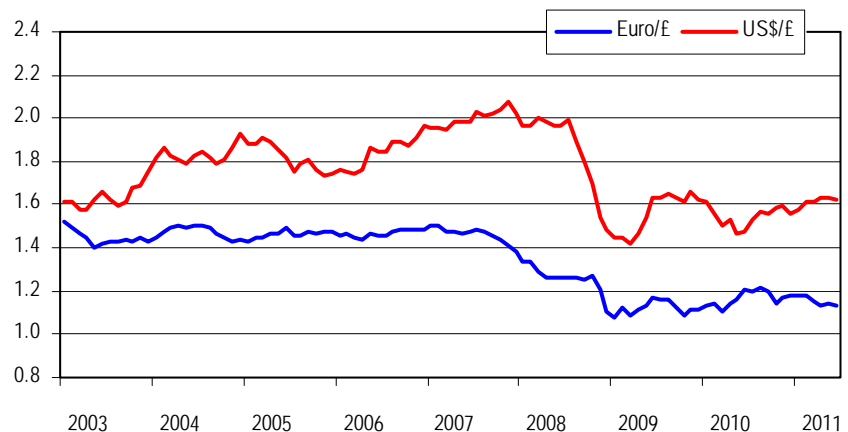
Among the major European markets, the UK has traditionally been one of the most dynamic, yet it has also been one of the most seriously affected by the economic downturn. Official outbound figures from the UK Office of National Statistics' International Passenger Survey (IPS) suggest that outbound trips fell for the fourth year in succession in 2010, taking the total annual volume down to 55.6 million from 69.5 million in 2006 – with 2010 alone recording a 5% decline. Expenditure was also down on its 2008 peak of £36.8 billion, ending 2010 at £30.9 billion. The heavy decline in the value of sterling in foreign destinations was undoubtedly a major factor.

The corresponding figures for trips to Europe were very slightly worse (-7% for 2010 over 2009), even though the currency held up rather better against the euro than it did against the US dollar and many other currencies through 2010. Trips to Europe have now fallen from 55.2 million in 2007 to 42.6 million.

Thus the gradual decline of Europe's market share of the UK market continues. Traditional destinations in Western Europe and 'new' destinations in Central/Eastern Europe have been equally affected. Trips to Europe account for some 78% of total trips, but longer-haul destinations are gaining at Europe's expense.

Spain remained the most visited country in 2010, attracting 10.4 million UK travellers, and Turkey rose from tenth to eighth place with 1.8 million visits, according to the IPS survey. But fewer Britons visited eurozone countries, with Spain, Greece and Cyprus all suffering drops in UK arrivals of more than 10%.

Figure 23
Exchange rate of the pound sterling against the euro and US dollar, Jan 2003 - Jun 2011



Source: TBP, from OandA.com

Figure 24
International tourist arrivals and overnights from the UK in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	701	-15.0	4.3	NCE	3,264	-16.7	-0.3
Belgium	TCE	858	-17.2	1.8	NCE	1,764	18.4	0.4
Bulgaria	TCE	146	-22.7	2.2	NCE	854	-28.5	3.9
Croatia	TCE	249	-4.6	-3.1	NCE	1,229	0.5	-4.6
Cyprus	TF	1,069	-14.0	-6.8	NCE ^a	5,556	-16.8	na
Czech Republic	TCE	371	-23.3	-0.9	NCE	959	-23.6	-3.4
Denmark	TCE	na	na	na	NCE	477	-11.3	10.6
Estonia	TCE	33	-28.3	6.9	NCE	78	-30.3	4.4
Finland	TCE	na	na	na	NCE	464	-15.4	12.5
France	TCE	6,734	-18.4	na	NCE	17,384	-19.1	-6.7 ⁿ
Germany	TCE	1,750	-11.1	13.6	NCE	3,699	-12.4	13.0
Greece	TCE	2,112	-7.3	-11.0 ^e	NCE ^a	na	na	na
Hungary	TCE	194	-24.5	5.5	NCE	502	-20.0	1.2
Iceland	VF	na	-12.0	-2.1	NCE	na	na	na
Ireland (Rep.)	TF	3,031	-15.3	17.1	NCE	6,658	-27.4	na
Italy	TCE	2,684	-13.0	-7.2 ^p	NCE	10,469	-15.3	-4.5 ^p
Latvia	TCE	36	-36.7	13.5 ^h	NCE	78	-43.1	15.6 ^h
Lithuania	TCE	26	-35.0	36.6	NCE	52	-30.3	27.8
Luxembourg	TCE	na	na	na	NCE	na	na	na
Malta	TF	415	-8.6	0.0	NCE	na	-9.7	5.0
Monaco	THS	na	na	na	NHS	na	na	na
Montenegro	TCE	14	9.1	45.3	NCE	79	5.4	45.3
Netherlands	TCE	1,409	-14.1	12.0 ^k	NCE	2,771	-16.5	10.9 ^k
Norway	TF	302	-11.4	na	NCE	523	-20.2	-2.6
Poland	TCE	341	-12.3	4.6	NCE	763	-14.3	1.9
Portugal	TF	na	na	na	NHS ^a	5,670	-22.4	-2.2
Romania	TCE	71	-13.5	2.5 ^h	NCE	137	-24.6	3.9 ^h
Serbia	TCE	16	-12.0	15.4	NCE	41	-15.3	7.1
Slovakia	TCE	42	-36.5	-3.2	NCE	95	-36.0	-0.0
Slovenia	TCE	69	-20.1	-1.4	NCE	232	-22.6	2.9
Spain	TF	13,299	-15.7	-6.5	NHS	36,658	-11.6	6.6
Sweden	TCE	na	na	na	NCE	583	-10.1	-2.2 ⁿ
Switzerland	THS	691	-16.3	5.9	NHS	1,856	-18.6	-0.1
Turkey	VF	2,427	11.8	10.2	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ⁱ Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

^p Note that this is not the usual series for this destination

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights;
TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar;
NCE = Nights in all forms of commercial accommodation; NHS = nights at hotels and similar

Sources: NTOs (directly or as filed on TourMIS).

Outlook for 2011

Spending on travel abroad has continued to decline in 2011 – by 3% in the first quarter – but all other indicators are positive. Outbound trips from the UK increased by 6% from January through May, with growth to Europe at the same level. Not surprisingly, North America has done much better than average (+11%), thanks to the appreciation of sterling against the US dollar

this year. But this is in contrast to the depreciation of the pound against the euro (from €1.20:£1 some 12 months ago to €1.13 in July 2011).

UK families shunning summer holidays ...

Although some sectors appear to be doing well, reports in the UK media suggest that summer holidays for the mass market are being sacrificed as families struggle with their finances. More than 17 million Britons said they were not planning to take a holiday this summer as the recession bites into discretionary income. And the number of people foregoing a summer holiday this year is expected to be 2.7 million higher than in 2008 – the summer immediately before the financial crisis hit.

Many families are already struggling with the effects of rising prices, so forfeiting their traditional summer break is one way of reducing debt, according to the research by ING Direct. The study found that domestic and short-haul international tourism is likely to suffer most from people opting out of holidays altogether. The poll of 2,000 people found that 88% of people who had dropped holidays in the last three years were those who would usually take a UK holiday. Meanwhile, many of those taking holidays said they were planning to cut their budget this year.

Britons who do go away are increasingly saving up for their holidays, rather than paying for it on credit, ING Direct found. This year 36% of the population were planning to pay for their holidays from savings, up from 30% last year.

... putting the UK travel trade at risk

The impact of the downturn in holiday demand has been severe, with the number of travel and tourism companies facing critical financial problems rising 31% in the second quarter of 2011 – more than twice as fast as the average across all industries.

A survey by insolvency specialist Begbies Traynor found that the total number of UK firms experiencing critical difficulties rose from 4,620 in the first quarter to 5,179 in the second – an increase of 12%. The report said sectors reliant on discretionary spending had faced a steady increase in "critical distress" in the second quarter of 2011, despite the long Easter break and extra bank holidays. The worst-affected sector was hotels and accommodation, in which almost 50% more companies were facing critical financial issues than a year earlier.

France

Outbound travel continues to grow rapidly

France was – for the third consecutive year – one of the better performing European outbound markets in 2007, the year it reached its peak in terms of outbound trip volume. But since then the total has fallen by some 4%, with volume falling in 2008 and 2009 and then picking up modestly in 2010. This trend confirms past experience that the French are much more likely to postpone decisions regarding discretionary spending – especially spending on travel abroad – during difficult economic periods. However, the trend could have been worse if it had not been for the expansion of low-cost / no-frills airline options out of France (it lags well behind most other key source markets in this sector), which boosted demand for foreign leisure trips.

Figure 25
International tourist arrivals and overnights from France in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	479	1.2	4.4	NCE	1,739	0.3	2.7
Belgium	TCE	1,096	1.6	5.5	NCE	2,091	1.0	4.2
Bulgaria	TCE	85	-7.4	-18.0	NCE	299	-15.4	-21.8
Croatia	TCE	406	-7.5	-4.4	NCE	1,533	-6.3	-4.5
Cyprus	TF	26	-27.5	9.8	NCE ^a	174	-25.3	na
Czech Republic	TCE	224	-5.0	12.3	NCE	568	-4.3	14.3
Denmark	TCE	na	na	na	NCE	151	12.2	14.8
Estonia	TCE	17	-9.0	14.6	NCE	36	-6.5	23.2
Finland	TCE	na	na	na	NCE	213	-7.7	0.4
Germany	TCE	1,250	2.4	9.3	NCE	2,509	3.2	9.1
Greece	TCE	962	5.8	-8.9 ^e	NCE ^a	na	na	na
Hungary	TCE	139	0.8	-3.0	NCE	356	6.0	-4.0
Iceland	VF	na	-10.2	1.5	NCE	na	na	na
Ireland (Rep.)	TF	390	-5.4	-14.5	NCE	3,155	2.8	na
Italy	TCE	3,333	3.6	-1.2 ^p	NCE	10,448	2.8	-0.4 ^p
Latvia	TCE	18	-9.1	5.7 ^h	NCE	39	-7.4	0.6 ^h
Lithuania	TCE	22	-11.5	7.4	NCE	43	-1.1	39.4
Luxembourg	TCE	na	na	na	NCE	na	na	na
Malta	TF	73	-10.5	20.2	NCE	na	-2.2	14.2
Monaco	THS	na	na	na	NHS	na	na	na
Montenegro	TCE	33	35.2	27.3	NCE	194	35.5	20.6
Netherlands	TCE	574	-0.1	17.5 ^k	NCE	1,137	0.6	19.5 ^k
Norway	TF	128	0.8	na	NCE	298	3.8	2.5
Poland	TCE	174	-4.7	7.6	NCE	359	-6.8	6.0
Portugal	TF	na	na	na	NHS ^a	1,595	0.3	1.8
Romania	TCE	100	-12.9	-0.5 ^h	NCE	193	-20.0	-1.3 ^h
Serbia	TCE	17	1.3	10.9	NCE	39	3.8	8.9
Slovakia	TCE	34	-22.6	-3.2	NCE	76	-20.9	-8.3
Slovenia	TCE	61	-8.6	2.6	NCE	131	-8.3	0.2
Spain	TF	7,955	-2.4	2.3	NHS	9,620	-2.1	10.0
Sweden	TCE	na	na	na	NCE	279	3.2	5.7 ⁿ
Switzerland	THS	686	2.3	2.1	NHS	1,433	-0.4	1.1
Turkey	VF	933	5.4	-0.5	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na
UK	VF ^a	3,766	4.0	-5.0	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ⁱ Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

^p Note that this is not the usual series for this destination

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights;
TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar;
NCE = Nights in all forms of commercial accommodation; NHS = nights at hotels and similar

Sources: NTOs (directly or as filed on TourMIS).

In 2010, French took an estimated 24.2 million outbound trips, according to Sofres, which conducts the national outbound travel survey. Average length of trip increased over 2009 but many international destinations lost out in favour of domestic trips.

Although it has sustained its lead over other destinations, Spain's share of the French market has fallen from a peak of 13% to less than 8%. And the UK has been ousted from second position in the ranking by the USA and Italy.

Prospects for 2011 The last few years have seen a steady, if modest, rise in foreign trip taking by the French, whose propensity to travel abroad nonetheless remains well below the European average. The growing interest in foreign travel is attributed in part to the increased cost of a holiday in France – or, at least, the perceived higher costs since the euro was introduced.

Although forecasts for GDP growth have been trimmed in recent months and consumer confidence has slipped, France is expected to weather the current world economic crisis relatively easily. It is therefore reasonable to hope for last year's growth in outbound travel to continue – although such growth is always liable to pause for breath.

Netherlands

Dutch outbound travel picked up in 2010 Available arrivals data from individual European destinations seems to be at odds with reports of how the Dutch outbound market performed over the last couple of years. As an example, numbers appear to have dropped to Turkey and Greece in both 2009 and 2010, but tour operators reported good demand for both destinations.

It is probably fair to say that the general trend was one of recovery in 2010 after a decline – in some cases, quite steep – in 2009. Data on business travel is scarce but the Dutch spent €15 billion on more than 36 million holidays last year – €12 billion of which on holidays abroad, according to Netherlands Statistics (CBS).

The CBS report indicated that the economic crisis had only a modest impact on holiday travel spending, with eight out of ten Dutch undertaking one or more holiday trips. France is still the favourite international destination, with a 16% market share, followed by Germany with 14%. However, the number of Dutch overnights in France has been decreasing, while the opposite is true in Germany – probably due to the higher number of short breaks.

2010 also saw a return to the trend towards last-minute booking – the number of holidays booked less than four weeks before departure was 12% higher than in the previous year, according to GfK Retail & Technology. The top three last-minute destinations were Spain, France and Greece.

Prospects for 2011 The official half-year figures of its parent company show that TUI Netherlands closed the winter season 2010/11 up 10% in terms of number of sales and 17% in sales value. Meanwhile, the operator's summer 2011 bookings were said to be up 14% and 19% respectively at the beginning of May.

At least a part of this growth will, however, have been due to the effect of the discontinuation of Martinair's operations for TUI's ArkeFly airline. The Dutch market generally is estimated to be lagging far behind the performance of TUI Netherlands, with several sources pointing to a summer of zero growth.

One thing is certain, though. The bad summer weather has caused a run on last-minute sales, and the gap between early and last-minute bookers is expected to widen further, according to Dutch operator OAD. This also means that short-haul sales will almost certainly continue to outpace those for long-haul holidays.

Figure 26
International tourist arrivals and nights from the Netherlands in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	1,655	0.3	-2.3	NCE	9,452	-1.2	-4.0
Belgium	TCE	1,839	0.0	4.9	NCE	5,040	-2.6	3.0
Bulgaria	TCE	37	-14.3	-5.3	NCE	209	-11.9	-9.4
Croatia	TCE	308	3.5	-7.3	NCE	2,446	4.8	-8.3
Cyprus	TF	31	-17.8	10.4	NCE ^a	185	19.4	na
Czech Republic	TCE	204	-13.7	-4.6	NCE	736	-15.3	-11.2
Denmark	TCE	na	na	na	NCE	1,103	-7.7	-2.4
Estonia	TCE	12	-7.5	1.0	NCE	25	-10.1	-2.6
Finland	TCE	na	na	na	NCE	169	-7.0	-2.0
France	TCE	4,462	-0.4	na	NCE	18,352	-0.6	-7.1 ⁿ
Germany	TCE	3,692	3.0	6.1	NCE	9,962	2.8	5.4
Greece	TCE	651	-13.9	-14.9 ^e	NCE ^a	na	na	na
Hungary	TCE	87	-6.6	-3.2	NCE	325	-8.7	-9.3
Iceland	VF	na	2.7	-10.3	NCE	na	na	na
Ireland (Rep.)	TF	134	-10.9	na	NCE	368	-3.9	na
Italy	TCE	1,837	2.5	15.7 ^p	NCE	10,875	1.9	-18.4 ^p
Latvia	TCE	na	na	na	NCE	39	7.1	na
Lithuania	TCE	10	-20.6	1.2	NCE	19	-23.1	-0.4
Luxembourg	TCE	na	na	na	NCE	na	na	na
Malta	TF	34	-8.9	0.0	NCE	na	-6.2	1.9
Monaco	THS	na	na	na	NCE	na	na	na
Montenegro	TCE	4	-8.7	-8.0	NCE	28	-17.9	-21.9
Norway	TF	188	-3.6	na	NCE	825	-2.2	-3.9
Poland	TCE	101	-7.9	4.6	NCE	201	-9.6	6.8
Portugal	TF	na	na	na	NHS ^a	1,789	-9.4	2.8
Romania	TCE	38	-15.5	3.9 ^h	NCE	77	-17.4	4.0 ^h
Serbia	TCE	10	-11.4	16.7	NCE	20	-15.1	24.9
Slovakia	TCE	21	-13.9	-9.6	NCE	53	-9.7	-11.6
Slovenia	TCE	64	-4.1	-7.6	NCE	234	-4.5	-10.7
Spain	TF	2,089	-15.8	9.3	NHS	5,890	-6.7	3.0
Sweden	TCE	na	na	na	NCE	624	-6.1	4.6 ⁿ
Switzerland	THS	397	-3.8	-3.5	NHS	1,026	-5.0	-3.6
Turkey	VF	1,127	-1.3	-4.8	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na
UK	VF ^a	1,715	-6.0	4.0	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ⁱ Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

^p Note that this is not the usual series for this destination

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights;
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Sources: NTOs (directly or as filed on TourMIS).

Italy

Little rhyme or reason in annual fluctuations

Despite the country's difficult economic situation, which has clearly had an impact on travel demand (although the annual fluctuations for some destinations are difficult to explain), Italians remain the world's eighth biggest spenders on travel and tourism abroad, and the fourth in Europe. They are also one of the most enthusiastic about longer-haul travel, with Egypt being the second favourite summer holiday destination in 2010 – behind only Italy itself.

Figure 27 shows that 2010 was overall marginally better than 2009, which itself was reported to be more positive than initially expected. But some destinations performed much better than average – Malta being the obvious example, recording a 10% increase in arrivals from Italy in 2009 and 32.5% in 2010. The best performers in 2009 were Iceland, Ireland and Montenegro and, in 2010, Estonia, Malta, the Netherlands and the UK.

Different online sources show that Italians are less keen than Europe's other leading markets to book online, and they are also among the most frugal when it comes to actual online spending.

Nevertheless, some destinations have really seen a growth in online sales. Malta is one example, and this is very largely due to new low-cost airline services from Italy's regional airports. Thanks to the arrival of LCCs, the Italian market recorded a 173% increase in arrivals from 2005-10, ousting Germany as Malta's second most important source (after the UK) – having ranked well behind the UK, Germany and France in 2005.

Prospects for 2011

Italy has traditionally been one of the most sluggish of the major European economies, with little growth in consumer spending power over the last five years or so. In fact, although in the last 12-18 months the Italian economy has performed a little worse than the eurozone average, the economic recession has had less of an impact on travel demand and spending in Italy. This would suggest that, in addition to wealthier Italians travelling more, the nation's propensity to travel at current income levels is rising.

Longer-term forecasts remain good as Italians' propensity for foreign travel is still a long way from reaching a ceiling. However, this may not be to the advantage of European destinations. In addition to the expansion of low-cost / no-frills airline services from the country, Italians are also long-haul travel enthusiasts, and there is plenty of room for growth in this sector of the market.

Figure 27
International tourist arrivals and overnights from Italy in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	1,056	2.2	1.1	NCE	3,016	1.2	0.2
Belgium	TCE	237	0.2	9.9	NCE	477	1.1	8.9
Bulgaria	TCE	53	-2.7	-7.5	NCE	123	-3.1	-6.8
Croatia	TCE	1,200	2.8	-15.1	NCE	5,135	1.3	-7.9
Cyprus	TF	16	-7.5	-16.7	NCE ^a	88	-25.8	na
Czech Republic	TCE	357	-4.6	-6.9	NCE	1,013	-5.6	-6.4
Denmark	TCE	na	na	na	NCE	202	9.3	8.5
Estonia	TCE	20	-24.1	15.3	NCE	47	-22.8	16.2
Finland	TCE	na	na	na	NCE	152	-9.5	-6.1
France	TCE	3,104	-9.3	na	NCE	7,618	-8.9	-1.8 ⁿ
Germany	TCE	1,444	1.5	5.4	NCE	3,102	1.0	6.2
Greece	TCE	935	-15.0	-9.2 ^e	NCE ^a	na	na	na
Hungary	TCE	173	0.1	2.9	NCE	464	3.6	3.3
Iceland	VF	na	25.0	-23.4	NCE	na	na	na
Ireland (Rep.)	TF	276	19.0	-22.5	NCE	1,576	9.4	na
Latvia	TCE	27	-13.0	-1.6 ^h	NCE	60	-15.3	-5.1 ^h
Lithuania	TCE	21	-23.6	9.0	NCE	44	-18.7	12.7
Luxembourg	TCE	na	na	na	NCE	na	na	na
Malta	TF	159	10.1	32.5	NCE	na	-0.1	26.3
Monaco	THS	na	na	na	NCE	na	na	na
Montenegro	TCE	43	35.8	-6.0	NCE	226	49.3	-11.7
Netherlands	TCE	369	-0.4	22.6 ^k	NCE	741	-3.4	24.5 ^k
Norway	TF	62	3.3	na	NCE	212	9.0	0.9
Poland	TCE	180	-2.5	8.0	NCE	409	-4.3	5.3
Portugal	TF	na	na	na	NHS ^a	803	-13.5	8.5
Romania	TCE	142	-14.2	1.0 ^h	NCE	297	-19.9	-0.7 ^h
Serbia	TCE	37	-6.5	-8.3	NCE	82	2.9	-1.7
Slovakia	TCE	51	-6.8	6.8	NCE	111	-4.0	6.9
Slovenia	TCE	418	2.7	-1.3	NCE	1,005	1.7	-1.7
Spain	TF	3,188	-5.0	9.4	NHS	7,217	-13.9	13.8
Sweden	TCE	na	na	na	NCE	313	19.4	-6.0 ⁿ
Switzerland	THS	547	-1.2	-4.8	NHS	1,138	-1.8	-5.6
Turkey	VF	635	5.8	5.7	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na
UK	VF ^a	1,221	-25.5	20.0	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ⁱ Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

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Sources: NTOs (directly or as filed on TourMIS).

Russia

Headlong growth in outbound travel

Russians are now the ninth biggest spenders in the world on tourism abroad, according to UNWTO, with international travel expenditure up a massive 34% in 2010 (as against a drop of 12% in 2009). Russian outbound trip volume was just under 21 million in 2008 and was estimated at 23-24 million in 2010 – after falling in 2009 and staging a solid recovery the following year. Holidays account for about 74% of total trip volume.

The destinations that have most benefited from the growing demand from Russia have been those offering visa-free travel, or at least visas on arrival. This explains the first and second positions of Turkey and Egypt in the favourites' ranking (until this year – arrivals in Egypt from Russia are currently 40% down on 2010).

Nevertheless, the rapid growth of outbound travel from Russia belies the fact that only a relatively small share of the population actually travels abroad (some 17% of adults aged 15 years and over). According to the Russian Public Opinion Research Center, over 30% of Russians would like to spend their holidays abroad, but in reality 56% of them stay at home and 20% go to their summer houses in the countryside (dacha), while 8% visit a Black Sea or Baltic seaside resort and another 20% go to the Black sea coast in Ukraine.

European destinations that have seen exceptional growth from Russia in the past couple of years (in addition to Turkey) are: (in both years) Estonia; (in 2009) Montenegro; and (in 2010) Austria, Belgium, Croatia, Cyprus, the Czech Republic, Greece, Italy, Latvia, Lithuania, Malta, Poland, Serbia, Slovenia, Spain and the UK.

Prospects for 2011

Competition is at the same time intensifying as a result of new scheduled and charter air services from Russia to destinations further afield. More countries are removing or simplifying visa requirements for Russians, including Schengen destinations such as France, Greece and Austria, while more countries, like Mexico, plan to increase their visibility by opening representative offices in Moscow.

Recognising the potential of the Russian market for growth – at a time when many other traditional sources are showing weaker returns – NTOs generally are upping their promotional budgets for Russia. Turkey spent an estimated US\$15 million to attract the Russian market in 2010 – for arrivals of more than 3 million – while Greece's budget for the same year was a reported €12 million. That is more than some European NTOs' total worldwide marketing and promotional spending!

Figure 28
International tourist arrivals and overnights from Russia in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	231	-12.7	32.6	NCE	969	-12.4	23.3
Belgium	TCE	52	-16.8	31.1	NCE	107	-14.7	28.2
Bulgaria	TCE	178	-11.6	11.7	NCE	1,207	-19.8	42.6
Croatia	TCE	133	-24.0	24.0	NCE	1,068	-26.2	28.8
Cyprus	TF	149	-17.8	50.5	NCE ^a	1,019	-22.0	na
Czech Republic	TCE	327	-21.8	26.6	NCE	1,662	-21.4	25.4
Denmark	TCE	na	na	na	NCE	54	-4.3	20.5
Estonia	TCE	94	14.2	51.1	NCE	221	11.4	49.5
Finland	TCE	na	na	na	NCE	980	-4.9	7.9
France	TCE	464	-23.3	na	NCE	1,310	-22.5	28.3 ⁿ
Germany	TCE	460	-7.7	28.2	NCE	1,200	-8.4	24.1
Greece	TCE	276	-10.0	67.3 ^e	NCE ^a	na	na	na
Hungary	TCE	83	-8.6	20.0	NCE	279	-11.8	26.7
Iceland	VF	na	na	na	NCE	na	na	na
Ireland (Rep.)	TF	na	na	na	NCE	na	na	na
Italy	TCE	895	-14.5	40.8 ^p	NCE	3,295	-11.7	19.6 ^p
Latvia	TCE	72	2.0	61.7 ^h	NCE	197	0.8	62.2 ^h
Lithuania	TCE	79	-14.5	34.5	NCE	195	-13.1	44.5
Luxembourg	TCE	na	na	na	NCE	na	na	na
Malta	TF	17	-26.4	31.5	NCE	na	-15.3	28.5
Monaco	THS	na	na	na	NCE	na	na	na
Montenegro	TCE	14.6	23.7	3.2	NCE	1,060	18.1	14.9
Netherlands	TCE	101	-5.4	19.9 ^k	NCE	214	-4.3	17.7 ^k
Norway	TF	69	7.8	na	NCE	141	-8.7	21.1
Poland	TCE	161	-17.7	33.0	NCE	314	-13.7	13.9
Portugal	TF	na	na	na	NHS ^a	207	-18.8	na
Romania	TCE	13	-23.0	-6.1 ^h	NCE	35	-32.4	-7.4 ^h
Serbia	TCE	17	7.6	25.0	NCE	59	10.1	5.2
Slovakia	TCE	23	-10.0	15.3	NCE	88	-20.6	6.9
Slovenia	TCE	27	-12.2	21.8	NCE	164	-1.3	27.1
Spain	TF	422	-17.1	43.4	NHS	2,321	-23.7	56.3
Sweden	TCE	na	na	na	NCE	169	-18.0	15.6 ⁿ
Switzerland	THS	146	11.4	7.8	NHS	455	-0.5	2.9
Turkey	VF	2695	-6.4	15.3	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na
UK	VF ^a	137	-33.9	20.0	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ⁱ Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

^p Note that this is not the usual series for this destination

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights;
TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar;
NCE = Nights in all forms of commercial accommodation; NHS = nights at hotels and similar

Sources: NTOs (directly or as filed on TourMIS).

Major Non-European Markets

United States

Back to growth, but still hesitant

The USA is the world's second largest market for international tourism (in spending terms), after Germany. Expenditure on travel abroad increased by 2% in 2010, following an 8% decline in 2009, to US\$75.5 billion. And preliminary estimates for 2010 point to a further modest rise. However, this figure is misleading, given the decline in the value of the US dollar.

Long-haul travel to Europe from the USA grew at an annual rate of just under 2% in 2000-2010. However, while emerging Europe showed annual increases, arrivals in Western Europe fell by 1% a year over the period so that, in 2010, the market share of Western Europe among American long-haul travellers was 35%, down 12 percentage points from 2000. Meanwhile, Emerging Europe's share had risen one point to 4%.

Nevertheless, a strong performance in travel from the USA carried over from the end of 2010 into the early months of 2011. In 2010, the top European destinations were the UK, France, Italy, Germany and Spain. The growth figures for each are currently being revised. US travellers to Europe visited an average of two countries during their trip, but 70% visited only one country.

The strongest increases, according to arrivals data filed with TourMIS, were for Iceland and Serbia (in both 2009 and 2010); and Cyprus, Estonia and Montenegro (in 2010). Few countries recorded increases in 2009.

Prospects for 2011

Most destinations have reported good growth in arrivals from the USA in the first months of 2011 and nights have increased in all reporting destinations. However, the USA is at the epicentre of the current concerns about the world economy. So it is not surprising that most forecasts of short-term growth prospects are far from bullish. Admittedly, overseas travel remains a smaller component of household budgets for Americans in general than, say, for the British, so it should be more resilient to the current pressures. In addition, the profile of consumers caught in the sub-prime mortgage shutdown does not match that of consumers likely to travel to Europe. However, Americans are not traditionally known as risk-takers and are notoriously reluctant to travel abroad when times are tough.

Current indicators point strongly to a slowdown, or even possibly a recession, in the US economy, although some industry observers believe this will be relatively shallow. But coupled with the weak dollar, uncertainties over the price of oil, and the uncertain economic outlook, the chances are that long-haul travel to Europe will suffer. Confidence among US consumers plummeted in August to its lowest in two years following the loss of the country's top credit rating and serious declines in major stock indexes.

Figure 29
International tourist arrivals and overnights from the USA in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	442	-8.6	14.4	NCE	1,110	-7.4	11.9
Belgium	TCE	264	-4.0	11.4	NCE	569	-5.1	11.4
Bulgaria	TCE	27	-15.2	12.8	NCE	87	-13.3	-3.2
Croatia	TCE	124	-21.6	7.0	NCE	323	-18.8	5.8
Cyprus	TF	18	-15.1	26.8	NCE ^a	41	6.0	na
Czech Republic	TCE	274	-10.1	13.3	NCE	742	-12.2	10.4
Denmark	TCE	na	na	na	NCE	360	3.7	5.9
Estonia	TCE	16	-15.1	25.9	NCE	40	-13.9	16.9
Finland	TCE	na	na	na	NCE	167	-19.0	7.0
France	TCE	2,279	-8.6	na	NCE	5,530	-6.1	3.4 ⁿ
Germany	TCE	1,939	-1.8	13.8	NCE	4,291	-3.4	11.1
Greece	TCE	531	-13.0	-13.9 ^e	NCE ^a	na	-13.3	na
Hungary	TCE	140	-24.0	16.7	NCE	369	-23.2	12.6
Iceland	VF	na	8.4	16.5	NCE	na	na	na
Ireland (Rep.)	TF	809	-4.7	na	NCE	4,737	-11.9	na
Italy	TCE	3,929	-7.2	4.6 ^p	NCE	1,008	-7.2	2.5 ^p
Latvia	TCE	15	-26.8	16.5 ^h	NCE	38	-17.3	16.2 ^h
Lithuania	TCE	17	-15.7	15.9	NCE	38	-27.5	34.2
Luxembourg	TCE	na	na	na	NCE	na	na	na
Malta	TF	14	-22.8	16.9	NCE	na	-21.4	21.6
Monaco	THS	na	na	na	NCE	na	na	na
Montenegro	TCE	7	-10.5	30.9	NCE	23	5.8	49.3
Netherlands	TCE	767	-4.1	18.9 ^k	NCE	1,373	-4.3	17.3 ^k
Norway	TF	132	-2.9	na	NCE	264	-13.4	17.4
Poland	TCE	140	-9.5	17.9	NCE	327	-10.0	14.4
Portugal	TF	na	na	na	NHS ^a	530	-6.7	9.7 ^j
Romania	TCE	76	0.0	9.1 ^h	NCE	135	-15.5	13.0 ^h
Serbia	TCE	12	10.6	15.0	NCE	35	15.6	9.2
Slovakia	TCE	21	-27.6	5.9	NCE	50	-21.5	8.0
Slovenia	TCE	37	-20.8	12.2	NCE	84	-24.7	15.0
Spain	TF	1,134	0.8	0.0	NHS	3,351	15.3	18.7
Sweden	TCE	na	na	na	NCE	355	-9.8	15.6 ⁿ
Switzerland	THS	610	-6.4	11.5	NHS	1,383	-8.9	8.9
Turkey	VF	667	-1.8	-3.7	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na
UK	VF ^a	2,873	-2.5	-8.0	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ^j Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

^p Note that this is not the usual series for this destination

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights;
TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar;
NCE = Nights in all forms of commercial accommodation; NHS = nights at hotels and similar

Sources: NTOs (directly or as filed on TourMIS).

Canada

Travel demand sustained by strong local currency

Canada has strengthened its position in the UNWTO top ten world ranking of tourism generating markets – up from eighth in 2007 to sixth in 2010 – thanks to the strong Canadian dollar. It is now worth more than the US dollar, which goes a long way to explaining why trip volume to the USA reached a record 20 million in 2010 (up 11% on 2009's level and 5% on its previous peak in 2008).

Expenditure on travel abroad rose to US\$29.5 billion in 2010, up 10%, following a 5% decline the previous year.

Travel to other destinations was up 6% to 8.7 million – also a record – and has sustained positive annual growth through the last few years. Europe accounts for around 13% of total trip volume, as well as about 60% of all overseas trips and close to 45% of overseas pleasure trips.

Most European countries achieved impressive growth rates out of Canada in 2010 after a relatively disappointing 2009 (when there were declines for a large number of European countries). Indeed, although there are admittedly a number of gaps, only three countries reported a drop in demand from Canada last year: Estonia, Greece and Turkey.

Prospects for 2011

Statistics for the first six months of 2011 released by the Canadian Tourism Commission point to a further 7% rise in travel to destinations outside North America, and prospects for the remainder of the year appear quite bright. However, the Canadian economy shrank in Q2 2011, its first quarterly fall since the 2008-09 recession, with temporary factors such as Japan's earthquake and tsunami playing a big role, according to Statistics Canada.

Several economists say the trend does not represent the real state of the Canadian economy and they expect a rebound in Q3 as the effects of the Q2 disruptions fade. If this is the case, Canada would escape the technical definition of recession – two consecutive quarters of a drop in GDP.

Europe remains high on the destination wish list of Canadians – especially the baby boomer generation – despite growing travel to South America and Asia, with Australia and New Zealand the main competitors in terms of aspirations. This augurs well for the region, especially given that nearly 50% of Canadians hold valid passports.

Figure 30
International tourist arrivals and overnights from Canada in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	81	-8.4	11.3	NCE	207	-7.9	10.5
Belgium	TCE	42	-10.1	18.2	NCE	93	-10.2	19.5
Bulgaria	TCE	4	-16.2	21.0	NCE	10	-21.9	32.7
Croatia	TCE	36	-5.6	14.8	NCE	102	-3.2	12.9
Cyprus	TF	5	-14.8	45.2	NCE ^a	49	70.1	na
Czech Republic	TCE	46	-4.1	18.2	NCE	127	-6.2	18.6
Denmark	TCE	na	na	na	NCE	40	7.9	8.6
Estonia	TCE	5	36.8	-29.3	NCE	11	46.4	-36.7
Finland	TCE	na	na	na	NCE	32	-4.1	-5.7
France	TCE	377	-12.2	na	NHSP	927	-8.4	na
Germany	TCE	234	-8.8	17.9	NCE	500	-10.1	16.0
Greece	TCE	135	-14.8	-27.5 ^e	NCE ^a	na	na	na
Hungary	TCE	18	-13.9	16.8	NCE	52	-14.0	20.1
Iceland	VF	na	4.7	21.5	NCE	na	na	na
Ireland (Rep.)	TF	82	-20.3	na	NCE	858	24.7	na
Italy	TCE	589	-7.3	10.2 ^p	NCE	1,613	-7.3	6.2 ^p
Latvia	TCE	na	na	na	NCE	5	-27.2	na
Lithuania	TCE	2	-38.7	67.1	NCE	4	-20.3	46.9
Luxembourg	TCE	na	na	na	NCE	na	na	na
Malta	TF	na	na	na	NCE	na	na	na
Monaco	THS	na	na	na	NCE	na	na	na
Montenegro	TCE	2	-2.5	19.0	NCE	6	-8.2	18.2
Netherlands	TCE	104	-10.3	24.8 ^k	NCE	197	-13.4	27.0 ^k
Norway	TF	na	na	na	NCE	22	-7.6	3.8
Poland	TCE	24	8.4	16.3	NCE	55	4.0	17.1
Portugal	TF	na	na	na	NHS ^a	208	-28.8	na
Romania	TCE	11	-17.3	21.2 ^h	NCE	21	-24.0	23.8 ^h
Serbia	TCE	4	2.1	11.1	NCE	15	48.7	-25.8
Slovakia	TCE	4	-38.2	16.4	NCE	10	-38.1	22.4
Slovenia	TCE	8	-10.3	14.1	NCE	20	-9.2	13.3
Spain	TF	183	20.6	3.9	NHS	na	na	na
Sweden	TCE	na	na	na	NCE	40	-17.0	16.2 ⁿ
Switzerland	THS	91	-3.8	8.3	NHS	207	-2.8	8.6
Turkey	VF	155	5.2	-1.8	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na
UK	VF ^a	687	-19.8	-2.0	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ⁱ Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

^p Note that this is not the usual series for this destination

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights;
TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar;
NCE = Nights in all forms of commercial accommodation; NHS = nights at hotels and similar

Sources: NTOs (directly or as filed on TourMIS).

Japan

Market rebounds, but continues to lose share

The past decade has been disappointing for tourism destinations, hoping in vain for the Japanese market to recapture its dynamism, but 2010 proved to be a good year in terms of outbound travel overall. Following a 3% decline in 2009, total trip volume rose 8% to 16.6 million – admittedly, still well below its 2000 peak of 17.8 million.

While long-haul travel out of Japan has fallen from a high of 58% of international total trip volume (at the end of the 1990s) to 39% – it is still well above that for other leading Asian outbound markets. Both younger and older Japanese – with the exception of females over 55 years old – appear to be losing interest in venturing outside Asia and families also tend to prefer destinations in Asia (i.e. closer to home). Travel to Europe has also been discouraged by the fact that the yen, generally tracking the US dollar, was falling against the euro for a long period at the end of the last decade. But this of course has now changed.

Few European destinations recorded growth out of Japan in 2009 – exceptions included Croatia, Cyprus and Slovenia – but strong double-digit increases were widespread in 2010. Bulgaria, Cyprus, the Czech Republic, Germany, Montenegro, the Netherlands, Poland, Romania, Spain and Turkey were the main winners.

Prospects for 2011

In spite of the Tohoku earthquake of 11 March 2011 and the tsunami-triggered Fukushima Daiichi nuclear disaster, the drop in the number of Japanese outbound travellers has been less severe than was the case after earlier crises, such as 9/11, SARS, and the H1N1 influenza (swine flu) pandemic. The impact of the disaster has become progressively less apparent, aided no doubt by the appreciation of the yen, with the result that through the first six months of 2011 outbound trip volume was down just 3% on 2010.

Business travel demand started to show signs of a rebound as early as April, just before the Golden Week holiday, and is expected to drive the 2011 market recovery thanks to reconstruction efforts and the fact that more Japanese companies are expanding their overseas business operations and transferring manufacturing sites overseas.

In contrast, the holiday market has been slowing since mid-2010. Nevertheless, the experienced 60-plus senior market seems to be bouncing back, and this is expected to stem the drop in travel spending. Not only short-haul destinations but also long-haul travel should benefit. The impact of the rise in travel taxes and surcharges, which have increased prices and dampened demand, may well be offset by the steep rise in value of the yen.

Figure 31
International tourist arrivals and overnights from Japan in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	199	-4.5	7.5	NCE	407	-0.5	1.3
Belgium	TCE	80	-20.5	2.1	NCE	153	-20.7	4.8
Bulgaria	TCE	10	-18.4	34.5	NCE	19	-29.7	17.3
Croatia	TCE	163	13.7	-10.0	NCE	222	10.1	-9.3
Cyprus	TF	1	58.3	114.4	NCE ^a	6	58.8	na
Czech Republic	TCE	115	-6.9	15.8	NCE	225	-9.7	11.4
Denmark	TCE	na	na	na	NCE	84	3.7	9.3
Estonia	TCE	7	5.7	-0.2	NCE	13	7.0	2.3
Finland	TCE	na	na	na	NCE	134	-12.8	1.8
France	THS ^p	1,113	-2.4	na	NHS ^p	2,399	-3.3	3.3
Germany	TCE	538	-10.0	12.2	NCE	960	-15.1	12.8
Greece	TCE	7	-38.1	0.0 ^e	NCE ^a	na	na	na
Hungary	TCE	71	-5.5	7.4	NCE	141	-8.5	4.9
Iceland	VF	na	4.7	-20.8	NCE	na	na	na
Ireland (Rep.)	TF	11	-18.9	na	NCE	na	na	na
Italy	TCE	1,298	-0.7	6.0 ^p	NCE	2,535	2.3	23.9 ^p
Latvia	TCE	na	na	na ^h	NCE	12	13.7	na
Lithuania	TCE	8	-18.7	0.7	NCE	13	-19.7	-4.3
Luxembourg	TCE	na	na	na	NCE	na	na	na
Malta	TF	na	na	na	NCE	na	na	na
Monaco	THS	na	na	na	NCE	na	na	na
Montenegro	TCE	1	-26.4	67.6	NCE	1	-40.1	59.2
Netherlands	TCE	100	-13.5	21.0 ^k	NCE	168	-17.8	21.9 ^k
Norway	TF	25	-13.8	na	NCE	99	-8.1	4.0
Poland	TCE	34	-7.5	46.9	NCE	74	-22.4	42.0
Portugal	TF	na	na	na	NHS ^a	108	-9.9	na
Romania	TCE	12	-22.9	20.3 ^h	NCE	21	-23.8	13.8 ^h
Serbia	TCE	na	na	na	NCE	na	na	na
Slovakia	TCE	11	-17.4	1.5	NCE	19	-28.2	6.3
Slovenia	TCE	48	21.3	-16.0	NCE	65	13.3	-16.9
Spain	TF	230	-3.2	44.7	NHS	846	-6.8	17.2
Sweden	TCE	na	na	na	NCE	93	-7.7	4.5 ⁿ
Switzerland	THS	276	-0.8	8.0	NHS	475	-3.9	6.8
Turkey	VF	148	1.4	32.4	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na
UK	VF ^a	235	-1.4	6.0	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ⁱ Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS ^o TF

^p Note that this is not the usual series for this destination

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights;
TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar;
NCE = Nights in all forms of commercial accommodation; NHS = nights at hotels and similar

Sources: NTOs (directly or as filed on TourMIS).

South Korea

Back to strong growth after two difficult years

After showing enormous promise as an emerging outbound travel market, growing for some time faster than Japan and as fast as China, the South Korean market suffered two difficult years, in 2008 and 2009. But the market bounced back strongly in 2010, recording a 32% increase in outbound trip volume, to 12.5 million. Although still some way behind its 2007 peak of 13.3 million, the growth would seem to confirm that the depreciation of the Korean won was the main reason for the earlier downturn.

According to IPK International's World Travel Monitor, Europe attracts some 1.1 million Koreans – only about a third of the number of Chinese and Japanese visiting the region – and the overall number has been stagnant, or even declined in recent years. Furthermore, at least one third of arrivals from South Korea in Europe are for business trips.

Nevertheless, for the relatively few ETC Member countries that report Korean arrivals on TourMIS (12 at the latest count), all enjoyed strong double-digit increases from the market in 2010.

Prospects for 2011

In line with the general trend from key Asian outbound travel markets, short-term growth in demand will be mainly for destinations within the region over the foreseeable future. Although two thirds of all trips (64%) will be for holidays, beach holidays are gaining rapidly over city trips and touring holidays, and Europe is unlikely to benefit from the trend.

Figure 32

International tourist arrivals and nights from South Korea in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	59	-25.7	30.7	NCE	98	-18.9	19.3
Belgium	TCE	8	-42.0	na	NCE	15	-26.5	na
Bulgaria	TCE	2	-12.9	87.5	NCE	4	-52.2	90.1
Croatia	TCE	10	-13.4	76.8	NCE	15	-13.7	na
Cyprus	TF	na	na	na	NCE ^a	na	na	na
Czech Republic	TCE	55	-19.0	39.6	NCE	87	-17.0	37.2
Denmark	TCE	na	na	na	NCE	10	5.0	15.3
Estonia	TCE	1	88.6	48.3	NCE	2	54.0	65.6
Finland	TCE	na	na	na	NCE	17	-24.7	19.0
France	TF ^b	na	na	na	NCE	na	na	na
Germany	TCE	124	-14.0	17.4	NCE	267	-16.0	10.8
Greece	TCE	5	16.7	na	NCE ^a	na	na	na
Hungary	TCE	23	na	37.7	NCE	34	na	44.5
Iceland	VF	na	na	na	NCE	na	na	na
Ireland (Rep.)	TF	na	na	na	NCE	na	na	na
Italy	TCE	225	-29.5	na	NCE	498	-20.1	na
Latvia	TCE	na	na	na	NCE	na	na	na
Lithuania	TCE	1	41.4	na	NCE	2	38.1	na
Luxembourg	TCE	na	na	na	NCE	na	na	na

(continues)

Figure 32 (continued)
International tourist arrivals and nights from South Korea in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010	Measure	Volume 2009	% change 2009 2010		
Malta	TF	na	na	na	NCE	na	na	na
Monaco	THS	na	na	na	NCE	na	na	na
Montenegro	TCE	na	na	na	NCE	na	na	na
Netherlands	TCE	23	0.4	na	NCE	39	-8.8	na
Norway	TF	na	na	na	NCE	25	-39.7	42.7
Poland	TCE	18	-31.9	22.1	NCE	26	-40.6	6.8
Portugal	TF	na	na	na	NHS ^a	na	na	na
Romania	TCE	3	3.0	na	NCE	9	10.1	na
Serbia	TCE	na	na	na	NCE	na	na	na
Slovakia	TCE	18	-25.7	33.2	NCE	39	15.5	29.2
Slovenia	TCE	5	-19.5	28.9	NCE	7	-11.3	17.4
Spain	TF	na	na	na	NHS	na	na	na
Sweden	TCE	na	na	na	NCE	19	-8.4	36.8 ⁿ
Switzerland	THS	72	-22.2	31.6	NHS	107	-22.3	26.9
Turkey	VF	89	-25.4	38.3	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na
UK	VF ^a	75	-42.3	na	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ^j Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

^p Note that this is not the usual series for this destination

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights; TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar; NCE = Nights in all forms of commercial accommodation; NHS = nights at hotels and similar

Sources: NTOs (directly or as filed on TourMIS).

China

A mixed performance across Europe in 2007

China was one of the few leading outbound travel markets around the world that continued to show positive growth through the recession, with trip volume rising 4% in 2009 and 20% in 2010. As a result, the market ousted the UK from third place among the world's top tourism spenders in 2010, with a 26% increase in expenditure on travel and tourism abroad (in US dollar terms), to US\$54.9 billion. Needless to say, China still has some way to go before catching up with second-placed USA.

Europe now receives some 3.8 million Chinese annually – 200,000 more than the Japanese count. The number is clearly higher if measured in terms of cumulative arrivals in different European destinations, since the Chinese still tend to visit multiple destinations on one trip. IPK International estimates the growth to Europe out of China at 15% over the past five years.

Figure 33
International tourist arrivals and overnights from China in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	155	-0.6	17.5	NCE	222	-6.0	20.4
Belgium	TCE	75	0.3	6.9	NCE	118	3.0	4.2
Bulgaria	TCE	4	49.9	0.3	NCE	8	15.3	6.0
Croatia	TCE	8	19.0	73.9	NCE	16	29.6	48.6
Cyprus	TF	0	-38.8	48.5	NCE ^a	5	8.4	na
Czech Republic	TCE	62	16.4	27.9	NCE	111	9.2	22.4
Denmark	TCE	na	na	na	NCE	54	-2.1	30.6
Estonia	TCE	2	9.0	37.2	NCE	4	-1.7	18.5
Finland	TCE	na	na	na	NCE	74	-19.9	12.6
France	THS ^p	395	-5.1	na	NHS ^p	78.7	-4.8	44.8
Germany	TCE	385	-8.7	32.8	NCE	820	-13.0	33.3
Greece	TCE	8	31.2	0.0 ^e	NCE ^a	na	na	na
Hungary	TCE	39	18.7	16.2	NCE	72	13.5	11.9
Iceland	VF	na	-6.8	-3.2	NCE	na	na	na
Ireland (Rep.)	TF	na	na	na	NCE	na	na	na
Italy	TCE	72.8	1.5	0.0 ^p	NCE	1,254	2.7	-8.7 ^p
Latvia	TCE	na	na	na	NCE	3	50.3	na
Lithuania	TCE	3	32.5	31.6	NCE	10	64.2	-45.9
Luxembourg	TCE	na	na	na	NCE	na	na	na
Malta	TF	na	na	na	NCE	na	na	na
Monaco	THS	na	na	na	NCE	na	na	na
Montenegro	TCE	na	na	na	NCE	na	na	na
Netherlands	TCE	147	13.8	-7.8 ^k	NCE	249	18.9	-10.8 ^k
Norway	TF	na	na	na	NCE	52	12.9	25.8
Poland	TCE	20	-0.8	32.7	NCE	39	-31.8	47.7
Portugal	TF	na	na	na	NHS ^a	na	na	na
Romania	TCE	7	-9.0	-14.0 ^h	NCE	21	54.6	-14.9 ^h
Serbia	TCE	na	na	na	NCE	na	na	na
Slovakia	TCE	7	-14.8	27.5	NCE	10	-13.9	61.3
Slovenia	TCE	6	14.8	46.0	NCE	11	10.9	37.4
Spain	TF	na	na	0.0 ^g	NHS	na	na	na
Sweden	TCE	na	na	na	NCE	98	-3.1	17.8 ⁿ
Switzerland	THS	224	43.9	27.7	NHS	272	26.8	21.3
Turkey	VF	69	12.1	11.3	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na
UK	VF ^a	233	-2.2	23.0	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ⁱ Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

^p Note that this is not the usual series for this destination

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights;
TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar;
NCE = Nights in all forms of commercial accommodation; NHS = nights at hotels and similar

Sources: NTOs (directly or as filed on TourMIS).

There are still a number of gaps in coverage of the Chinese market on TourMIS by ETC Members. However, of those that have reported trends in 2009 and 2010, as many as six registered increases in both years (in arrivals and/or overnight volume) – Bulgaria, the Czech Republic, Hungary, Norway, Slovenia, Switzerland and Turkey.

Prospects for 2011 Although the level of interest in Europe as a 'dream' leisure destination is high, and some growth is forecast, demand over the foreseeable future will continue to be relatively low and compromised by cost. The Chinese are surrounded by destinations with which they have greater cultural affinity, which are easier to travel to and offer excellent value for money.

What demand there is for Europe remains dominated by the business sector, including the 'business tour'. This combines an ostensible business purpose with leisure activities such as shopping and sightseeing. Since the participants are generally sponsored by their companies or partners abroad, normal marketing practices do not apply. As in the incentive travel market, demand tends to be dependent on commercial caprice and government edict.

India

Seems to be confirming its earlier promise Although an estimated 50% of all Indian outbound trips are for business rather than leisure, according to IPK International's World Travel Monitor, the market has confirmed its earlier promise by nearly tripling in terms of outbound trip volume over the last ten years. In 2010, Indians made 11.8 million trips abroad, 8% more than in 2009, roughly unchanged over 2008.

Few European destinations have provided figures for arrivals from India in 2009 and 2010 – the market still does not appear to be monitored in detail by the majority of ETC Members. However, it is clear from these few that India has been generating increases in tourist numbers, even for the mature European destinations that are finding it difficult to attract larger numbers from their traditional markets. Admittedly, as the following table shows, 2009 was not a good year for Europe out of India, but 14 out of the 16 or so countries that reported trends in 2010 achieved strong growth.

The best performers in the Indian market – in terms of percentage growth in arrivals and/or nights – appear to have been Austria, Belgium, Cyprus, Finland, Germany, the Netherlands, Poland, Slovakia, Sweden Switzerland and the UK.

Prospects for 2011 The Indian leisure traveller is now more open to exploring newer destinations, according to the latest edition of the Nielsen India Outbound Monitor. And many of these are in Asia. This could be detrimental to Europe's prospects. Destinations such as China, the Maldives, Indonesia, the African continent, and even neighbouring Bangladesh, have witnessed a significant increase in interest among Indian travellers as destinations they plan to visit in the future.

Although Europe is forecast to show steady growth out of India, this may not be as spectacular as some destinations have seen until now – due to the market's lack of maturity. Moreover, the main motivation for Indians visiting Europe – as is the case for the USA – will continue to be business and VFR (visits to friends and relations). As far as the smaller holiday market to Europe is concerned, factors driving destination choice will continue to include a wide range of leisure and entertainment activities, as well as the scenic/natural beauty of the destination.

Figure 34
International tourist arrivals and overnights from India in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	48	1.3	25.6	NCE	97	-1.9	14.0
Belgium	TCE	36	-34.9	18.2	NCE	73	-33.4	18.5
Bulgaria	TCE	4	-13.7	-10.6	NCE	na	na	na
Croatia	TCE	na	na	na	NCE	na	na	na
Cyprus	TF	1	-33.0	57.8	NCE ^a	na	na	na
Czech Republic	TCE	na	na	na	NCE	na	na	na
Denmark	TCE	na	na	na	NCE	na	na	na
Estonia	TCE	na	na	na	NCE	na	na	na
Finland	TCE	na	na	na	NCE	52	-18.5	12.5
France	TF ^b	na	na	na	NCE	na	na	na
Germany	TCE	110	-15.4	28.8	NCE	359	-14.9	26.2
Greece	TCE	25	-32.0	na	NCE ^a	na	na	na
Hungary	TCE	na	na	na	NCE	na	na	na
Iceland	VF	na	na	na	NCE	na	na	na
Ireland (Rep.)	TF	na	na	na	NCE	na	na	na
Italy	TCE	15.8	-1.5	28.6 ^p	NCE	395	1.3	29.3 ^p
Latvia	TCE	na	na	na	NCE	na	na	na
Lithuania	TCE	na	na	na	NCE	na	na	na
Luxembourg	TCE	na	na	na	NCE	na	na	na
Malta	TF	na	na	na	NCE	na	na	na
Monaco	THS	na	na	na	NCE	na	na	na
Montenegro	TCE	na	na	na	NCE	na	na	na
Netherlands	TCE	50	-2.2	29.6 ^k	NCE	100	-3.4	32.9 ^k
Norway	TF	na	na	na	NCE	na	na	na
Poland	TCE	9	18.3	12.0	NCE	34	32.1	5.6
Portugal	TF	na	na	na	NHS ^a	na	na	na
Romania	TCE	4	-12.9	3.0 ^h	NCE	12	-43.9	1.3 ^h
Serbia	TCE	na	na	na	NCE	na	na	na
Slovakia	TCE	1	-6.5	15.9	NCE	3	-33.5	26.7
Slovenia	TCE	na	na	na	NCE	na	na	na
Spain	TF	na	na	0.0 ^g	NHS	na	na	na
Sweden	TCE	na	na	na	NCE	na	na	9.8 ^{gn}
Switzerland	THS	136	3.2	21.8	NHS	324	-0.9	21.1
Turkey	VF	55	-1.2	15.1	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na
UK	VF ^a	273	-24.1	34.0	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ⁱ Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

^p Note that this is not the usual series for this destination

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights;
TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar;
NCE = Nights in all forms of commercial accommodation; NHS = nights at hotels and similar

Sources: NTOs (directly or as filed on TourMIS).

Brazil

A market to watch Although Brazil undoubtedly has huge potential as an outbound travel market, it is a country in which domestic travel dwarfs international travel. Nevertheless, it generated more than 7 million outbound trips in 2010 (estimated), involving spending of some US\$16.4 billion – double the total three years earlier – making it by far the largest market in South America. UNWTO now ranks Brazil as the 18th largest outbound market in terms of expenditure on tourism abroad.

It is nevertheless seen as a high-risk travel market, susceptible to boom-bust cycles. It went through a bust in 1999-2002 and a rapid recovery in 2003-05, followed by more moderate growth in 2006-08, supported by general prosperity and a very favourable exchange rate.

Europe captures almost one third of Brazilian outbound trips, although the top European destination, France, lags some way behind the overall leaders, Argentina, the USA and Uruguay. Europe's market share has also tended to slip in recent years, mainly because of the rapid growth in tourism within Latin America.

In 2010, of the destinations that reported results for the Brazilian market, 11 attracted double-digit growth in arrivals, and 12 in overnight volume. Five also achieved double-digit increases in 2009 (in arrivals and/or arrivals).

Prospects for 2011 There is no doubt that the Brazilian outbound travel market is booming, and the travel trade is optimistic that the boom will continue. But this is based more on gut feeling than scientific evidence. Experience has shown that trends fluctuate quite sharply.

Nevertheless, most signs are positive. Brazil is a prospering, middle-income country with plenty of scope for extending its (at present modest) appetite for overseas travel. Demand for travel has also been stimulated by the continuing strong economic situation and dramatically increased purchasing power of the *real* abroad over the past few years

Europe has a natural advantage in this market because of the large numbers of people of European descent, but it is regarded as a distant and expensive destination. And the competition is expected to intensify.

Figure 35
International tourist arrivals and overnights from Brazil in European destinations, 2009-10
(Volumes in '000 and % change on previous year)

	Arrivals			Nights				
	Measure	Volume 2009	% change 2009 2010		Measure	Volume 2009	% change 2009 2010	
Austria	TCE	4 ^d	na	na	NCE	8 ^d	na	na
Belgium	TCE	25	-12.7	44.3	NCE	46	-17.6	45.1
Bulgaria	TCE	7	-50.8	10.0	NCE	52	-54.4	-11.7
Croatia	TCE	10	24.6	38.8	NCE	26	23.9	38.9
Cyprus	TF	na	na	na	NCE ^a	na	na	na
Czech Republic	TCE	30	13.5	27.4	NCE	78	10.2	29.5
Denmark	TCE	na	na	na	NCE	19	40.6	15.4
Estonia	TCE	1	32.3	63.4	NCE	2	15.1	65.2
Finland	TCE	na	na	na	NCE	12	0.0	13.6
France	TF ^b	na	na	na	NCE	na	na	na
Germany	TCE	136	-15.0	43.0	NCE	340	-16.1	42.0
Greece	TCE	25	-10.7	na	NCE ^a	na	na	na
Hungary	TCE	na	na	na	NCE	na	na	na
Iceland	VF	na	na	na	NCE	na	na	na
Ireland (Rep.)	TF	na	na	na	NCE	na	na	na
Italy	TCE	436	-8.8	19.8 ^p	NCE	1,137	-7.3	4.4 ^p
Latvia	TCE	na	na	na	NCE	na	na	na
Lithuania	TCE	1	-11.3	na	NCE	3	0.9	na
Luxembourg	TCE	na	na	na	NCE	na	na	na
Malta	TF	na	na	na	NCE	na	na	na
Monaco	THS	na	na	na	NCE	na	na	na
Montenegro	TCE	na	na	na	NCE	na	na	na
Netherlands	TCE	60	-1.0	na	NCE	123	-0.6	na
Norway	TF	na	na	na	NCE	17	-8.7	31.7
Poland	TCE	8	-12.8	36.2	NCE	18	-21.0	33.5
Portugal	TF	na	na	na	NHS ^a	596	-11.5	40.0
Romania	TCE	2	-19.6	na	NCE	4	-35.2	na
Serbia	TCE	na	na	na	NCE	na	na	na
Slovakia	TCE	na	na	na	NCE	5	-13.8	13.2
Slovenia	TCE	3	17.6	19.8	NCE	7	4.2	5.9
Spain	TF	228	0.7	5.9	NHS	na	na	na
Sweden	TCE	na	na	na	NCE	na	na	na
Switzerland	THS	56	-6.2	19.4	NHS	145	-8.9	16.4
Turkey	VF	54	22.7	21.8	NCE	na	na	na
Ukraine	TF	na	na	na	NCE	na	na	na
UK	VF ^a	151	-15.5	na	TN ^a	na	na	na

^a Official estimates. In addition, figures for 2010 are often preliminary data or estimates.

^b Data from UNWTO ^c Data from Eurostat ^d TBP calculations or estimates from various sources

^e Jan-Jun ^f Jan-Jul ^g Jan-Aug ^h Jan-Sep ⁱ Jan-Oct ^k Jan-Nov ^m VF ⁿ NHS

^p Note that this is not the usual series for this destination

Note: TF = tourist arrivals at frontiers; VF = visitor arrivals at frontiers; TN = Total tourist nights;
TCE = tourists at all forms of commercial accommodation; THS = tourists at hotels and similar;
NCE = Nights in all forms of commercial accommodation; NHS = nights at hotels and similar

Sources: NTOs (directly or as filed on TourMIS).

ETC Member Organisations

August 2011

Austria	Austrian National Tourist Office (ANTO)
Belgium	Flanders: Tourist Office for Flanders (TV) Wallonia: Office de Promotion du Tourisme Wallonie-Bruxelles (OPT)
Bulgaria	Bulgarian State Tourism Agency
Croatia	Croatian National Tourist Board (CNTB)
Cyprus	Cyprus Tourism Organisation (CTO)
Czech Republic	CzechTourism
Denmark	VisitDenmark
Estonia	Estonian Tourist Board (ETB)
Finland	Finnish Tourist Board (MEK)
France	Atout France – Agence de Développement Touristique de la France
Germany	German National Tourist Board (DZT)
Greece	Greek National Tourism Organization (GNTO)
Hungary	Hungarian Tourism plc
Iceland	Icelandic Tourist Board
Ireland	Tourism Ireland and Fáilte Ireland
Italy	Italian State Tourist Board (ENIT)
Latvia	Latvian Tourism Development Agency
Lithuania	Lithuanian State Department of Tourism
Luxembourg	Luxembourg National Tourist Office (ONT)
Malta	Malta Tourism Authority (MTA)
Monaco	Monaco Government Tourist Office
Montenegro	National Tourism Organisation of Montenegro
Netherlands	Netherlands Board of Tourism & Conventions (NBTC)
Norway	Innovation Norway
Poland	Polish Tourist Organisation (POT)
Portugal	Turismo de Portugal (Portugal Tourism)
Romania	Ministry of SMEs, Trade, Tourism & Liberal Professions
San Marino	Ministry for Tourism, Sport, Transport, Telecommunications & Economic Cooperation
Serbia	National Tourism Organisation of Serbia
Slovakia	Slovak Tourist Board
Slovenia	Slovenian Tourist Board
Spain	Spanish Tourist Office (Turespaña)
Sweden	VisitSweden
Switzerland	Switzerland Tourism
Turkey	Ministry of Tourism