

European Tourism: Trends & Prospects

Quarterly Report Q2/2025



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Quarterly Report (Q2/2025)

A report produced for
the European Travel Commission
by Tourism Economics

Brussels, June 2025

ETC Market Intelligence Report

European Tourism: Trends & Prospects (Q2/2025)

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Data sources: This report includes data from the [TourMIS database](#), [STR](#), [IATA](#), [Eurocontrol](#), [UN Tourism](#), [Lighthouse](#) and [MMGY TCI Research](#). Economic analysis and forecasts are provided by [Tourism Economics](#) and are for interpretation by users according to their needs.

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Foreword

As we approach the peak of the summer travel season, Europe's tourism sector continues to face headwinds that could impact its growth path.

Rising travel costs continue to weigh on consumers' purchasing power, especially among those who are more cost-conscious, and will continue to influence travel decisions and destination preferences.

Meanwhile, the environmental, social and economic pressures caused by unbalanced tourism continue to grow. This is particularly the case in certain southern European destinations and is driving residents' concerns about the effects of mass tourism, which became evident in recent protests held in several European cities. These protests call for reflection about the need to implement more sustainable and balanced tourism strategies in line with the realities of specific destinations.

Geopolitical uncertainty is also having an impact on travel sentiment, particularly towards the US, as the Trump administration's trade policy dampens consumer confidence. On the positive side, this may redirect travel to Europe, particularly from China, and boost demand for intra-European travel. Conversely, the Israel-Iran conflict is also putting air connectivity under strain. This has so far resulted in the cancellation or rerouting of some air connections and delays, particularly in hubs like Dubai and Doha. These disruptions should be closely monitored, as they have the potential to affect long-haul travel from Asia and Oceania and disrupt travel to Europe this summer.

Europe remains the world's leading tourism destination, although global tourism continues to evolve rapidly. Travellers' behaviour and destination preferences are changing driven by demographic shifts, growing environmental challenges and broader economic and geopolitical woes. As such, destinations need to continue innovating and commit to sustainable offers to adapt to these changes successfully and to safeguard Europe's tourism sector so it remains resilient in the near future.

Jennifer Iduh

Head of Research & Insights

European Travel Commission (ETC)

European tourism: Trends & prospects (Q2/2025)

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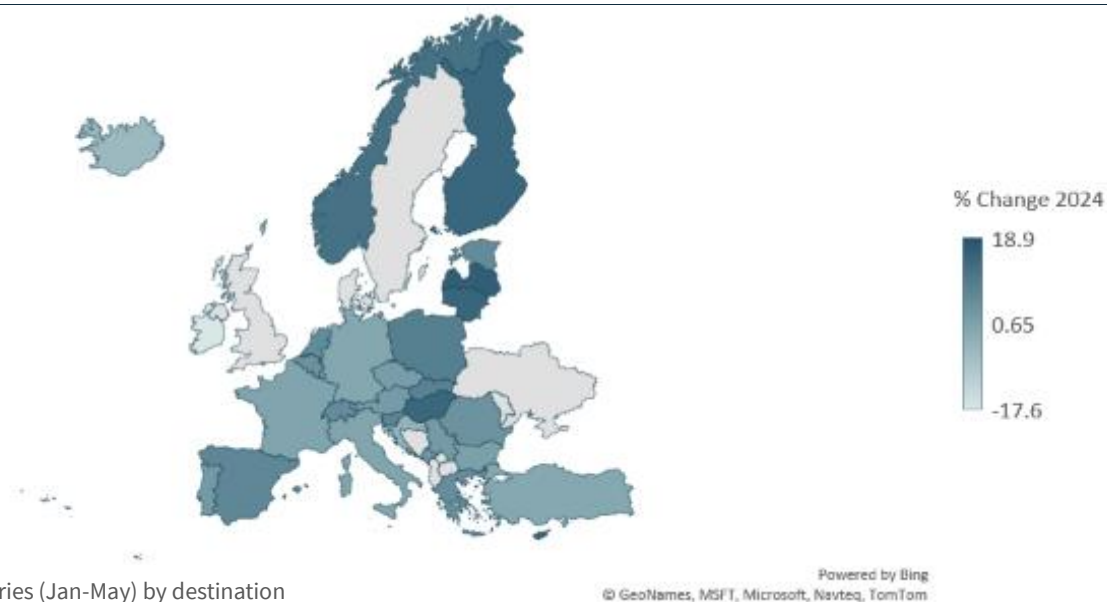
Executive summary

Challenges continue to weigh on European tourism demand ahead of the peak summer season.

International tourist arrivals to Europe increased by a moderate 3.3% on last year based on data up to April-May.¹ The sector continues to face rising operational costs which are passed on to the travellers. This translates into elevated travel-related prices weighing on consumers' willingness to spend, particularly budget-conscious tourists.

Unbalanced tourism remains a pressing concern in certain locations. Reflecting this growing discontent, coordinated protests against mass tourism were held in several European cities recently, highlighting the urgent need for more sustainable and balanced tourism strategies across the region. On the other hand, airlines are facing significant disruptions caused by the Israel-Iran conflict which has forced multiple carriers to avoid large parts of Middle Eastern airspace and rapidly cut flights to key Gulf destinations such as Dubai and Doha. These fast-moving developments could potentially have broader implications for long-haul travel from Asia and Oceania during the summer months, as reduced capacity and rerouted flights could affect air connectivity.

Foreign visits to European destinations, 2025 year-to-date



Travel activity across reporting destinations continued its upward momentum so far in 2025 over the same period in 2024. Malta stood out with a notable 19% increase in arrivals (albeit from a relatively low base) helped by strategic air connectivity developments. Cyprus saw a remarkable 16% surge (on a low base) attributed to its strategic geographical location (between Europe, Asia, and the Middle East) and investments in infrastructure and marketing emphasising its appeal as a year-round destination. Central Eastern European destinations including Latvia (+16%), Lithuania (+15%) and Hungary (+14%) also posted strong year-on-year increases in arrivals reflecting a continued recovery despite travel volumes in most cases remaining below pre-pandemic levels.

¹ Dates vary by destinations

Global air travel demand accelerates, despite regional divergences

Early data for 2025 featured strong global growth in passenger demand (measured in RPKs²). North America was the only region experiencing a decline, likely attributed to falling tourism demand, particularly from Canada and Europe. In Europe, growth moderated in February (6.1%), partly due to the shorter month, and March (4.9%), due to seasonal effects, but rebounded in April, supported in part by delayed Easter-related travel. Meanwhile, air passenger growth in Asia/Pacific returned to pre-pandemic RPK volumes in Q1 and accelerated at the beginning of Q2, reaching 14.4% year-on-year and following a slowdown in February and March. The region is benefitting from a renewed upswing in international travel supported by increased capacity and expanded flight routes between Asia/Pacific and Europe introduced earlier this year.

International monthly air passenger growth (% change)



Source: IATA

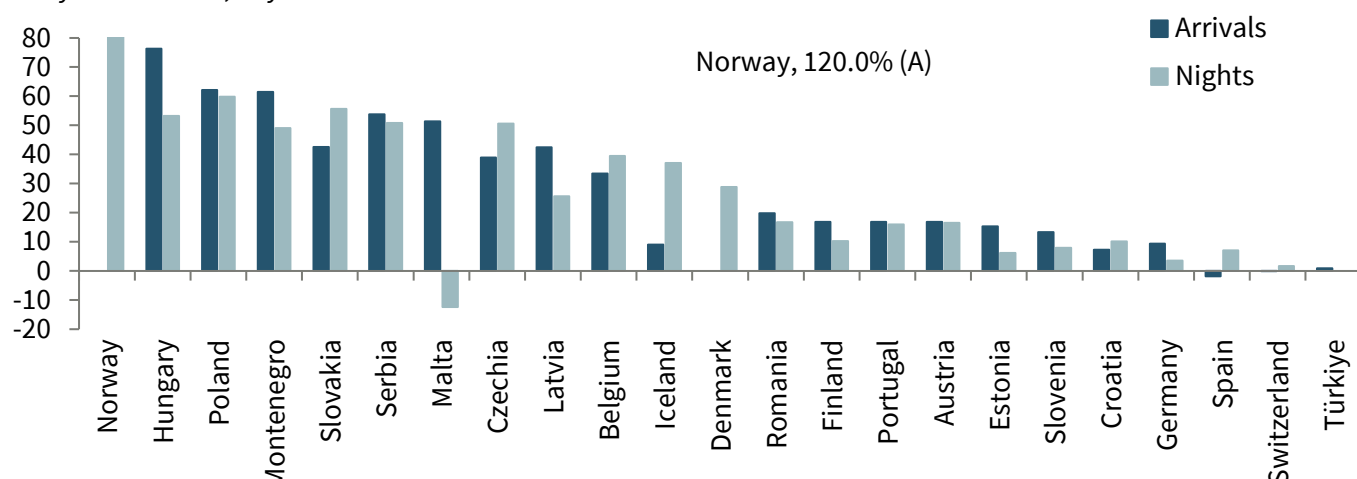
Europe is set to benefit from rising Chinese travel amid geopolitical travel concerns

Chinese travel to Europe continued to improve over the same period in 2024, with virtually all reporting destinations seeing an increase in arrivals from China. Although Chinese outbound travel still has to recover to pre-pandemic levels, European destinations continue to register strong year-on-year growth from this market. This is particularly the case in smaller destinations, where even small increases can return significant growth rates. The latest results from [ETC's Long-Haul Travel Barometer](#) showed that the share of travellers that intend to visit Europe between May and August 2025, shrank from 41% in 2024 to 39% in 2025. This downward performance is particularly evident in key long-haul markets such as the US, Brazil, Canada and Japan. China, however, stood out with 72% of respondents planning to visit Europe this summer, representing a 10% year-on-year increase.

² Revenue Passenger per Kilometre (RPK)

Chinese visits and overnights to select destinations (% relative to 2024)

2025 year-to-date*, % year



Source: TourMIS* *date varies (Jan-May) by destination

Chinese travellers may show reluctance towards travelling to the US in 2025, due to several factors including broader geopolitical tensions, increased scrutiny of visa applications and security concerns. In April, China's Ministry of Culture and Tourism issued a travel risk alert for Chinese tourists considering travel to the US. The alert referred to recent tensions in China-US economic and trade relations, and concerns around the domestic security landscape in the US. It also advised travellers to carefully evaluate possible risks and exercise caution when planning a trip to the US. As a result, Europe is expected to see a growing number of Chinese visitors, driven by rising incomes, improved air connectivity and supportive policies. This shift highlights how global tourism trends are shaped by economic and political forces, stressing the need for European destinations to remain adaptable and responsive to the evolving preferences of travellers. At the same time, it is fundamental to ensure tourism remains sustainable and balanced to preserve the quality of the visitor experience and local communities.

“In certain destinations, the concentration of tourism activity has led to tourism imbalances among European destinations, which in turn has sparked calls for diversification. Public demonstrations are a visible expression of underlying concerns. ETC views these movements as a sign that communities want a greater voice in how tourism is managed and how benefits are shared. While such actions vary in tone and legitimacy, they underscore the importance of better dialogue between residents, authorities and the tourism sector. The way forward is not to reduce engagement, but to increase it through participatory planning, data sharing, and tourism strategies that reflect broader societal goals. Europe’s tourism promotion must be more targeted, sustainable and strategic, encouraging travel in off-peak seasons, to lesser-known regions, and in ways that align with climate, community and development priorities”, said Eduardo Santander, CEO/Executive Director, European Travel Commission (ETC).

Jennifer Iduh (ETC Executive Unit)

With the contribution of the [ETC Market Intelligence Committee](#)

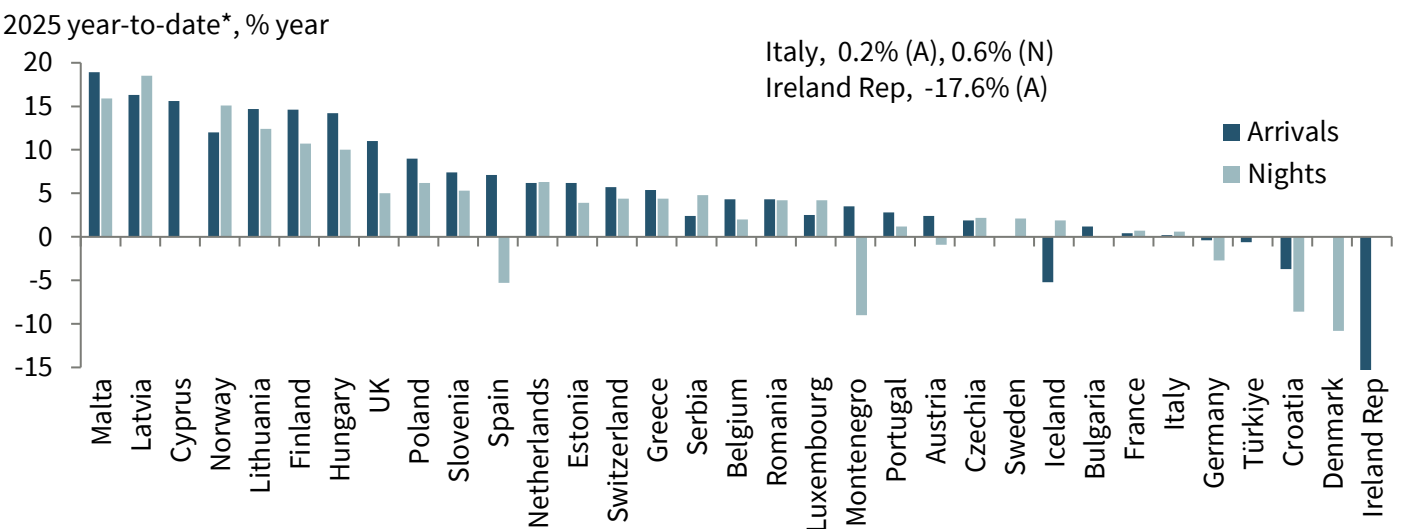
1. Tourism Performance Summary 2025

Summary

- International tourist arrivals to Europe are up 3.3% on 2024 based on the latest data from the TourMIS platform. This increase largely reflects the period from January to May, although dates vary by destination. However, the number of nights spent in the region are -0.7% down compared to the same time last year.
- The recent outturn is not necessarily an indication of weaker momentum heading into the summer months, but rather reflects the Easter shift from March into April this year as well as shifts in other school holidays across Europe. The impact has been apparent in several destinations which typically experience a higher share of arrivals during March and April, including Germany and the Netherlands.
- European travel demand remained strong for sun & beach holidays, benefiting destinations such as Spain and Portugal, as possibly more tourists try to avoid peak temperatures over July-August.
- Tourism performance has been adversely affected by several disruptions, including industrial action across major German airports in March and several air-traffic related strikes in Greece and Italy during April.
- Demand heading into the summer faces a number of challenges, including elevated prices for tourism-related services and uncertainty stemming from changes to US trade policy. Latest research from ETC indicates a slight increase in intra-regional travel intentions over the next six months, but a marginal decrease from long-haul tourists compared to summer 2024.

A shift in the timing of Easter from March to April this year impacted travel behaviour compared to 2024. According to the latest data from TourMIS, European arrivals are up 3.3% on last year, while nights are down 0.7%, based on data largely out to April and May (dates vary by destinations). This represents a slower outturn across both performance metrics compared to last quarter, where arrivals were up 4.9% and nights up 2.2% year-on-year. However, growth is reported for both metrics in the majority of destinations.

Foreign visits and overnights to select destinations (% relative to 2024)



Source: TourMIS* *date varies (Jan-May) by destination

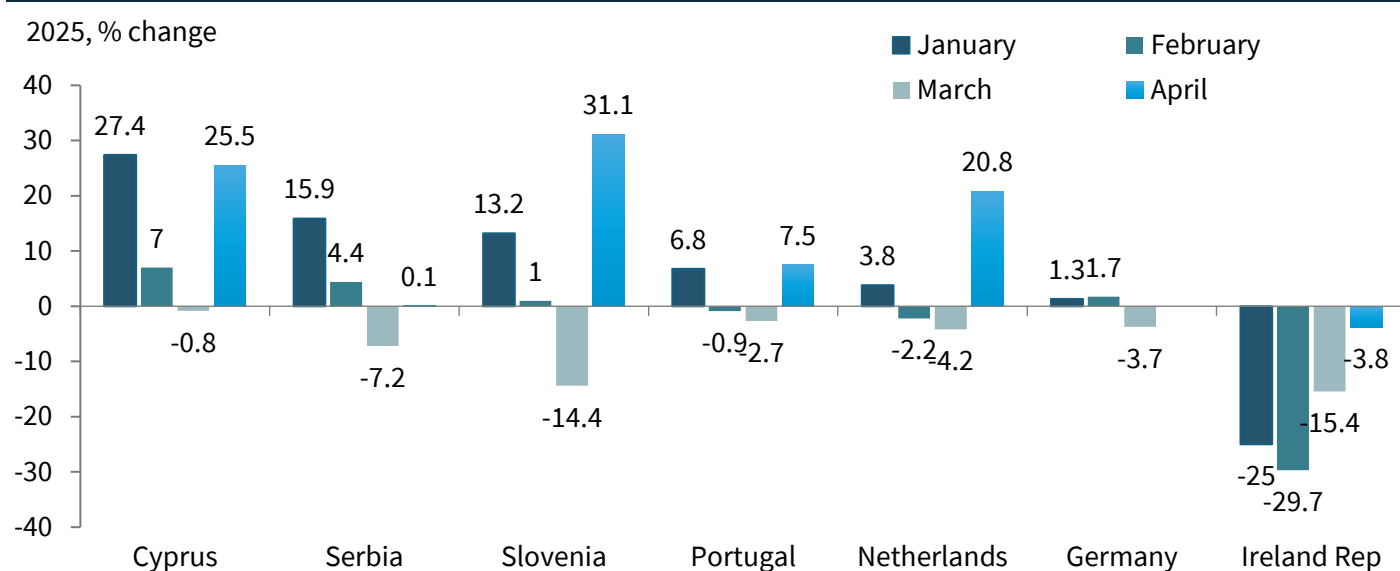
Destinations which historically experience a higher share of tourism activity during the Easter period are reporting larger shifts in year-on-year growth over these two months. Among these, Germany clearly illustrates the impact of the Easter shift with a 3.7% decline in international arrivals in March, which is in stark contrast to the growth in the surrounding months. In addition, [industrial action](#) across a number of German airports in March, including Hamburg and Frankfurt likely contributed to this outturn. Arrivals in 2025 to date are currently just 0.4% lower than in 2024 and are not expected to be reflective of growth later in the year due to this distortion.

The Netherlands received 4.2% fewer visitors in March than in the same period last year, however this rebounded strongly in April, rising by 20.8% and contributing to 6.2% more arrivals than in 2024 year-to-date. Fewer visitors were also reported in the Republic of Ireland during March (-15.4%), but this trend has not been exclusive to the Easter period. Visits during all four months of this year have been down on the same time last year and apparent across all source markets, including those from the [UK](#).

Research by [ForwardKeys](#) indicated that the majority of European tourists searched for sun and beach holidays over Easter, and total intra-European flight searches rose 36% on the equivalent period last year. On top of the impact caused by the Easter holiday shift, it could also suggest that more tourists are looking to travel outside of the hottest months of the year, while temperatures are more comfortable.

Malta reported fast growth in both arrivals (18.9%) and nights (15.9%) on 2024, and among its source markets, visitors from Poland rose significantly over [March](#) and [April](#). Travel in April likely benefited from the new flight by LOT Polish Airlines, connecting [Warsaw and Malta](#) that began on the 16th April. Elsewhere in Southern and Mediterranean Europe, arrivals to Portugal increased by 2.8%, reflecting a solid rise in visitor numbers from [British and German tourists](#). In contrast, nights spent in Serbia are leading visitor arrivals, as tourists from [Russia and Türkiye](#) contributed to the recent monthly trend.

Monthly foreign visits to select destinations (% relative to 2024)



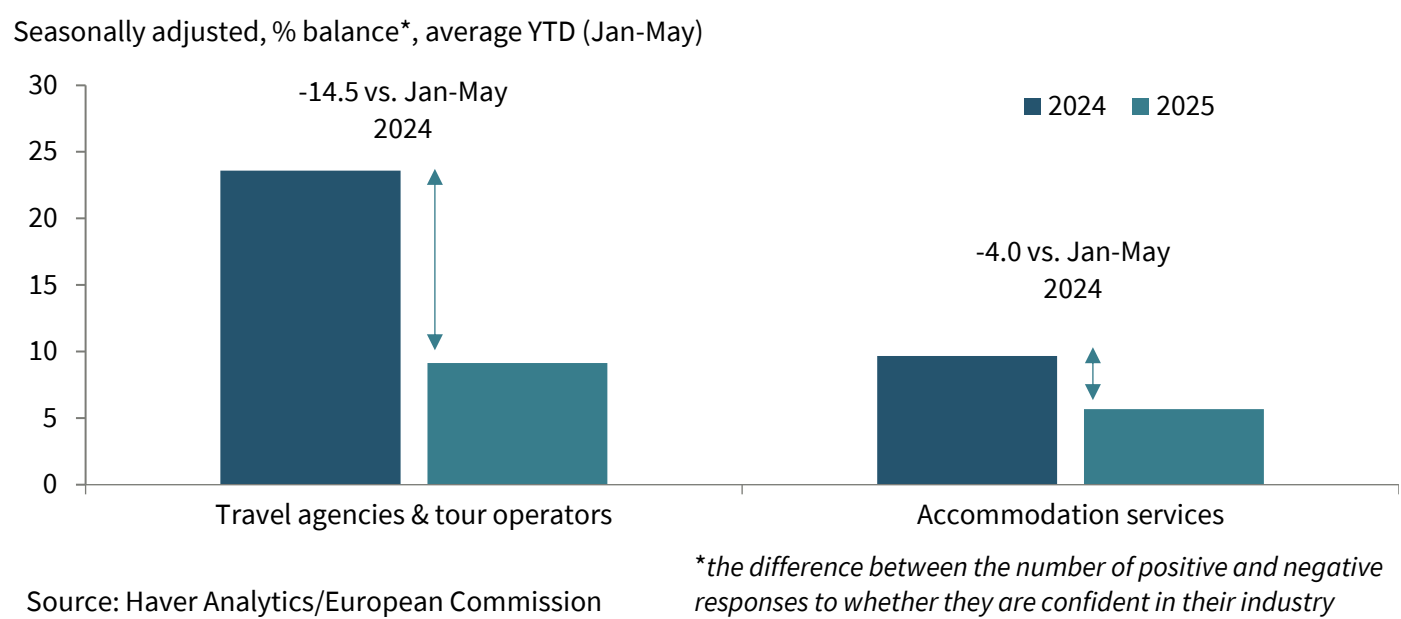
Source: Haver Analytics/European Commission

Growth across many Central & Eastern European destinations remains significantly higher than the average across reporting destinations. This is largely a result of the continued recovery, with travel volumes in most cases still below pre-pandemic levels. But increased connectivity from between the region is likely helping to support the continued upward trajectory in both arrivals and nights. Momentum is expected to build going into Q2, with the holidays a key factor in the latest monthly outturn for Slovenia. Ljubljana remained the most visited location in the country for international tourists as the key gateway due to the airport, but [mountain resorts and health \(spa\) resorts](#) are increasing in popularity perhaps driven by [consumer trends](#) for experiences, 'off-the-beaten-track' destinations and wellness holidays.

Tourists have continued to disproportionately visit and spend time in overcrowded destinations, despite the stated preferences for smaller and newer destinations. Protests and demonstrations against overtourism have continued into 2025, with a recent one occurring in [Spain](#) on June 16th which led to some tourists being sprayed with water guns. The unrest felt by residents is not necessarily due to the tourists themselves, but the economic consequences and the increasing imbalance between the benefits received from tourism and costs associated with it, such as the rising cost of housing for locals. But so far this year, this has not significantly dissuaded tourists from key European source markets, including the UK and Germany. In fact, the [Balearic and Canary Islands](#) continued to report double-digit growth in international arrivals so far in the first half of the year.

Overcrowding is just one of the challenges facing the tourism industry going into the summer months. Tourism-related services continue to face an elevated cost of doing business, while consumers continue to be more value-focused. This is contributing to weaker confidence among travel agencies, tour operators and accommodation services across the European Union.

Confidence across selected tourism-related services in the EU



It is likely that confidence will remain below where it was in 2024, based on the latest confidence indicators among travel agencies & tour operators and accommodation services. A positive value indicates that more respondents are confident in their industry and for both tourism-related services, they remain above zero. But the gap has widened significantly among travel agencies & tour operators, suggesting increasingly less of those survey are confident compared to the same period last year.

This change in outlook does align with the [ETC long-haul barometer](#) which indicated a decrease in travel intentions to Europe from several long-haul source markets for summer 2025. There still remains a lot of uncertainty over outbound travel from North America this year. A key reason for this is that although household finances will be impacted by weaker economic activity and rising uncertainty, a larger share of long-haul travellers will likely come from higher-income households that tend to have higher savings and/or wealth that will continue to facilitate travel. But confidence may improve slightly going into the summer because the sentiment results coming out of the latest ETC survey of intra-regional travel suggests a slight increase in the coming months.

Summary performance 2025, year to date % change relative to 2019 and 2024

Country	International Arrivals			International Nights		
	% YTD vs. 2019	% YTD vs. 2024	to month	% YTD vs. 2019	YTD % vs. 2024	to month
Austria	-1.8%	2.4%	Jan-Apr	-4.3%	-0.9%	Jan-Apr
Belgium	7.4%	4.3%	Jan-Feb	7.3%	2.0%	Jan-Feb
Bulgaria	30.2%	1.2%	Jan-Apr			
Croatia	3.7%	-3.7%	Jan-May	12.1%	-8.6%	Jan-May
Cyprus	26.0%	15.6%	Jan-Apr			
Czechia	-1.8%	1.9%	Jan-Mar	-5.4%	2.2%	Jan-Mar
Denmark				25.7%	-10.8%	Jan-Mar
Estonia	-11.2%	6.2%	Jan-Apr	-12.1%	3.9%	Jan-Apr
Finland	1.3%	14.6%	Jan-Apr	2.5%	10.7%	Jan-Apr
France	5.9%	0.4%	Jan-Mar	11.2%	0.7%	Jan-Mar
Germany	-12.1%	-0.4%	Jan-Mar	-12.1%	-2.7%	Jan-Mar
Greece	26.9%	5.4%	Jan-Mar		4.4%	Jan-Mar
Hungary	8.2%	14.2%	Jan-Apr	6.5%	10.0%	Jan-Apr
Iceland	-2.9%	-5.2%	Jan-Apr		1.9%	Jan-Apr
Ireland Rep		-17.6%	Jan-Apr			
Italy	7.6%	0.2%	Jan-Mar	15.7%	0.6%	Jan-Mar
Latvia	-11.9%	16.3%	Jan-Mar	-21.5%	18.5%	Jan-Mar
Lithuania	-5.2%	14.7%	Jan-Apr	-6.2%	12.4%	Jan-Apr
Luxembourg	-11.0%	2.5%	Jan-Mar	-13.4%	4.2%	Jan-Mar
Malta	62.8%	18.9%	Jan-Mar	42.1%	15.9%	Jan-Mar
Montenegro	23.5%	3.5%	Jan-Apr	80.3%	-9.0%	Jan-Apr
Netherlands	6.8%	6.2%	Jan-Apr	22.4%	6.3%	Jan-Apr
Norway		12.0%	Jan-Apr	36.1%	15.1%	Jan-Apr
Poland	18.9%	9.0%	Jan-Mar	8.1%	6.2%	Jan-Mar
Portugal	25.2%	2.8%	Jan-Apr	19.3%	1.2%	Jan-Apr
Romania	-3.9%	4.3%	Jan-Apr	5.0%	4.2%	Jan-Apr
Serbia	43.5%	2.4%	Jan-Apr	77.2%	4.8%	Jan-Apr
Slovakia	0.8%	8.2%	Jan-Apr	-3.7%	9.2%	Jan-Apr
Slovenia	11.2%	7.4%	Jan-May	9.5%	5.3%	Jan-May
Spain	19.9%	7.1%	Jan-Apr	5.9%	-5.3%	Jan-Apr
Sweden				10.1%	2.1%	Jan-Apr
Switzerland	2.4%	5.7%	Jan-Apr	1.2%	4.4%	Jan-Apr
Türkiye	21.2%	-0.6%	Jan-Apr			

Sources: TourMIS (<http://www.tourmis.info>)

(f) denotes forecast provided by member

Measures used for nights and arrivals vary by country. Available data as of 24.06.2025

2. Global Tourism Forecast Summary

Tourism Economics' global travel forecasts are shown on an inbound and outbound basis in the following table. These are the results of the Global Travel Service (GTS) model, which is updated in detail three times per year. Forecasts are consistent with Oxford Economics' macroeconomic outlook according to estimated relationships between tourism and the wider economy. Full origin-destination country detail is available online to subscribers.

GTS visitor growth forecasts, % change year-on-year

	Inbound*					Outbound**				
	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026
data/estimate/forecast***	d	e	f	f	f	d	e	f	f	f
World	100.6%	37.0%	13.0%	8.1%	7.4%	106.3%	38.7%	13.1%	8.1%	7.5%
Americas	89.2%	27.1%	8.0%	1.3%	4.9%	95.5%	33.4%	9.0%	3.0%	4.7%
North America	78.2%	24.3%	8.4%	-1.7%	4.0%	83.9%	32.6%	8.9%	1.6%	3.8%
Caribbean	51.3%	17.9%	5.2%	5.0%	5.0%	94.3%	21.5%	7.8%	5.5%	5.7%
Central & South America	209.7%	43.5%	8.5%	7.6%	7.5%	171.5%	38.3%	9.5%	8.8%	8.1%
Europe	92.0%	18.9%	7.6%	9.1%	5.1%	100.8%	19.4%	7.7%	7.9%	6.1%
ETC+2	101.0%	18.2%	7.1%	7.8%	4.5%	107.0%	18.2%	7.3%	7.1%	5.5%
EU 27	106.8%	18.9%	6.8%	7.4%	4.1%	109.5%	18.4%	7.3%	6.9%	5.3%
Non-EU	45.2%	19.0%	11.5%	16.3%	8.9%	62.2%	25.2%	10.1%	13.1%	9.8%
Northern	203.8%	17.7%	8.9%	4.2%	3.9%	225.6%	20.6%	7.8%	5.8%	5.3%
Western	93.6%	22.0%	3.8%	2.8%	3.8%	83.2%	15.2%	5.7%	6.6%	5.4%
Southern/Mediterranean	90.0%	16.4%	7.8%	10.1%	3.9%	109.9%	22.5%	9.6%	6.7%	5.7%
Central/Eastern	41.2%	21.2%	15.3%	21.8%	11.0%	56.8%	25.4%	10.2%	13.3%	7.7%
- Central & Baltic	92.3%	19.0%	10.8%	13.3%	6.8%	78.9%	21.2%	10.0%	11.0%	5.5%
Asia & the Pacific	178.1%	173.0%	33.1%	11.5%	11.3%	171.5%	176.8%	33.5%	13.1%	12.0%
North East	20.8%	366.5%	47.2%	14.8%	8.4%	55.0%	354.5%	45.9%	15.7%	12.7%
South East	1216.5%	136.2%	25.2%	8.1%	16.7%	446.9%	115.6%	19.9%	9.3%	11.9%
South	99.6%	36.2%	10.7%	6.3%	4.6%	173.4%	51.7%	18.9%	9.4%	10.6%
Oceania	827.9%	93.1%	16.9%	12.4%	12.2%	786.9%	75.1%	13.1%	8.7%	7.8%
Africa	89.3%	37.1%	16.3%	10.2%	6.7%	99.6%	43.2%	14.7%	13.0%	8.3%
Middle East	157.8%	38.1%	8.1%	2.0%	18.4%	132.3%	26.8%	6.1%	4.0%	10.6%

* Inbound is based on the sum of the country overnight tourist arrivals and includes intra-regional flows

** Outbound is based on the sum of visits to all destinations

***data is the final historical numbers available. Estimates are using high frequency indicators

The geographies of Europe are defined as follows:

Northern Europe is Denmark, Finland, Iceland, Ireland, Norway, Sweden, and the UK;

Western Europe is Austria, Belgium, France, Germany, Luxembourg, Netherlands, and Switzerland;

Southern/Mediterranean Europe is Albania, Bosnia-Herzegovina, Croatia, Cyprus, Greece, Italy, Malta, Montenegro, North Macedonia, Portugal, Serbia, Slovenia, Spain, and Turkey;

Central/Eastern Europe is Armenia, Azerbaijan, Belarus, Bulgaria, Czechia, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Poland, Romania, Russian Federation, Slovakia, and Ukraine;

Central & Baltic Europe is Bulgaria, Czechia, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, and Slovakia;

ETC+2 is all ETC members plus Sweden, and the United Kingdom

Source: Tourism Economics based on GTS as of 23.06.2025

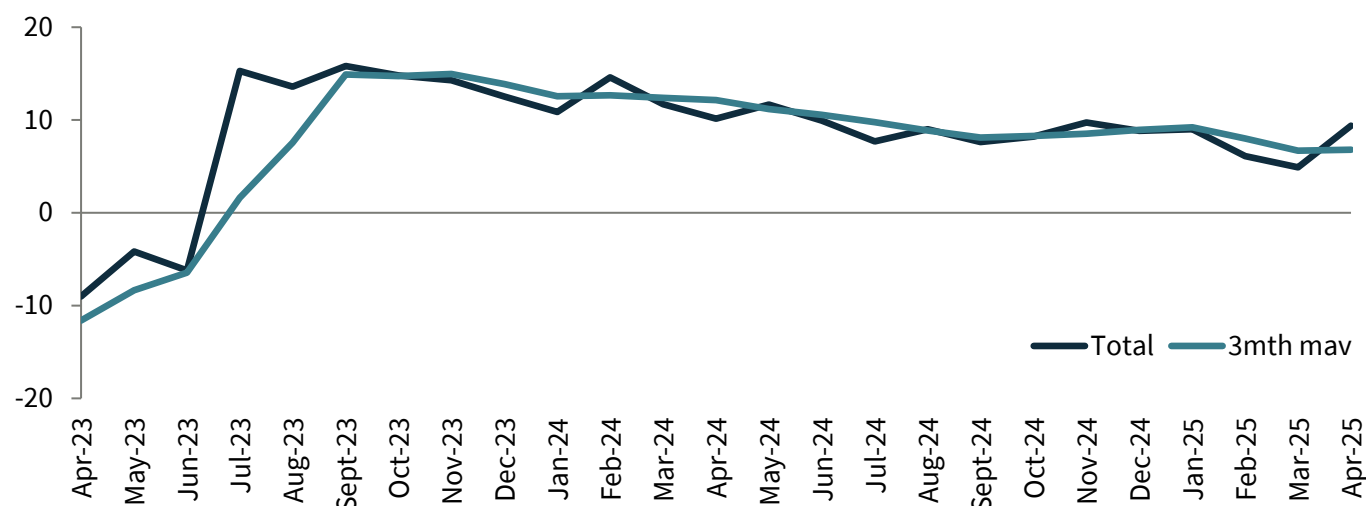
3. Recent industry performance

3.1 Air transport

Air passenger demand in Europe had a strong start to the year, compared to the same period in 2024, but revenue passenger kilometres (RPK) softened in February and March to 6.1% and 4.9% respectively. This resulted in quarterly growth in Q1 2025 of 6.7%, down from 8.9% in Q4 2024 in year-on-year terms. The shift in Easter to April put Q2 off to a strong start, with air passenger growth rising by 9.4% on the year.

International air passenger growth (%), Europe

% change year-on-year, RPK



Source: IATA

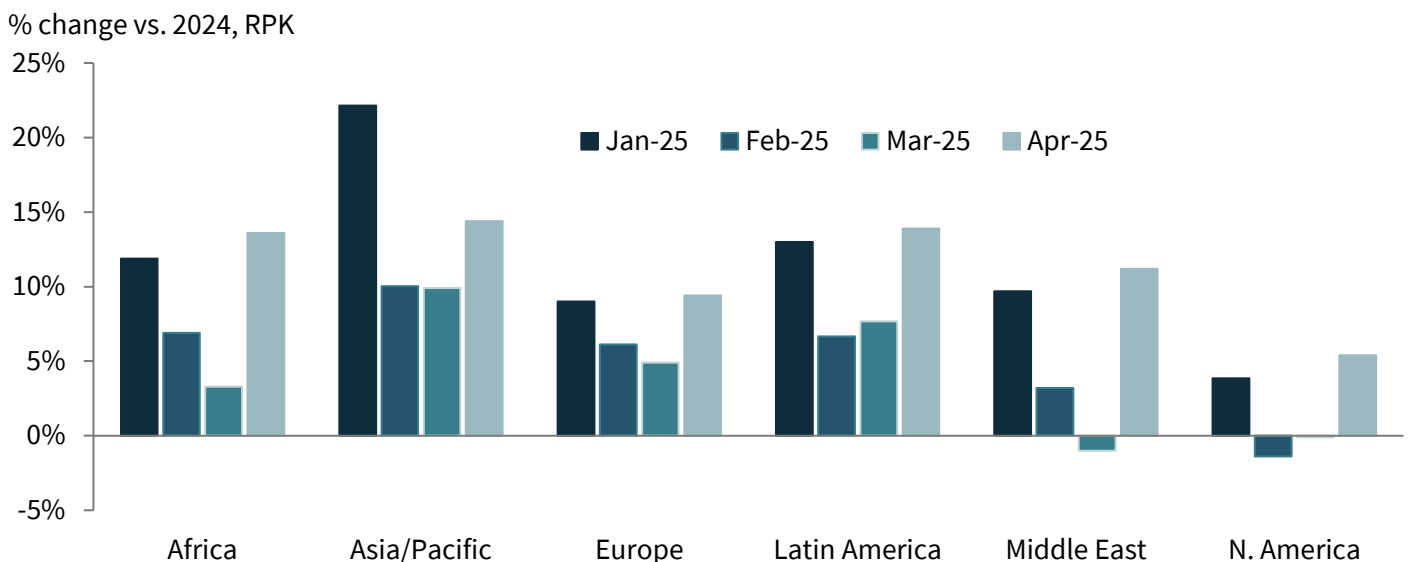
Regional Air Passenger Outlook:

- Air travel data for the first four months of 2025 shows that passenger demand measured in RPKs grew strongly across all regions compared to the same months a year ago – with one exception, North America which was the only region wherein airlines reported a decline in RPK. While not conclusive, this is consistent with declines in tourism arrivals to the United States, most notably from [Canada](#), but also from Europe. This is likely due to growing negative sentiment and concerns about treatment by immigration officials.
- In contrast, passenger demand in Latin America has picked up in year-on-year terms over the last three months, rising by 13.9% in April, regaining momentum with growth just ahead of where it was at the start of the year (13.0%). Prospects for air travel in South America remain upbeat as airlines continue to increase route capacity to Europe, but there are still concerns over demand from North America.
- Air passenger growth across the Asia/Pacific region saw a return to pre-pandemic RPK volumes in Q1. Year-on-year growth did moderate slightly in February (10.0%) and March (9.9%), but this was expected following Chinese New Year. Growth has since picked up again at the start of Q2, to 14.4% and some of the recent growth can be attributed to a significant [rise in capacity](#). Some of this increase in capacity would have materialised from the [increase in flights](#) between Asia/Pacific and Europe over the first quarter of this year.
- Demand growth in Europe softened in February and March to 6.1% and 4.9% respectively, with the Easter shift as a contributing factor to March and the subsequent pick-up in April. Following the onset of the Israel-Iran conflict, there are concerns over possible impacts on air passenger demand from long-haul source markets to Europe. Airlines such as [AirBaltic](#), [Air Europa](#) and [Air France-KLM](#) have cancelled flights from Europe to destinations including Tel Aviv, Dubai and Riyadh. But the fast-moving nature of this conflict can make it difficult to determine the longevity of these disruptions, because as of the 24th June, several airlines, including [Qatar Airways](#) have already resumed some flights. Additional restrictions on air space will place

additional pressure on air-traffic control, potentially causing further delays, particularly among Eastern Mediterranean destinations which was already feeling the effects of restricted air space over Russia and Ukraine. Faced with these prospects, travellers might deter or defer travel plans until the situation has settled.

- The Middle East is the only region apart from North America to report a decline in air passenger growth in recent months. However, the decline was only temporary and likely driven by Ramadan, which tends to limit travel during the holiday month. The year-on-year comparison is larger than it otherwise would have been, because Ramadan covered more of the month of March than it did in 2024.

International monthly air passenger growth (% change)

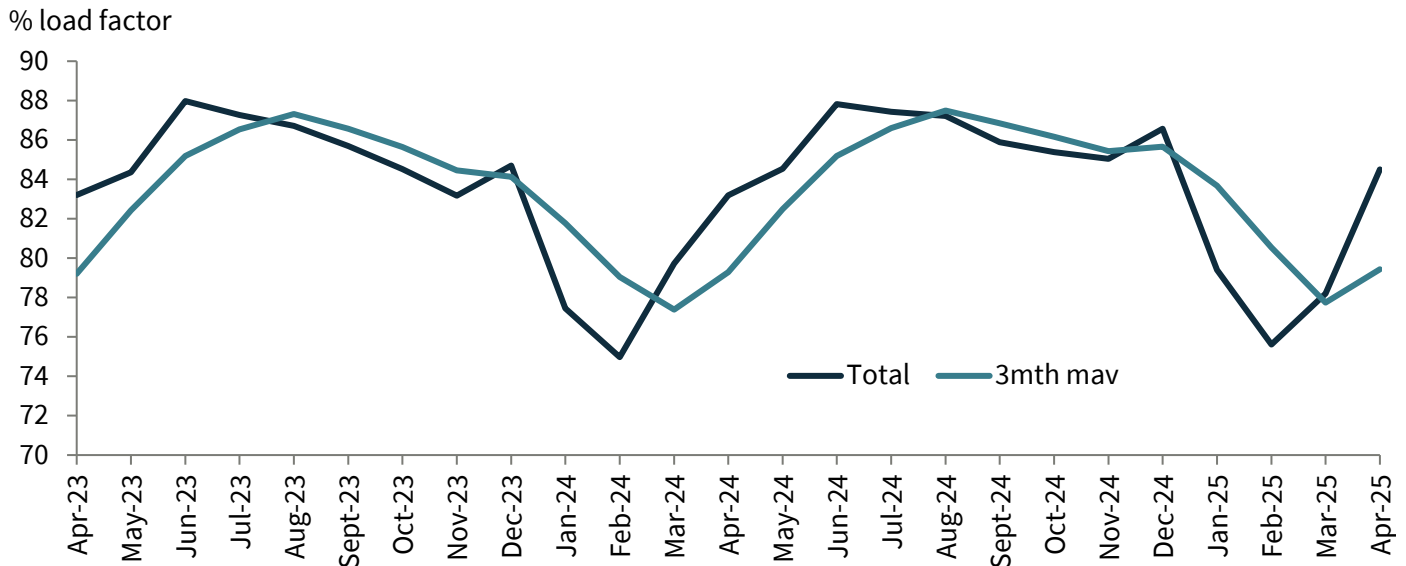


Source: IATA

European international passenger load factor this year is up 0.8% on the same period in 2024, and monthly trends highlight a strong rebound coinciding with the holidays, with airlines filling 84.5% of available seats. Various airlines including [EasyJet](#) and [Ryanair](#) are optimistic about summer travel demand, and an increase in flight routes over the peak summer months should keep load factors elevated. They may also remain high as airlines continue to experience delays to aircraft deliveries, which has the potential to worsen amid changes imposed by the current Trump administration.

However, there are concerns over transatlantic travel demand between Europe and the US which may impact load factors and capacity as the year goes on. Airlines including [Lufthansa](#), [British Airways](#) and [KLM](#) have already reduced the volume of flights over the summer period which may help maintain load factors.

International passenger load factor, Europe



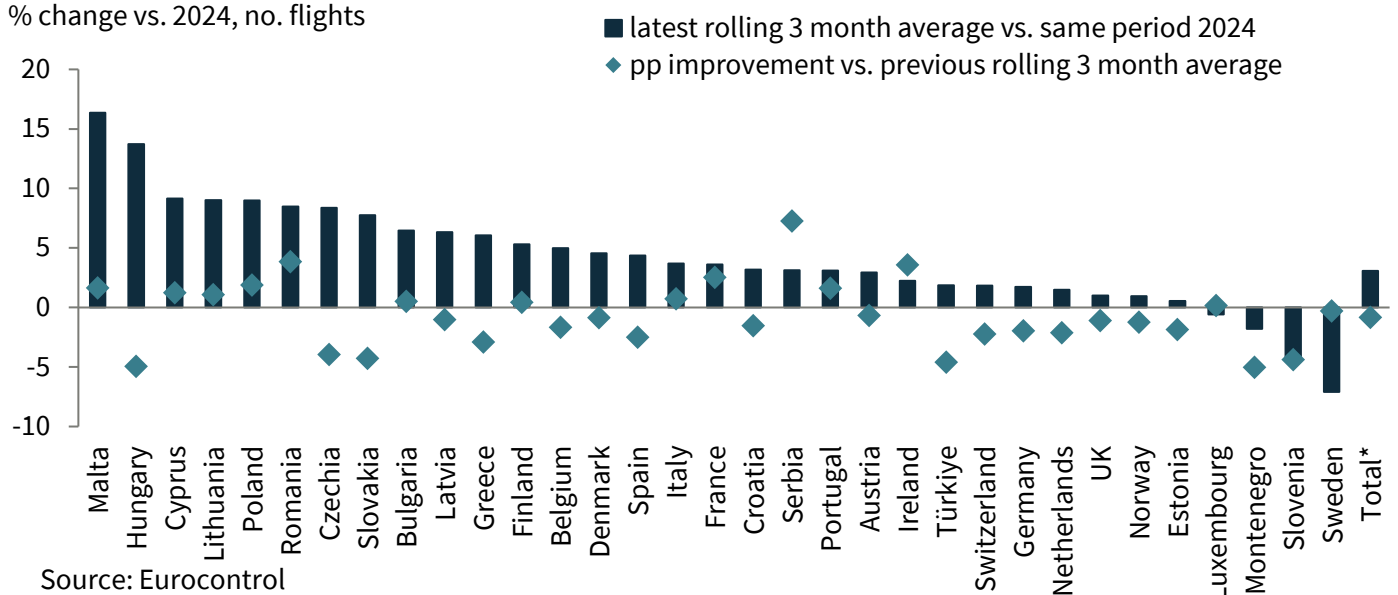
Source: IATA

Based on the latest data from Eurocontrol, European flight volumes were up 3.1% over February to April 2025 compared to the same period in 2024. Among the 33 reporting destinations, 60% of these have reported stronger growth in flight volumes than the regional average over the last three months.

- German air traffic continues to face challenges following airlines such as [Ryanair](#) cutting flights both last year and this year, but so far air traffic is 1.7% higher than in the same period last year. Airlines have been facing additional pressure on the cost of doing business through additional regulatory costs, alongside a backdrop of tourists becoming more value-focussed. This adds to the disruptions to air traffic caused by various periods of [industrial action](#) so far this year.
- Air traffic volumes in the UK have held up well in recent months and despite a [major power outage](#) in Heathrow, the country's largest airport, air traffic was still up on the year in March 2025.
- Hungary is currently reporting a double-digit (13.7%) rise in air traffic based on the latest three months of data for 2025. This momentum is encouraging going into the summer months because these months do not typically account for the largest share of air travel during the year. An [expanded flight schedule at Budapest Airport](#) and [significant improvements](#) made to successfully handle a large rise in air traffic, poses an upside risk to both traffic volume and passenger loads. Elsewhere in Central and Eastern Europe, the opening of a new terminal at Lithuania's [Vilnius Airport](#) in February, just ahead of Easter, is expected to double capacity and is likely a contributing factor to the above average growth (9.0%) over the last three months.
- Although air traffic in Sweden was down 7.1% based on the latest data out to April, this decline is heavily skewed by a weaker outturn in February which can be partially attributed to the [leap year effect in 2024](#). Traffic volumes have still been down on the year in March and April, but not significantly. This is similar for Slovenia, with air traffic 4.4% below the same period last year, but the marked slowdown in February was largely caused by temporary effects including [adverse weather conditions](#). Outside of this month, traffic volumes are largely holding up well against volumes recorded in 2024.
- Serbia experienced the fastest percentage point improvement (7.3%) versus the previous three-month rolling average across all reporting destinations. Despite the easter shift, air traffic volumes have been consistently above 2024 levels from February onwards. Some of this increase is likely in response to additional flights which began in Q2, including a new direct long-haul connection between [Belgrade and Shanghai](#) and an intra-regional flight to Florence in Italy.

European air traffic by country, total flights arriving and departing

% change vs. 2024, no. flights



3.2 Accommodation

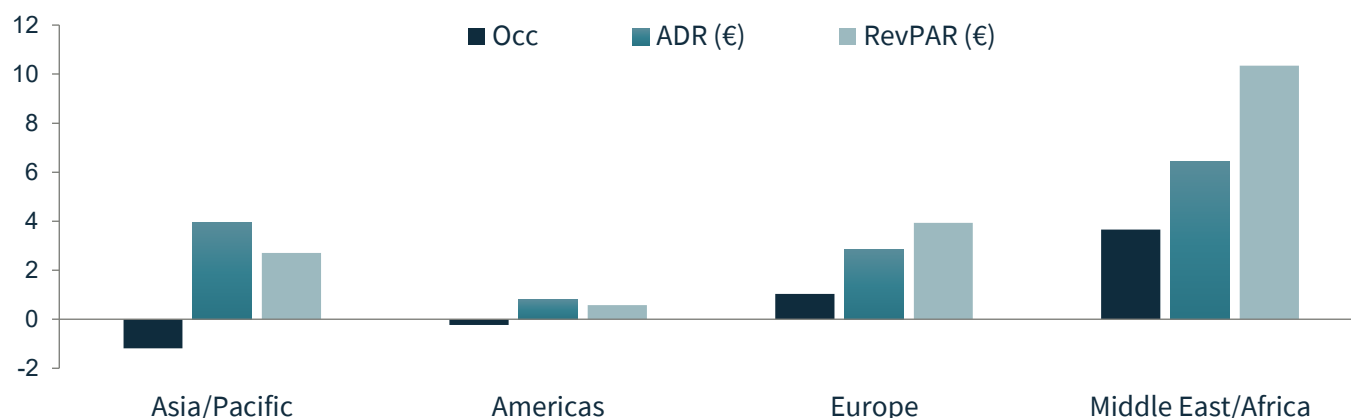
The performance across hotels from a global perspective paints a mixed picture for 2025. All regions are outperforming the same period last year in terms of both ADR and RevPAR. However, occupancy rates in Asia/Pacific and the Americas are down 1.2% and 0.2% respectively on the same time last year. Additional data for April and May continues to point towards a struggle among hotels to grow as occupancy underperforms ADR and RevPAR, but some of this could be due to changes in supply.

Global Outlook:

- Despite the slowdown in RevPAR on last quarter across Asia Pacific as growth slipped from 4.9% to 2.7%, this largely comes from just a small number of markets. All but three countries – China, Singapore and Thailand experienced an improvement in RevPAR. A healthy increase in [hotel supply](#) is likely limiting occupancy growth in the region.
- Hotel performance for the Americas has been downgraded in all three-hotel metrics since last quarter. The deceleration in RevPAR growth from 4.8% to just 0.6% has been largely driven by weaker ADR (4.4% to 0.8%). Continued economic uncertainty, particularly in the US and lack of consumer confidence has been a key factor in hotels struggling to push rates and occupancy levels. Negative sentiment towards the US and weaker inbound travel following changes made by the Trump administration may further be dampened by the ongoing US involvement in the conflict between Iran-Israel.
- European hotels have seen a slight rise across both occupancy (1.0%) and ADR (2.9%) and growth across these metrics are now slightly ahead of last quarter, contributing to a boost in RevPAR (3.9%). Part of this improvement is a result of the year-to-date outturn now including April, which would have been stronger and offset the slowdown in March as a result of the Easter shift.
- There has been a significant shift among the drivers of RevPAR across the Middle East/Africa. Hotels have been more successful in lifting occupancy rates over the last two months, with growth now 3.7% ahead of the same time last year. In contrast, ADR growth has slowed considerably to just 6.4%, from 8.4% last quarter. But overall, the improvement in occupancy offset changes to ADR, as RevPAR growth edged up to 10.3% on the year. [Egypt](#), [South Africa](#) and [Saudi Arabia](#) are several destinations contributing to the stronger performance in the region.

Global hotel performance

Jan-May year-to-date, % change year ago



Source: STR

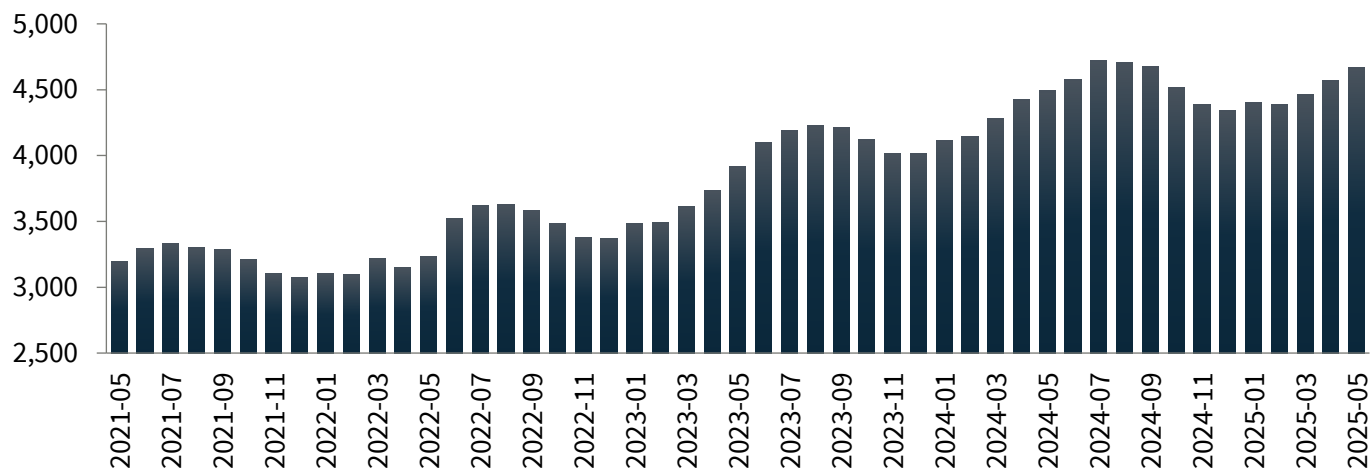
Short-term rentals

The approximate 4.67 million short-term rental units in Europe as of May 2025 represents the 4th highest supply month on record. Short-term rental supply in Europe, while strongly tied to seasonality, continues to grow. From May 2021 through May 2025, a [4-year long-term trend of short-term rental supply in Europe](#) shows that supply has grown at an approximate 10.0% compound annual growth rate (CAGR).

ADR growth will frequently trail supply growth, as a market takes time to absorb additions to the supply pool - especially significant gains. Nonetheless, Europe-wide short-term rental ADR grew at an even more impressive clip. Over the aforementioned time period, ADR grew by a CAGR of approximately 11.7%, surpassing the already-impressive supply growth figure.

Short-term rental supply across Europe

Short-term rental units, 000s



Source: Lighthouse

One of the key countries driving this ADR growth is France - but it is not driving it the way one might think. With a supply of nearly 1.1 million short-term rental units as of May 2025, France boasts over 23% of Europe's short-term rentals - and it is not even close, with Italy a distant second with approximately 13.4% of Europe's short-term rental supply. As indicated above, in the hospitality industry, extensive supply growth will typically depress rate growth, as hoteliers and/or short-term rental operators must moderate price increases to counteract the newfound accommodation options in a market. This has certainly been the case with France, which experienced a short-term rental supply CAGR of approximately 14.1% from May 2021 through May 2025 - and it is worth noting that even in May 2021, the approximate 634,000 short-term rental units in France at the time was still the most of any European country. As a result of over 440,000 units being added to the supply over that time span, France's ADR only grew at

a CAGR of 6.7%, well below the broader Europe-wide CAGR. As such, France is indeed a key driver of the European-wide 11.7% ADR CAGR, albeit from a deflationary standpoint. Given the size of the French market, moderated rate growth, and its middling median ADR, the country is tempering the broader aggregate rate growth of Europe as a whole.

It is worth noting that, despite the long-term growth experienced in Europe's short-term rental supply, recent indicators suggest that this trend may be slowing. Starting from February 2025, each month experienced year-over-year (YOY) supply growth below 6%, and in each April and May, YOY supply growth fell short of 4%. Given recent regulations and restrictions implemented on short-term rentals, with [cities like Barcelona planning to ban short-term rentals starting in late 2028](#), coupled with mass protests against overtourism [like the recent ones in Spain, Italy and Portugal on June 15th](#), it will be interesting to continue to monitor short-term rental growth in Europe, as the continued implementation of restrictions could considerably alter the landscape for short-term rental owners and operators alike.

4. Key themes

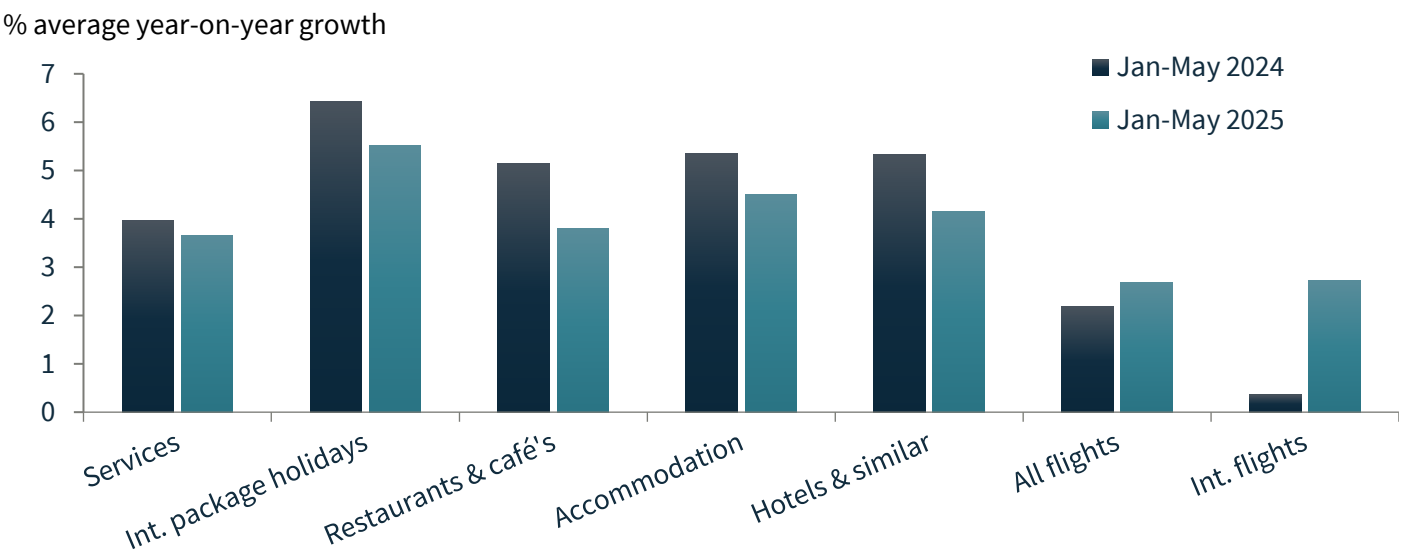
Summary

- Prices for many tourism-related services are already ahead of where they were in the same period last year, and further increases are likely as trips during the summer months (July-August) usually incur a premium. This increases the likelihood of price sensitivity among tourists when deciding where to travel this summer.
- The source market mix and notably the breakdown between long-haul and intra-regional tourists can impact how vulnerable a destination is to value-seeking behaviour. However, latest research from ETC highlighted that affordability concerns for travel over the next six months are present across both groups.
- Exchange rates also play a role, especially with tourists from non-Euro denominated markets. Typically, destinations with a more competitive exchange rate are set to attract more tourists this year.
- Southern & Mediterranean destinations including Cyprus, Spain and Malta reported substantial rises in tourism revenue received in the first few months of 2025. Possibly an early indication that tourists are spending more during off-peak travel months.
- There is a possible upside risk for tourism spend if more tourists decide to stay in the region rather than travel long-haul if they allocate the same, or similar budget to a trip closer to home.
- Financial costs are still the main challenge for the tourism industry in 2025, but they are starting to ease, mirroring the trend in inflation. This along with more agreement across industry stakeholders that consumers will continue to seek value-for-money and better deals suggests that travel prices will be a key consideration in destination selection over the next quarter.

4.1 Special focus: Travel price sensitivity in Europe

The tourism industry continues to face rising costs and many businesses are passing on some or all of them to consumers. Although overall prices in Europe overall are not rising as fast as they once did, as headline inflation peaked at 5.3% in 2023, the absolute price level is still markedly higher than it was prior to the pandemic. Latest results from ETC surveys of both [European](#) and [long-haul](#) travellers continue to highlight affordability concerns when deciding if or where to travel from April and May out to September this year.

HCIP inflation chart for tourism related services in the European Union



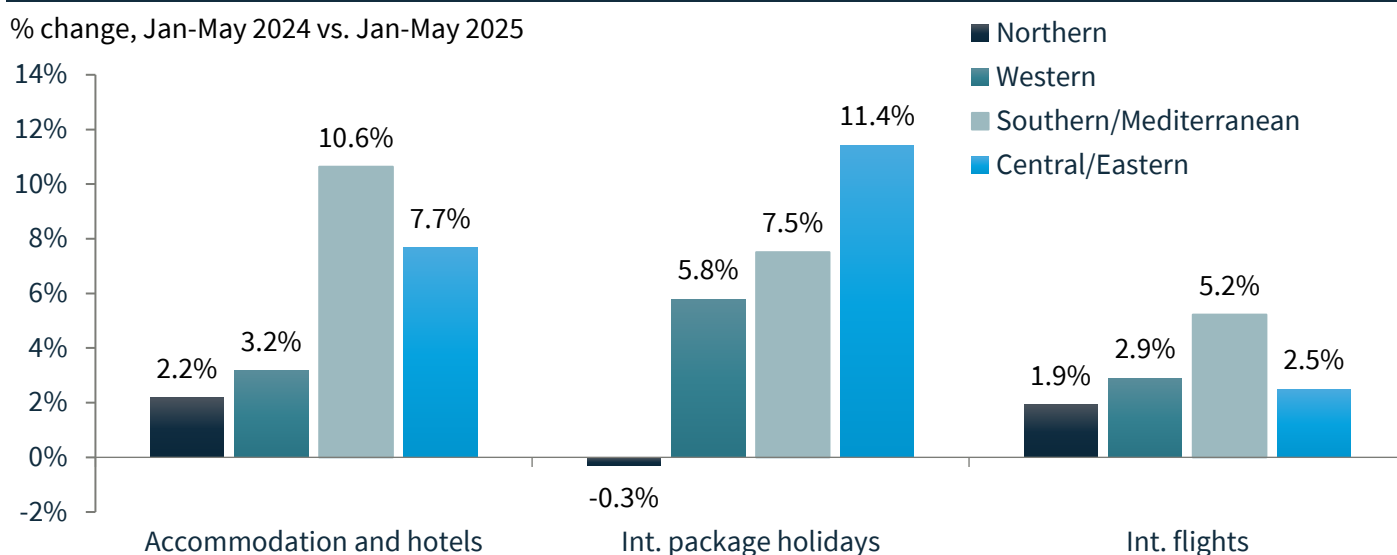
Source: Haver Analytics (Int = international)

Increased [value-seeking behaviour](#) remains present in 2025, but with concerns surrounding travel price sensitivity typically peaking during the summer months (July-August) for many popular destinations, such as those in Southern and Mediterranean Europe, for example Spain, Portugal, Italy, Greece and Türkiye. Higher prices during these months are driven by consistently strong demand, because many families with school-age children are limited to these months to take holidays. This is on top of the already rising costs of doing business that they incur all year round.

Tourists that are largely limited to travel in these months are somewhat obliged to accept higher prices compared to those who have flexibility to travel outside of July and August. But the increase in value-seeking behaviour among tourists as a whole suggests that even this type of tourist may still put a higher weight on prices when deciding on a destination, especially given the wide range of options within Europe for sun & beach holidays.

As the summer approaches, the price of international flights are already 2.7% higher in the first four months of 2025 compared to the same period last year. This marks the largest year-on-year increase across all of these tourism-related services and suggests that airlines are continuing to pass on higher costs including those associated with [regulatory compliance](#). Other than flights, the price other tourism-related services are slightly down on last year, showing a larger improvement than services as a whole, but still remain elevated.

HICP inflation for tourism related services in the European Union by sub-region (%)



Source: Haver Analytics (Int = international)

The rising cost of international package holidays, which tends to be considered as a value-for-money option, varies considerably across regions. Prices in Northern Europe have changed little since last year. This could be a consequence of prices getting close to their ceiling, as in Denmark and Finland the prices of international package holidays are already 128% and 146% above 2019 levels, respectively.

In contrast, prices in many Central & Eastern European destinations, including Bulgaria, Latvia and Lithuania are rising faster than most other sub-regions apart from international flights. In addition to demand-driven price rises, higher energy costs are one of the reasons behind firms having to raise prices, as these countries continue to become less reliant on [Russian energy](#).

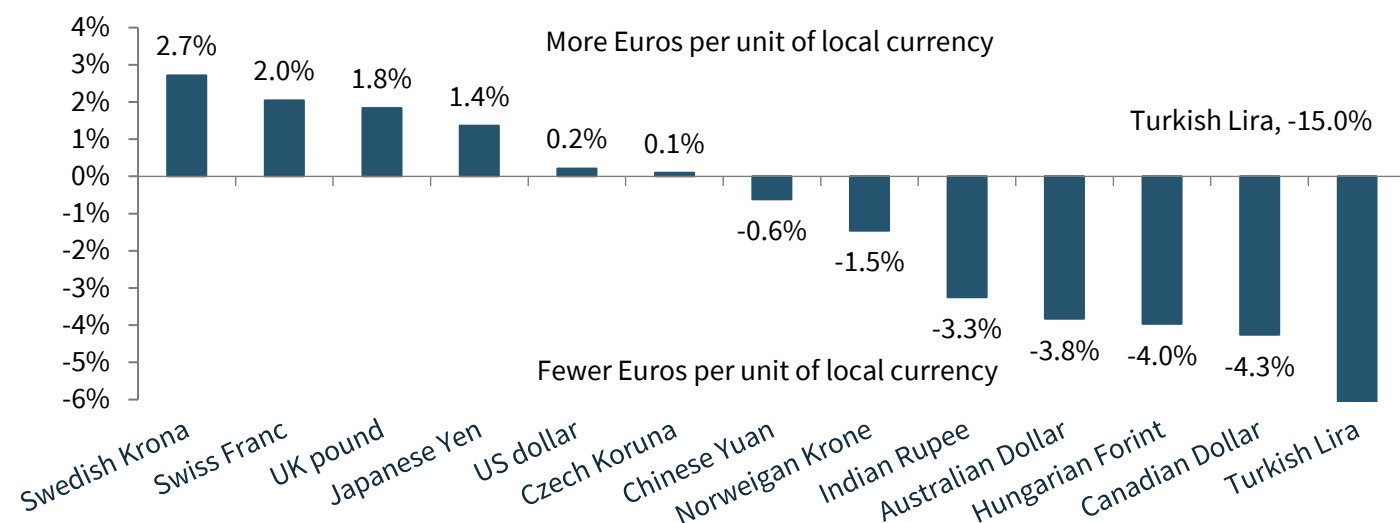
Southern & Mediterranean destinations have seen the highest price rise for accommodation and hotels at 10.6% year-to-date, but a smaller increase in international package holidays. Part of this can be explained by greater competition among providers of these packages among comparable beach destinations including Portugal, Spain and Greece. The higher prevalence of value-seeking behaviour could further spur competition and continue to limit the year-on-year rise in prices.

The source market mix is a factor in how vulnerable a destination could be to increased price sensitivity. Tourists travelling long-haul to Europe, typically stay longer than those who travel from the wider region, impacting the average spend per trip. Long-haul travel generally requires a larger travel budget and could be more susceptible to these tourists choosing cheaper travel alternatives if domestic financial conditions are tighter or more uncertain.

Canada is an example of this as the impact from changes to US trade policy coincided with a slight decline in travel intentions to Europe this summer, according to the latest [ETC long-haul travel barometer](#), compared to last year.

Selected exchange rates, LCU per Euro (% change)

% change, Jan-May 2025 vs. Jan-May 2024



Source: Haver Analytics/Tourism Economics

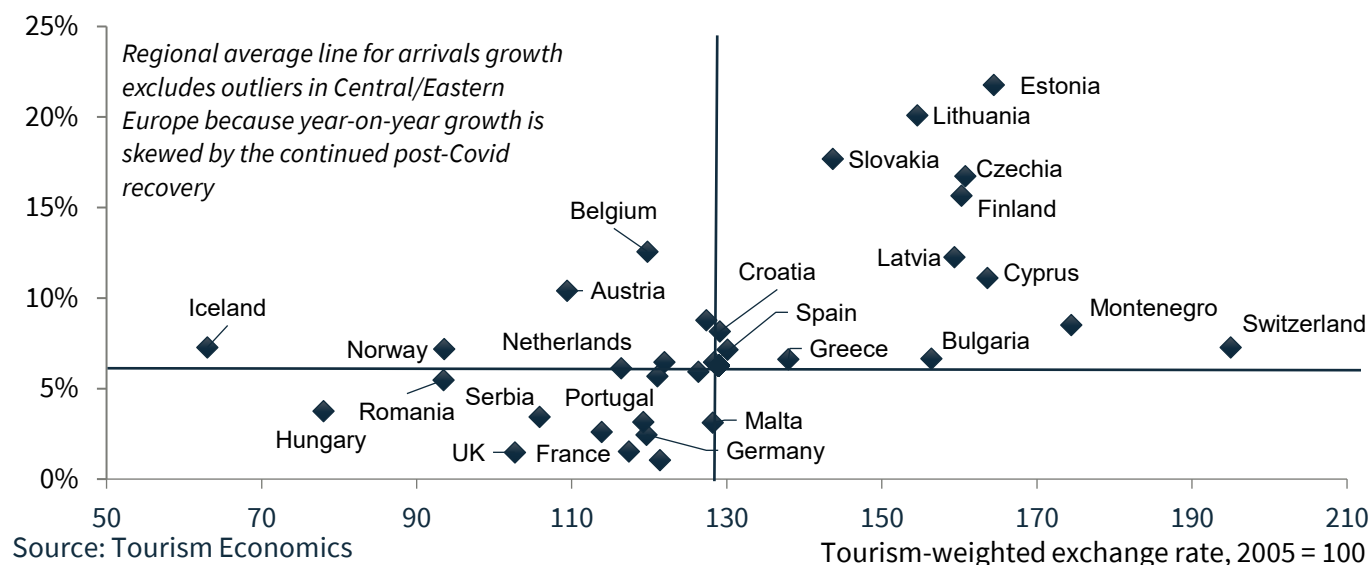
Price sensitive tourists may either book trips far in advance or last minute in order to secure a good value deal. More recent changes in exchange rates would play a larger role in affordability and travel decisions for those that book last-minute. But for those that book in advance, the exchange rates they book at will not necessarily be the same at the time of their trip. But any significant changes could cause tourists to re-assess their travel budgets while in-destination. This would be more relevant to tourists coming from or visiting a non-Euro denominated destinations, such as tourists from the UK and Türkiye.

So far this year, the euro has become more favourable for tourists from Sweden, Switzerland, the UK as they were able to get more euros per one unit of local currency in the first five months of 2025 compared to the same period in 2024. In contrast, Turkish travellers may consider alternative destinations as the Lira recently fell to a [record low](#) against the euro due to monetary policy and political unrest.

The tourism-weighted exchange rate can better capture the relative price changes for each destination, by weighting bilateral exchange rates according to the importance of source markets. There is generally a positive correlation between how competitive a destination is, in terms of exchange rates and international visitor arrivals. An upward change in the tourism-weighted exchange rate would indicate a destination becoming more affordable for tourists as an aggregate level and vice versa for a downward change.

Tourism weighted exchange rate versus international tourist arrivals, 2025

Total overnight international arrivals, % change relative to 2024



Most Central & Eastern European destinations are in the upper right quadrant, denoting higher than average growth in tourist arrivals this year and a more favourable exchange rate. However, some of these placements are due to the ongoing travel recovery in some of these destinations which are contributing to large year-on-year increases. Many popular Southern & Mediterranean destinations such as Croatia, Cyprus, Montenegro, Bulgaria, Spain and Greece provide comparably more value-for-money on this exchange-rate basis, and this is reflected in above average growth in arrivals expected in 2025.

Several destinations within Northern and Western Europe appear in the left quadrants, but this is less of a concern for countries that are more reliant on tourists from other Euro-denominated markets such as Germany, Belgium and Austria. Other factors such as tourism offerings, events and inflation can play a larger role in the outlook.

Switzerland stands out as a destination with the highest tourism-weighted exchange rate among these selected destinations. The Swiss Franc remained relatively strong against various currencies since the Swiss National Bank removed the [currency floor](#) back in 2015. Switzerland typically attracts a higher share of tourists from long-haul source markets compared to Europe as a whole, but its tourism offering also lends itself to attract tourists from higher income households and wealthier countries. Overall, these characteristics can suggest that tourists that visit Switzerland compared to other European destinations are slightly less price sensitive.

This example highlights the importance of socio-demographic characteristics among tourists on how exposed a destination could be to rising price sensitivity among households. This adds to the other factors highlighted, including the overall source-market mix within a destination, as well as the relative prices between countries (inflation and exchange rates).

4.2 The value of European tourism

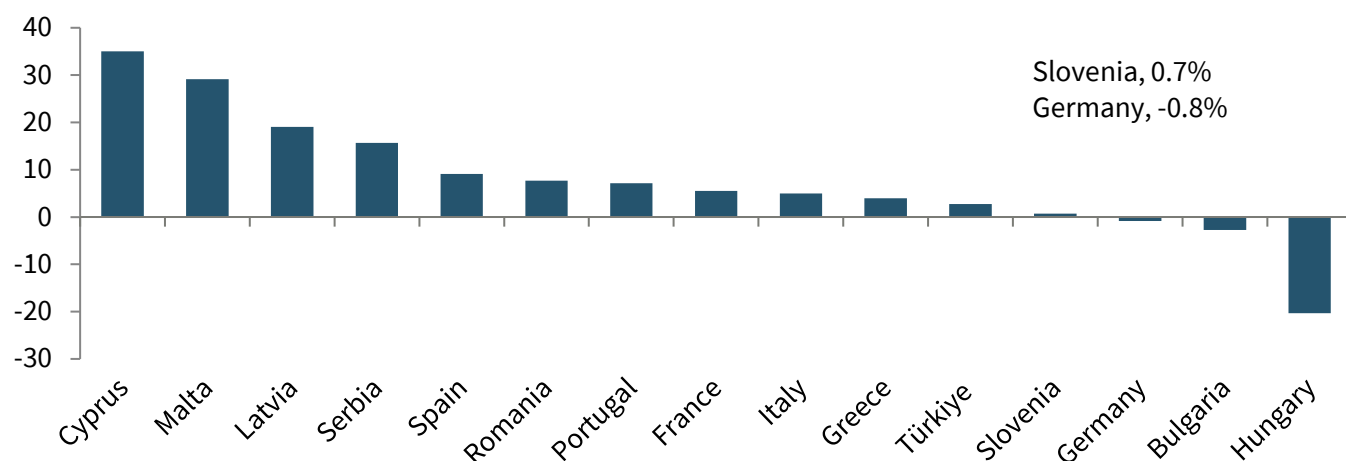
The latest estimate for 2025 suggests that tourists are expected to spend roughly 12.9% more across Europe than they did in 2024, with spending growth expected to outpace arrivals, suggesting an increase in the average spend per visit.

Inbound tourism spend among selected European destinations in Q1 (dates vary by country) varied considerably, with revenue received by several destinations in Southern & Mediterranean Europe substantially higher than in the same period in 2024. The strong outturn for Cyprus, [Malta](#) and [Spain](#) were all largely driven by increased spending from British tourists. In addition, Cyprus also reported a substantial rise in spending from [Israeli and Polish tourists](#). In contrast, spending in Hungary was down 20.3% on the same period last year, and this could be partially due to a slower rise in the number of nights spent in the country, implying a smaller travel budget among tourists.

But as the summer months approach, [research](#) suggests that Europeans are planning to stay for longer within destinations on their intra-regional trips, which will inevitably mean a higher travel budget and a larger spend per trip. This could also be an early indication of a shift in destination preference and more short-haul travel. For example, many travellers who had originally budgeted and planned for a long-haul trip, for example to the US, have now decided to holiday within Europe, where the equivalent budget can afford a longer stay.

Inbound travel spend in selected European destinations (% change vs. 2024)

2025 year-to-date, % change relative to 2024 levels



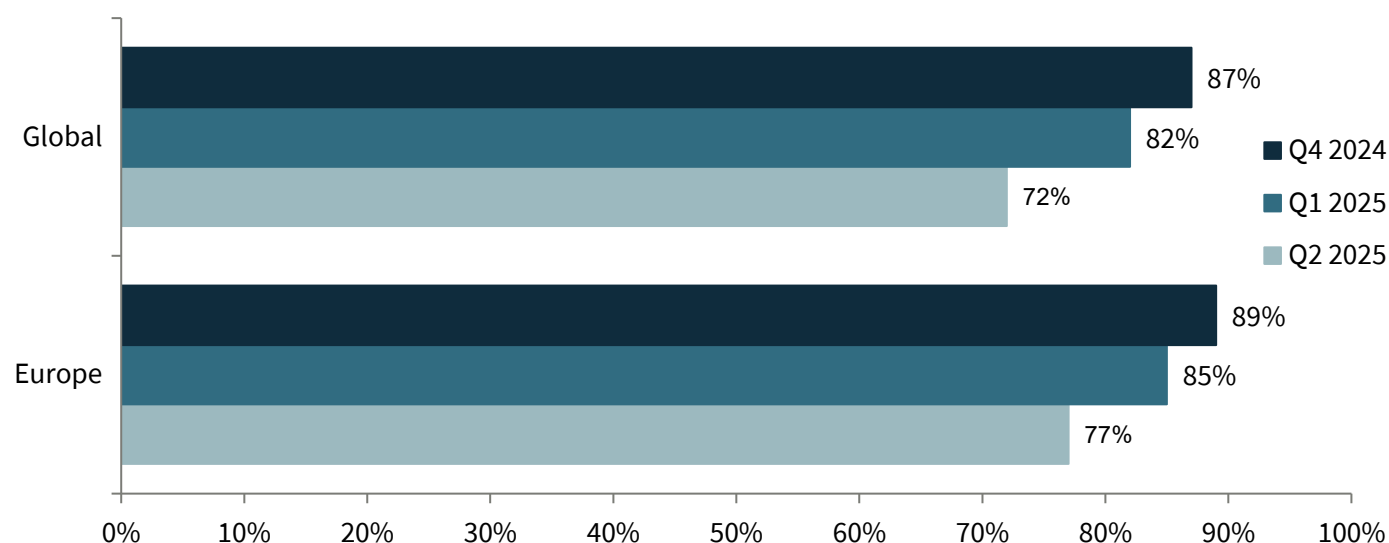
Sources: Haver Analytics* *date varies (Jan-Mar) by destination

4.3 Risks

Tourism Economics' Tourism Industry Monitor (TIM) survey gauges industry professionals' evaluation of the overall health of tourism globally, as well as its opportunities and challenges. The latest results from the Q2 2025 survey supports the expectation that elevated prices and costs remain a challenge in the industry. However, financial factors which include the cost of accommodation, doing business and flights have eased over the last few quarters, mirroring the fact that inflation is moving closer to central bank target rates across the region.

Financial factors reported as a key barrier or challenge to tourism in 2025

% reported in top risks

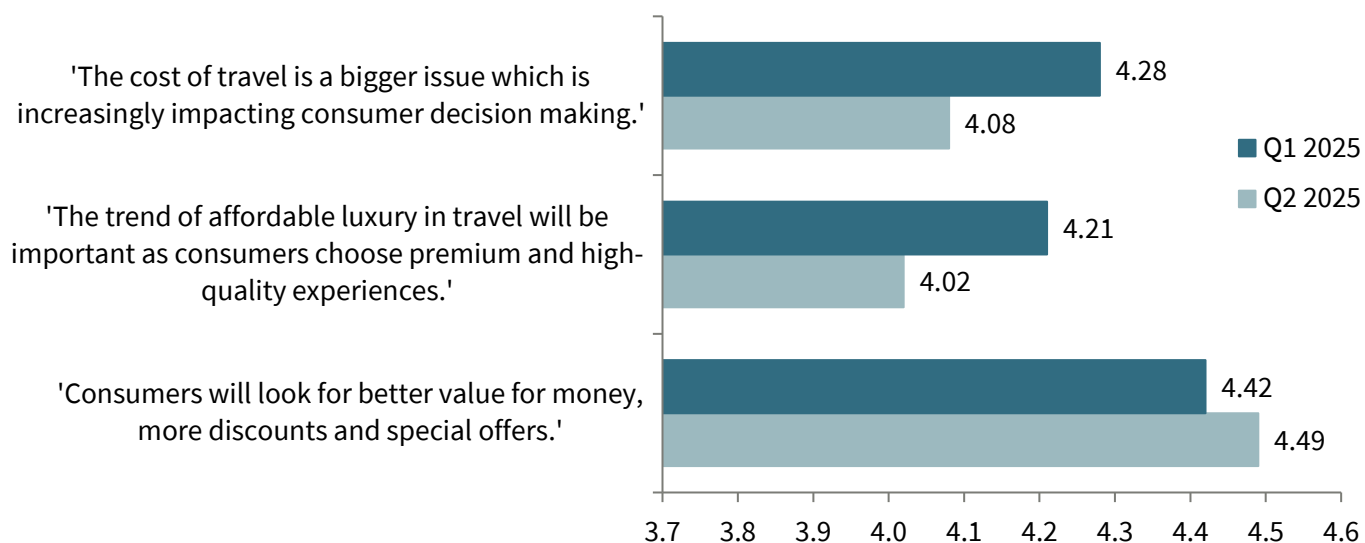


Source: Tourism Economics

Slightly more respondents in Q2 than Q1 agree that consumers will look for better value-for-money, more discounts and special offers this year. Although this does not specify a certain time period, it is possible this will be more prevalent during the summer, when tourists could face comparably higher prices for warm destinations.

Global views on consumer travel and spending behaviour in 2025

Net result (number of respondents agreeing with this statement, minus those who disagree)



Source: Tourism Economics

As more tourists are looking for discounts, if favourable deals are concentrated to just a handful of city or beach destinations, they could face an increasing share of visitors in Europe. This may accelerate the existing issue of overcrowding in certain tourist hotspots. Notably, more European respondents are concerned that overtourism will be a larger issue this year than in 2024.

5. European travel sentiment tracker

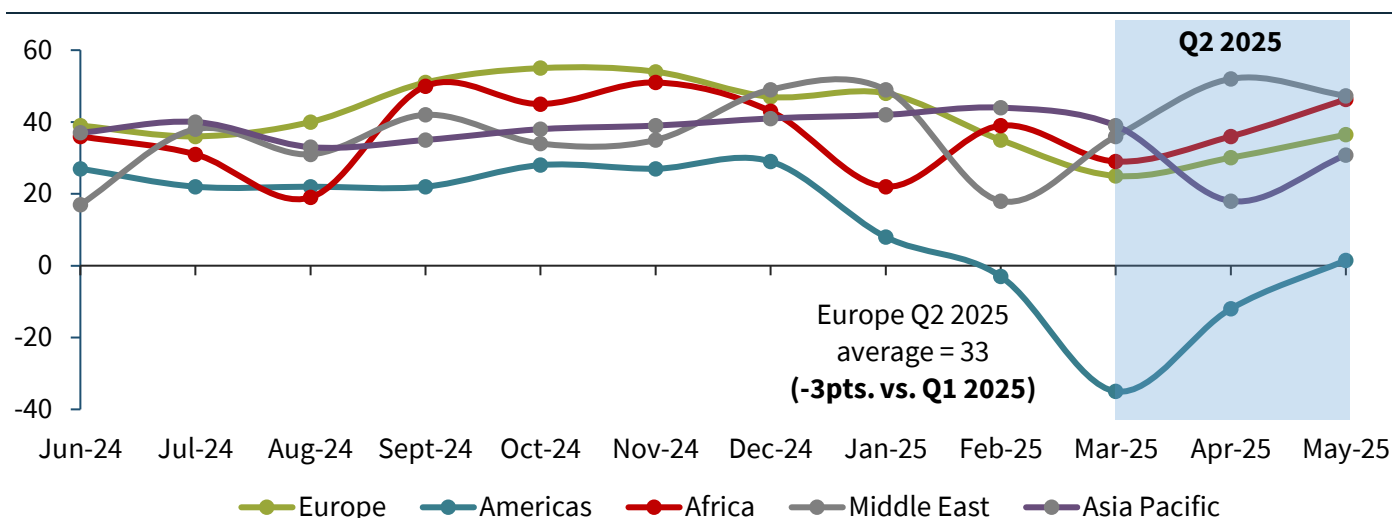
E-Reputation trends on travel in Europe

E-Reputation data, gathered from the TRAVELSAT® Sentiment Index by MMGY TCI Research, utilises social listening to assess destinations' online perception. Information shared by differing media, consumers, companies etc., on websites, forums, blogs & social networks is used. Net sentiment scores, ranging from -100 to +100, measure the balance between positive and negative sentiments to evaluate destination favourability. Value for Money and Sustainable Travel ratings are measured through sentiment scores derived from written reviews from 45 sources (TripAdvisor, Google Reviews, Booking...), utilising advanced sentiment analysis technology to detect positive and negative sentiments towards specific concepts or topics, with ratings, ranging from 0 to 10.

For a further explanation of these methodologies please see Appendix 2.

Sentiment towards travel in Europe stood at an average of 33 points (-3 pts. vs. Q1 2025), and while the quarterly average saw a slight dip, monthly scores rose in positivity since their fall at the beginning of the year. Nonetheless, Europe's quarterly average remains in third place globally. While the Americas recovered in part from its steep decline since the start of the year, online conversations still demonstrate a highly divided picture in terms of reputation. Particularly, several online articles and comments from users on social media bring forth the economic loss the United States has suffered due to the sharp drop in tourism in the year's first quarter. These confirm the effects on its destination reputation as a result of the fear travellers hold in terms of safety and stringent border controls.

Net sentiment score per world region, P12M



Source: MMGY TCI Research

Culture and heritage featured prominently in online stories about European travel. **Florence** and **Siena** were celebrated for their Renaissance charm and Tuscan traditions, while **Cologne Cathedral** received high praise in online reviews for its architectural grandeur. Moving eastward, **Warsaw** was described in travel blogs as “surprisingly beautiful,” namely due to its mix of historic palaces and economically accessible experiences. Cultural conversations expanded to lesser-known destinations as well. **Craiova** in Romania was showcased for hosting the largest [International Shakespeare Festival](#), while also highlighting its association with sculptor Constantin Brâncuși. Girona, Spain, came to life in video content during the [Temps de Flors Festival](#), transforming its medieval Old Town with elaborate floral displays. Rouen, France, also received praise for its Gothic architecture and cultural legacy, adding further prominence to the culture and heritage theme.

A second narrative thread in online conversations revolved around nature and sustainable outdoor travel. Switzerland maintained a dominant visual presence, with destinations like **Lauterbrunnen** and **Grindelwald** capturing travellers' attention for their alpine scenery. Nature enthusiasts who place a high degree of importance

on preservation spotlighted the town of **Pettorano sul Gizio** in Italy as a “**bear-smart**” community protecting the **endangered Marsican brown bear**. Similarly, Romania’s [Libearty Bear Sanctuary](#) and nearby hiking trails were promoted as **low-impact wildlife experiences**. Finally, an increasing popularity of van and bike travel across Western Europe was noted in numerous travel forums, suggesting a growing appeal of slow, nature-immersive experiences amidst the warmer season.

Other less pronounced themes emerged around wellness and slow travel. One story endorsed Budapest’s **Széchenyi Baths**, commending them as a top affordable relaxation experience. **Florence** appeared once more, this time in the context of culturally immersive experiences like pasta-making classes and a local take on aperitivo in the early evening.

Anti-tourism sentiment continued to appear in negative online conversations throughout the second quarter. In both April and May, the **Canary Islands** were the focal point of demonstrations, with **locals voicing concern over unchecked tourism development**, rising housing costs, and environmental degradation. Online coverage highlighted that similar protests had spread to Madrid, Mallorca, and other regions in Spain, with calls for coordinated Europe-wide demonstrations on June 15. In Greece, comparable concerns were raised towards overdevelopment on islands like **Naxos** and **Paros**, where tourism expansion was said to be damaging turtle nests, bird habitats, and the integrity of local culture. The scale and spread of these reactions indicate a continued demand from residents for sustainable tourism policies and greater protection of local communities and their traditions.

Climate-related disruptions were also noted, particularly in Romania where heavy flooding made headlines online as it threatened the **Praid Salt Mine**, a popular heritage site. The incident underscored the **growing vulnerability of key tourist attractions to extreme weather events**, as well as the need for improved climate resilience.

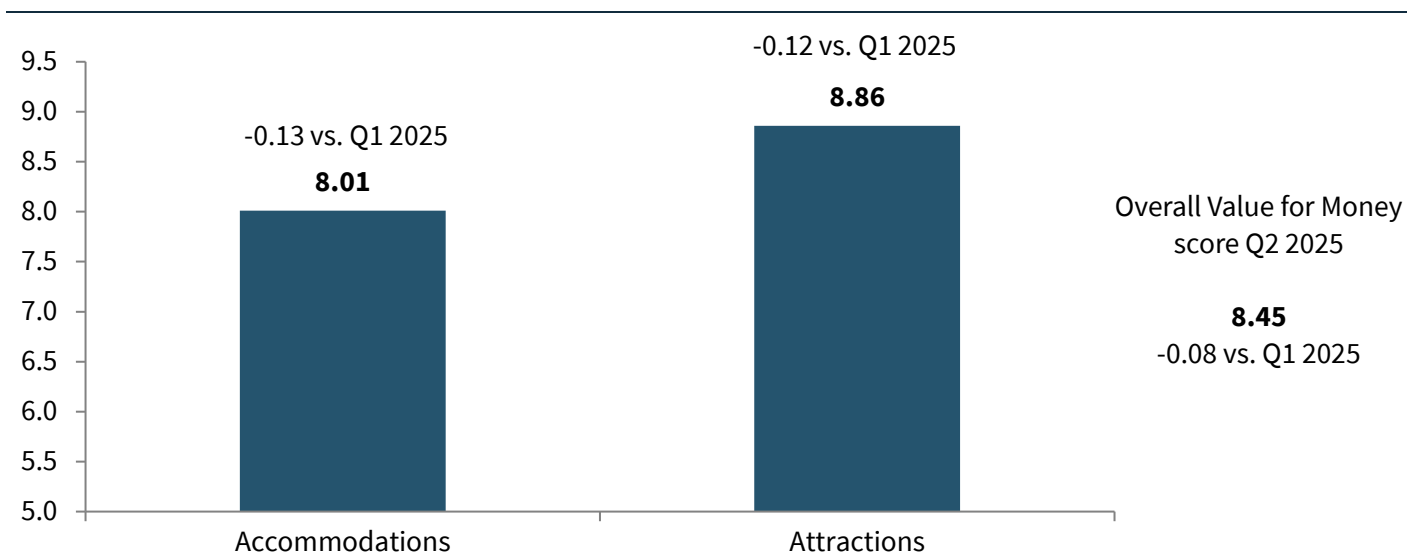
Finally, high-impact travel disruptions in April rounded out the quarter’s main negative drivers. A major **blackout affecting Spain and Portugal** on April 28 led to widespread disruption across the Iberian Peninsula, interrupting plans for both residents and visitors. Meanwhile, coordinated **strikes led by aviation workers** in Belgium, France, and Italy, caused several delays and cancellations, with affected travellers sharing their frustrations online through testimonials and rerouting advice. Although not related to transport, hotel industry workers in the Canary Islands impacted accommodations’ capacity to host visitors.

Focus on value for money from visitors’ written reviews

Value for Money measures guests’ perception of the worth or quality an experience has in relation to its cost.

In Q2 2025, the Value for Money sentiment score for European Accommodations and Attractions edged down to 8.45, a slight drop of 0.08 points from Q1. By vertical, Accommodations fell to 8.01 (-0.13 pts.), while Attractions slipped to 8.86 (-0.12 pts.).

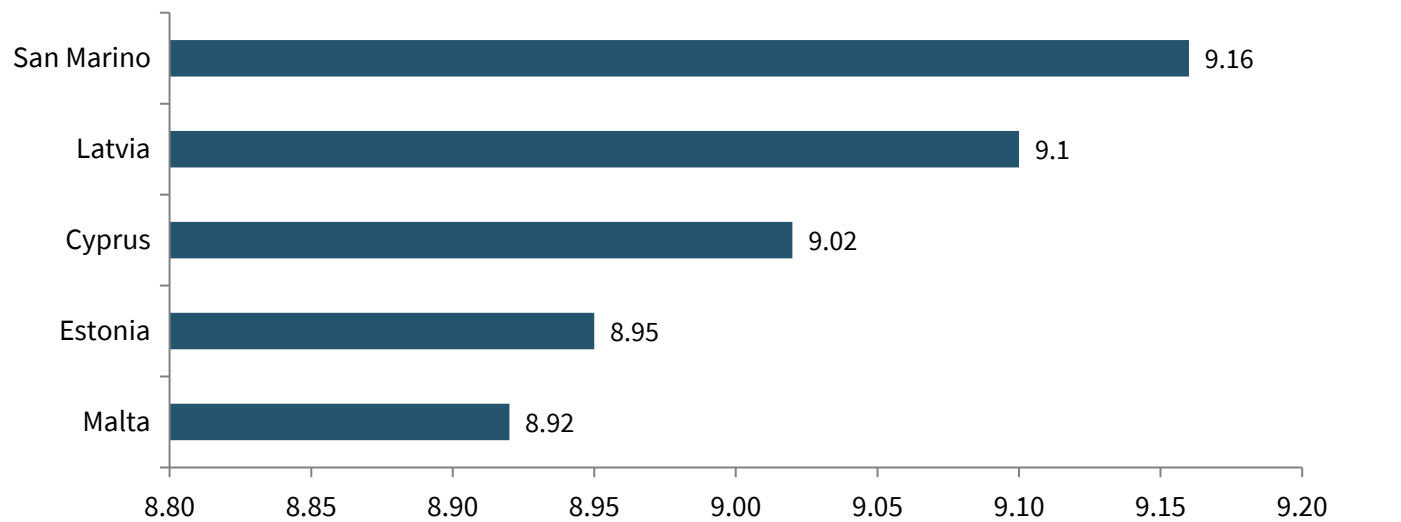
Value for money sentiment scores per vertical



Source: MMGY TCI Research

San Marino, Latvia, Cyprus, Estonia, and Malta topped the Value for Money sentiment in guest written reviews. Accommodation rankings placed **a camping space in San Marino** in a top position, receiving several positive reviews on its cleanliness, comfort, and the beauty of its outside spaces for a very reasonable price. Holding a different experience, **a four-star hotel in Malta** was described as offering a luxurious service at a much more affordable price than other similar lodgings in the area. Guests specifically enjoyed the quality of the food, its location, and the amenities on-site.

Destinations receiving the highest sentiment scores on the topic of value for money during Q2 2025



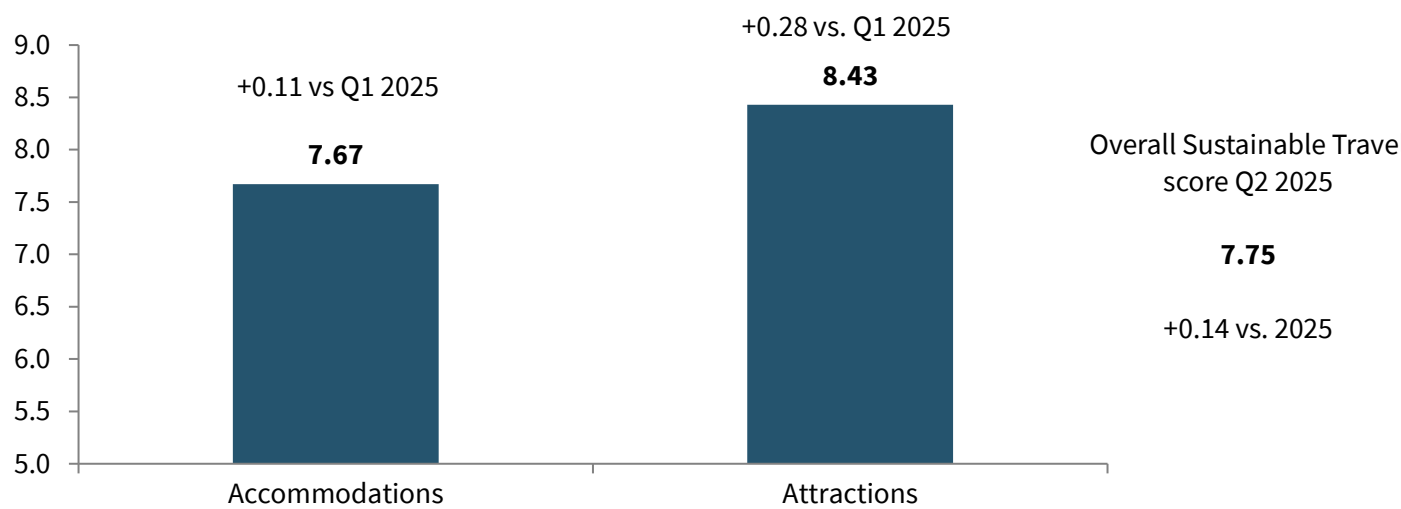
Source: MMGY TCI Research

Focus on sustainable travel from visitors’ written reviews

Sustainable Travel measures guests’ perception of environmentally and socially friendly practices taken by operators.

Sustainable Travel sentiment for European Accommodations and Attractions climbed to 7.75 in Q2 2025, up 0.14 points from Q1. Accommodations rose to 7.67 (+0.11 pts.), while Attractions saw a sharper boost, reaching 8.43 (+0.28 pts.).

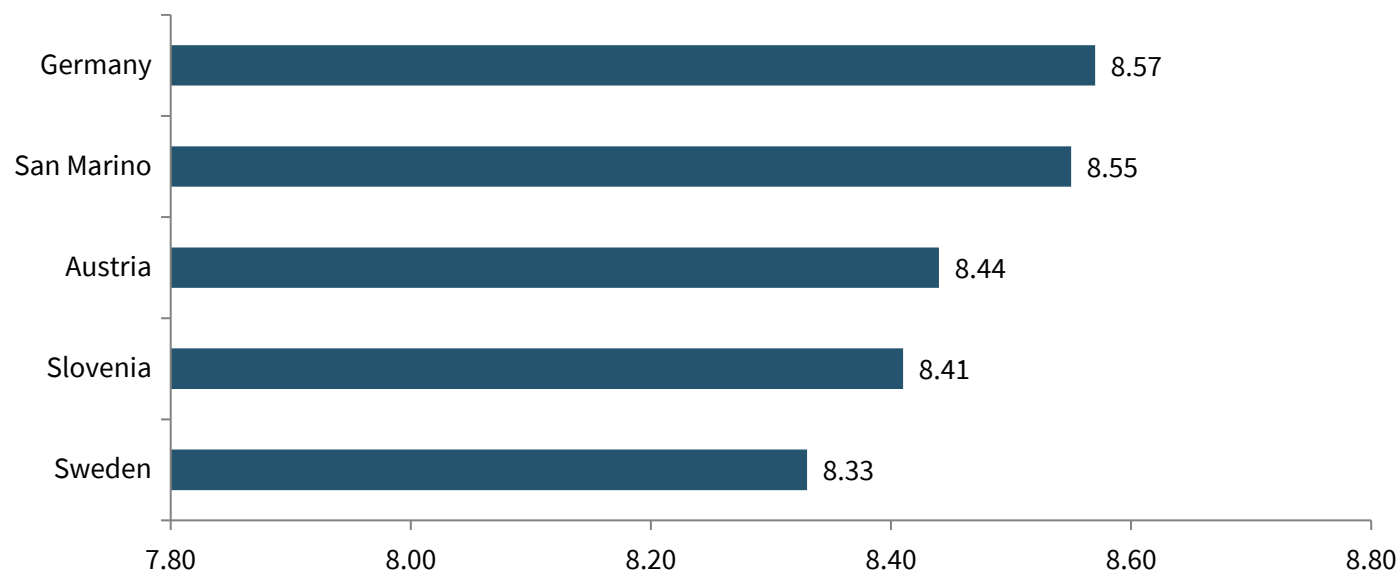
Sustainable travel scores per vertical



Source: MMGY TCI Research

Guests gave the most positive written reviews on Sustainable Travel to **Germany, San Marino, Austria, Slovenia,** and **Sweden**. **Fat Tire Tours** in Berlin were repeatedly commended as an eco-friendly way to visit Germany's capital, combining sport, history, and culture. Vienna's landmark amusement park, **Prater**, was praised by guests for its accessibility and historical importance, but also its vast green spaces described as lush, charming, and tranquil. Also positively commented on for its green spaces, the **Östermalms Saluhall** market in Stockholm was considered to offer a beautiful setting to enjoy one's food, with plenty of vegetarian and vegan options for all types of foodies.

Destinations receiving the highest sentiment scores on the topic of sustainable travel during Q2 2025



Source: MMGY TCI Research

6. Key source market performance

Trends discussed in this section relate to the period January to May 2025, although actual coverage varies by destination. Further detailed monthly data for origin and destination, including absolute values, can be obtained from TourMIS (<http://tourmis.info>).

- There has been significant improvement in tourist arrivals across most European and non-European source markets since the start of the year. Southern & Mediterranean destinations such as Spain and Portugal remained popular choices during Easter holidays. But a trend observed across most source markets was that trips have been shorter than the same time last year, including for major event periods.
- Connectivity between key source markets and several Central & Eastern European destinations including Slovenia and Poland is set to improve this year, with some additional flights already operating. This should support the continued growth and recovery in these destinations, especially as tourists increasingly look for value-for-money.
- Travel sentiment has seemingly been affected by the US trade policy volatility, with bookings to the US down and travellers now looking for alternative destinations. Some airlines have diverted capacity away from the US and towards Europe, which is facilitating the rising demand from Canadian and Brazilian tourists.
- Outbound travel intentions from the US continued to hold up into Q2, despite concerns over affordability and perceptions overseas, as highlighted in the latest ETC long-haul barometer. So far, there have only been limited cuts to the frequency of transatlantic flights, while most airlines have kept to their original summer 2025 schedule.
- A rising number of tourists from Japan and China visited Europe in recent months. Japanese tourists continued to favour Northern European destinations such as Iceland, Norway and Finland, while Chinese tourists have been growing rapidly (from lower base levels) to Poland and Hungary. Larger destinations such as Spain are also seeing significant rebound in travel from Asia Pacific which should continue as additional routes are added.
- The Easter shift from March into April this year has skewed the year-to-date performance down for destinations that have not yet published data for April. Those reporting arrivals and nights to April are generally showing stronger growth as the year-on-year impact of the change in holiday period is fully accounted for.

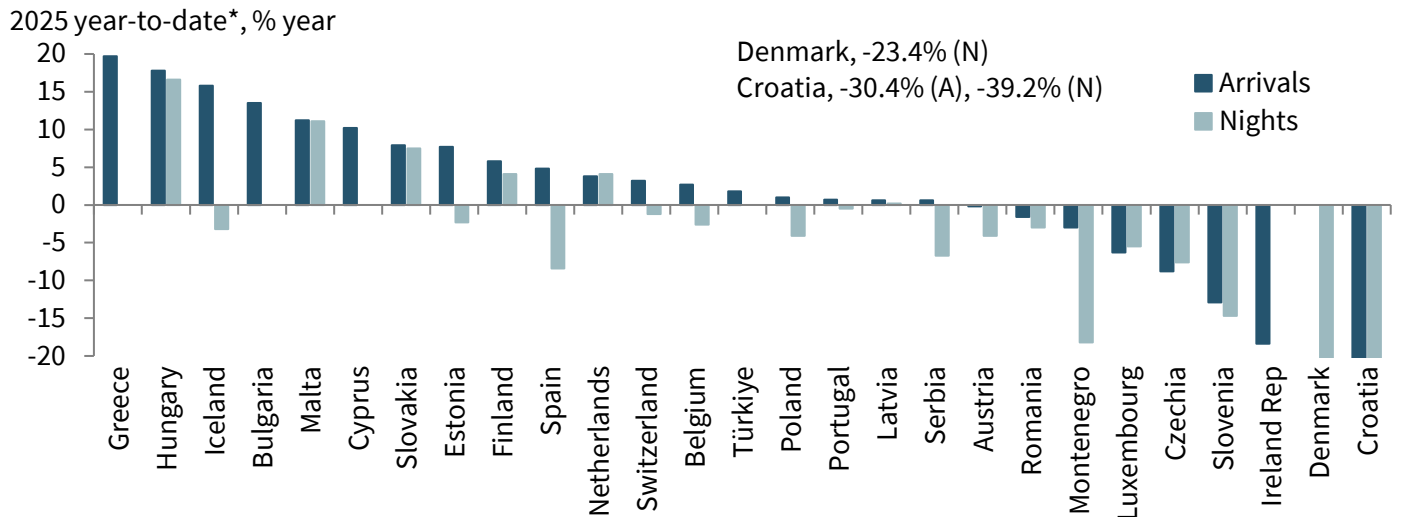
Key intra-European source markets

The shift in the timing of Easter from March into April this year is distorting the growth trends across European destinations. Data for arrivals and nights are not yet published for April for many destinations, meaning that year-to-date reporting is skewed to the downside. Out of those reporting, 9 have not yet published data for April and these reporting destinations contributed to approximately 40% of total European arrivals in 2024.

Latvia has experienced a surge in tourism across many source markets, with Riga in particular luring in tourists globally through increased offering of cultural and sporting events as well as a unique combination of dynamic metropolitan lifestyle as well as the charm of a small town, locality to nature and the opportunity to enjoy peace and quiet.

Additional flights between destinations and key European and Non-European source markets will help increase accessibility to smaller and potentially more affordable locations. It may also help increase competition among air carriers which could have a positive impact on prices for those looking to travel.

German visits and overnights to select destinations (% relative to 2024)



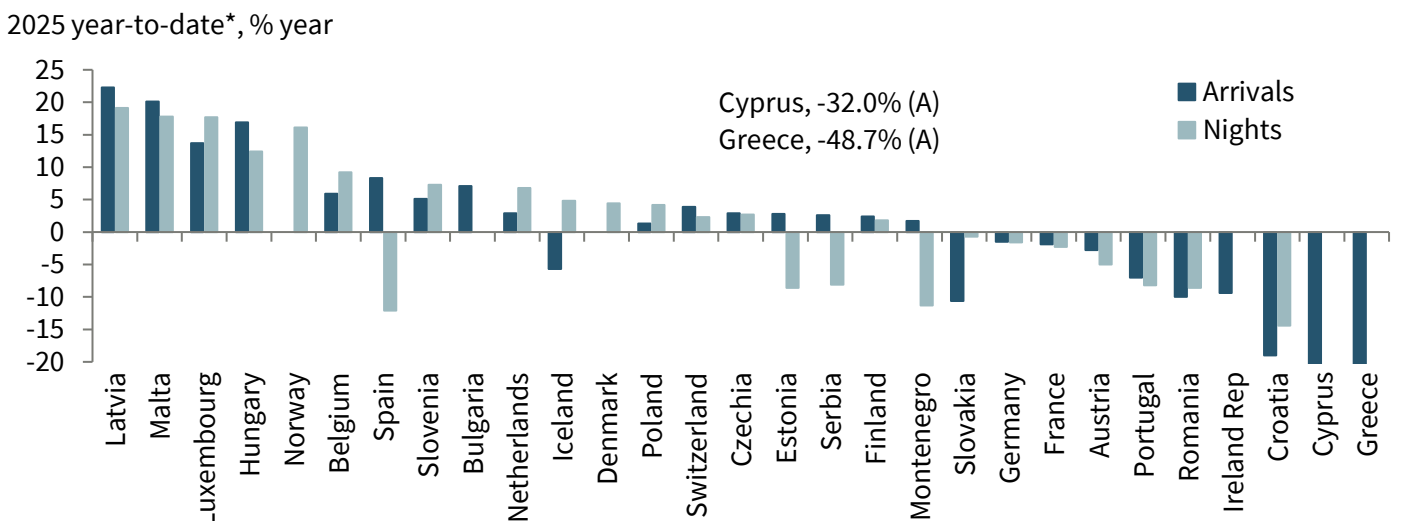
Source: TourMIS* *date varies (Jan-May) by destination

German tourists continued to spend shorter trips in the reporting destinations as a whole this year, compared to the same period in 2024. Denmark (-23.4%) and Luxembourg (-5.5%) experienced a marked slowdown in nights compared to last quarter. In addition, Croatia (-39.2%) and Montenegro (-18.2%) reported fewer nights than in 2024, but have improved slightly since last quarter.

Several smaller destinations saw a notable improvement heading into Q2, including Slovakia which is now experiencing both a rise in arrivals and nights from Germany on the same time last year. This increase accounts for German travellers desire for affordable luxury, with the [Poprad mountains](#) lending to its charm. Elsewhere, a strong rise in demand for holidays in Malta resulted in both arrivals (11.2%) and nights (11.1%) ahead of the same period last year. It is also the only destination to experience almost identical growth across both metrics, implying a consistent average length of stay.

Recent analysis suggests that preferences among German tourists are starting to shift towards more [affordable destinations](#) as households remain cautious over spending. The depreciation of the Turkish Lira against the Euro had made travel from Germany more affordable and [tourism operators](#) are hoping to make further gains by customising some of their services to increase their appeal, such as employing more German-speaking staff.

French visits and overnights to select destinations (% relative to 2024)



Source: TourMIS* *date varies (Jan-May) by destination

A higher share of reporting destinations have experienced either more French arrivals or nights on the same period in 2024, than in last quarter's report. The largest improvement comes from nights, with an additional five

destinations now reporting more nights spent by French tourists than a year ago and an apparent increase in length of stay.

The outturn for Spain has softened from last quarter, with the Easter shift contributing to a year-on-year slowdown in arrivals (8.3%). But Spain remains a popular destination for French tourists, and performance is likely to have improved in April data which is yet to be released.

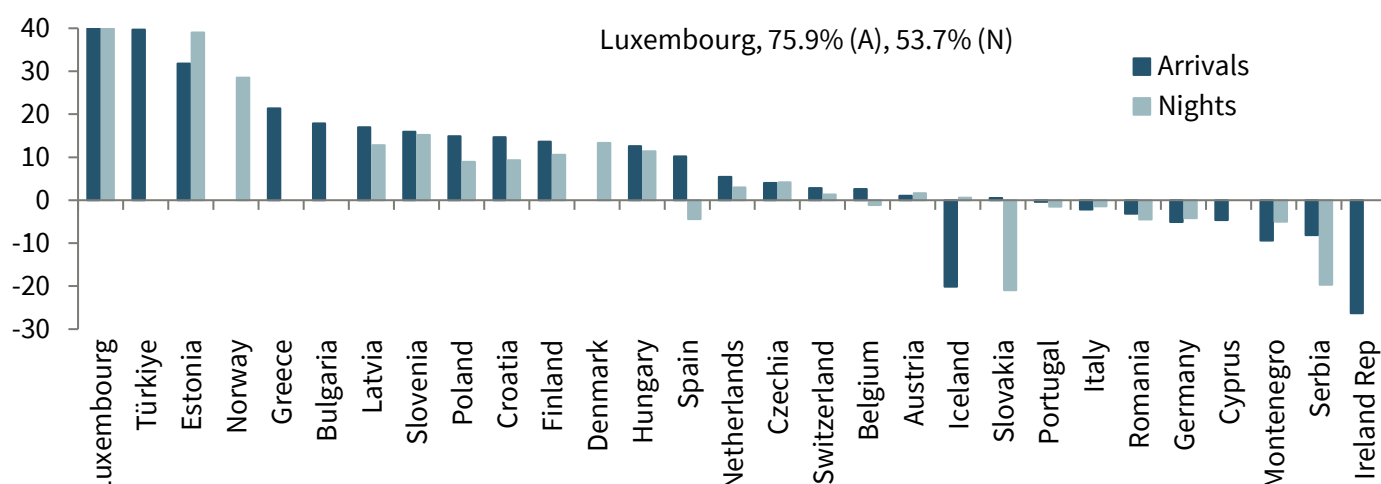
Malta is a small market for French tourists, so although arrivals were up 20.1% and nights 17.8% on the same time last year, ahead of most other reporting destinations. But in absolute terms, the rise in arrivals to Malta is markedly lower than arrivals to Spain.

Tourists from France have consistently made fewer trips to both Cyprus and Greece this year, with an annual decline reported across the first four months of 2025. However, Cyprus accounts for a smaller proportion of tourist from France than Greece does and heading into the summer, it seems that French tourists are largely opting for more tried-and-tested destinations which could benefit larger and more established tourist hotspots such as Greece.

Elsewhere, following a slower start to the year, the number of nights spent in Denmark (4.4%) is now up on the same period in 2024, marking a considerable improvement on last quarter, although coming from a small base.

Italian visits and overnights to select destinations (% relative to 2024)

2025 year-to-date*, % year



Source: TourMIS* *date varies (Jan-May) by destination

Outbound travel from Italy has become more broad-based over the last few months, with more destinations now reporting growth in either arrivals or nights than in last quarter's report.

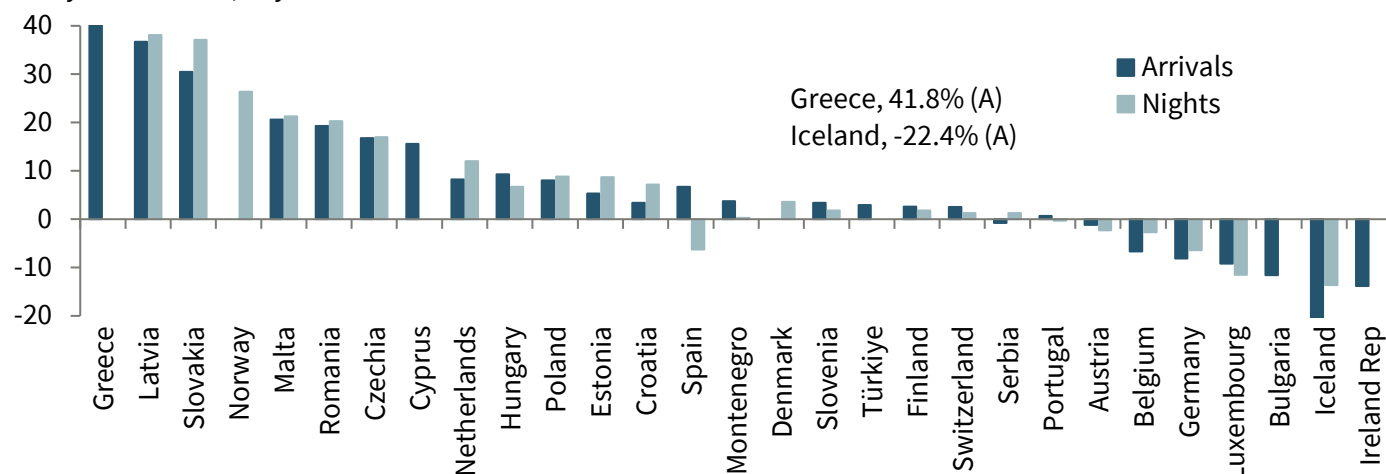
Arrivals (14.7%) to Croatia increased significantly in May, and it is possible that Italians are choosing to visit this nearby destination outside of peak-months (July-August) for [affordability reasons](#). This destination experienced a notable rise in prices over recent years, partly reflecting increased demand from across the region, but also attributed to the full adoption of the Euro. Latest analysis has put [holiday prices](#) on a comparable level to holidays in Spain and Greece.

Travel activity to Germany remains down on the same time last year, despite a slight improvement in recent months, with arrivals now down by -5.1% and nights by -4.2%. But following the decision by Lufthansa to expand its [codesharing agreement](#) with other airlines in April, the increase in flights from both Frankfurt and Munich to Rome could continue to have a positive impact on visitor numbers going into the summer months.

Although Ireland only accounts for a small share of Italian travellers, growth is notably below the regional average. But this is not necessarily specific to Italy, because tourists from other European source markets such as France and the UK are also visiting Ireland in fewer numbers than the same time last year. The '[Ireland Week](#)' event held in March could provide some optimism for increased travel between Italy and Ireland heading into the summer.

British visits and overnights to select destinations (% relative to 2024)

2025 year-to-date*, % year



Source: TourMIS* *date varies (Jan-May) by destination

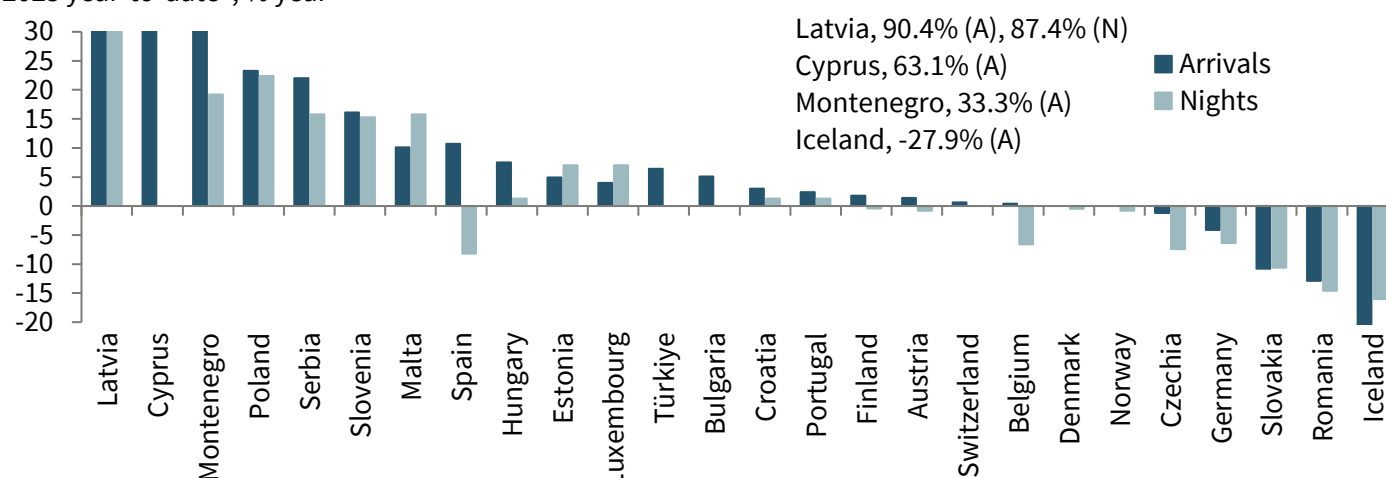
Portugal and Spain were the largest Southern & Mediterranean destinations to experience stronger growth in arrivals than nights, when reporting both metrics to April. Tourists from the UK are making more frequent yet shorter trips, with nights spent in both destinations down by 0.3% and 6.3%. Arrivals to Spain remain up on the year with growth of 6.7%, despite frequent overtourism protests. There is a risk that these may start to make some British tourists consider alternative destinations.

Similar to Portugal, British arrivals to Türkiye had a stronger end to the first quarter, now ahead of 2024 by 2.9% (up from 0.5% in last quarter's report) and like German tourists, British tourists are currently enjoying a favourable exchange rate against the [Turkish Lira](#), making this destination increasingly affordable. Stronger demand should be facilitated by an increase in flights [between the UK and Ireland to Türkiye](#) over the summer, following the expansion of [Antalya's Airport](#) completed in April 2025.

Smaller, but fast-growing destinations in Central & Eastern Europe, including Latvia (38.1%) and Slovakia (37.1%) are continuing to report a larger improvement in the number of nights spent in these destinations, ahead of arrivals. An increase in flights operated by low-cost airlines such as [Wizz Air](#) to tourist hotpots in the region, including Poland could further help to support the continued recovery and growth in this area of Europe, while helping to limit the costs associated with flying.

Dutch visits and overnights to select destinations (% relative to 2024)

2025 year-to-date*, % year



Source: TourMIS* *date varies (Jan-May) by destination

Most reporting destinations continue to see a higher volume of arrivals and nights than the same time last year, reflecting an increase in outbound intra-regional travel from the Netherlands.

Among some of the larger destinations for Dutch tourists, arrivals to Belgium experienced a modest start to the year, rising by 0.4% but continued to outperform nights (-6.6%), suggesting shorter but more frequent trips to their neighbouring country. Arrivals from the Netherlands to Austria are up 1.4%, ahead of nights which were 0.8% down on the same time last year, mirroring the trend reported by Belgium.

Travel growth to Latvia and Cyprus remains particularly strong, with arrivals up 90.4% and 63.1%, respectively on the same time last year. These continue to be fast-growing, but small destinations for Dutch tourists, as they account for a small percentage of total outbound travel from the Netherlands to Europe as a whole.

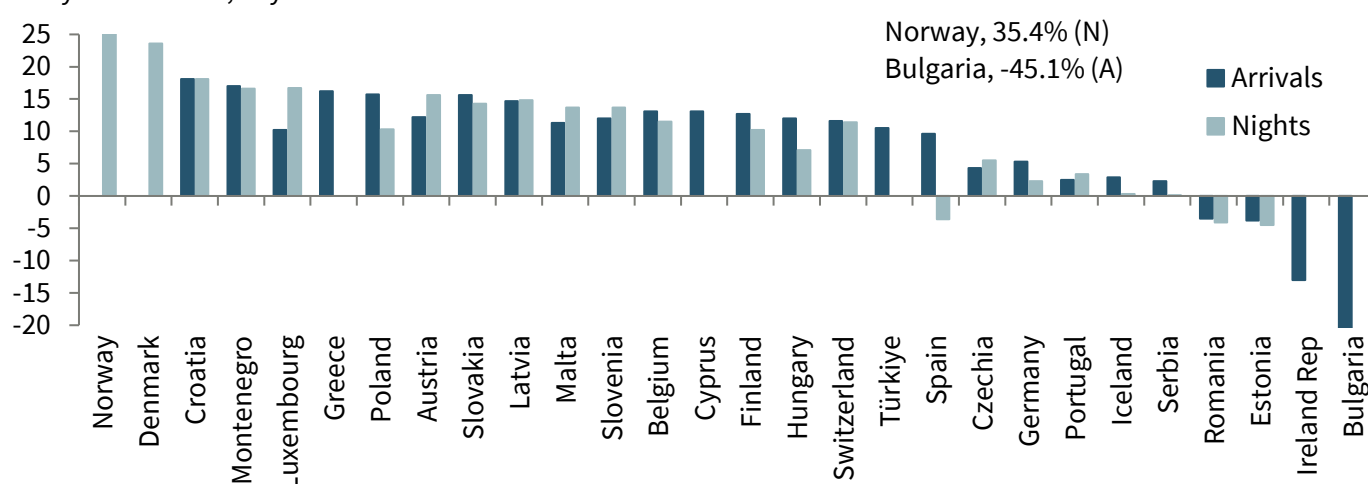
Elsewhere, Bulgaria welcomed an increasing number of Dutch tourists over the past few months, possibly a result of becoming a full member of the Schengen area in January, which meant land border checks were removed. This also has the potential to boost the recovery in travel to Romania, having become full members at the same time as Bulgaria, as this destination continues to report fewer arrivals (-12.9%) and nights (-14.6%) than in 2024.

Dutch arrivals to Spain were up 10.7% on the year, ahead of the average across reporting source markets. Heading into the peak summer months (July-August), expanded air capacity between the [Netherlands and Valencia](#) may generate increased demand and provide a lift to visitor numbers.

Non-European source markets

United States visits and overnights to select destinations (% relative to 2024)

2025 year-to-date*, % year



Source: TourMIS* *date varies (Jan-May) by destination

Transatlantic travel from the US to Europe is still up on the same time last year across most reporting destinations. But compared to last quarter, now four destinations (Romania, Estonia, Ireland and Bulgaria) are reporting a decline across all available metrics.

Germany received 5.3% more US tourists in Q2 than in the same period last year. But slower growth in arrivals translated to 2.3% fewer nights and this decline could possibly indicate that Germany was part of more multi-destination trips where American tourists chose to stay for longer in other locations.

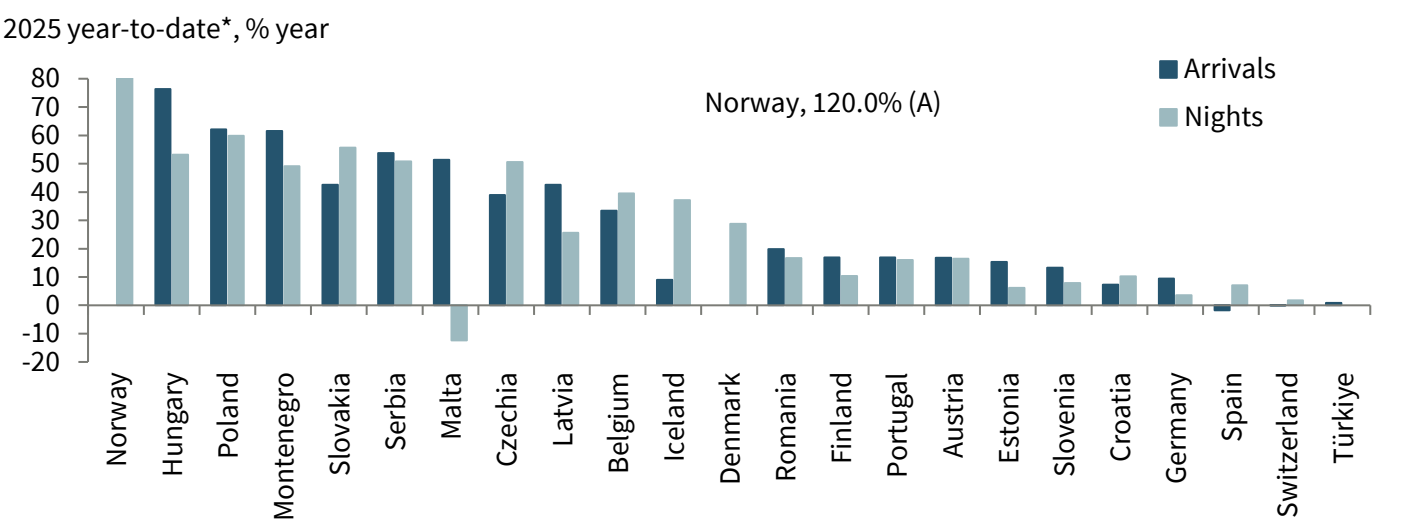
American visitors to Portugal (2.5%) rose at a slower pace than other Southern & Mediterranean destinations, including Greece (16.2%) and Türkiye (10.5%). However, [research](#) has shown that Lisbon, in Portugal still remains one of the top ten destinations for US tourists during July and August.

There has been a varied reaction from airlines in regard to the frequency of flights from the US to Europe. For instance, [Lufthansa](#), [British Airways](#) and [Air France](#) have reduced the number of transatlantic flights. In contrast, [Scandinavian Airlines](#) and several [American air carriers](#) have increased their number of flights between Europe and

the US. Increased flight capacity should support continued growth across a number of European destinations such as Italy, Spain, Portugal, Denmark, Sweden and Norway.

Concerns over transatlantic demand have likely caused a [reduction in airfares](#) across a number of routes, including those between the US and Spain, Italy and the UK. This provides a positive risk to travel activity among these countries as it could encourage continued growth in American travel over the summer, despite an uncertain economic backdrop.

Chinese visits and overnights to select destinations (% relative to 2024)



Source: TourMIS* *date varies (Jan-May) by destination

Following a strong start to the year, travel to Europe continued to improve on activity compared to the same period in 2024 as all destinations reported an increase in arrivals or nights from China.

Despite Switzerland being one of the only reporting destinations to have seen fewer Chinese tourists so far this year, there are signs of improvement, with arrivals now down just 0.1% in the year-to-date (up from -2.7% last quarter).

Travel to Germany ramped up towards the end of Q1, increasing to 9.4%, whereas demand for trips to smaller destinations including Croatia (7.3%), Estonia (15.3%) and Romania (19.8%) have picked up so far in Q2. The recent improvement in arrivals to Croatia, Estonia and Romania has resulted in arrivals growth now ahead on the same time last year, having previously been down year-on-year last quarter.

Among the larger destinations for Chinese tourists, the recovery remains ongoing. The modest year-on-year growth in arrivals to Spain has put it 7.1% above pre-pandemic levels and nights at just -1.8% below. There is cause for optimism for continued growth in arrivals to Spain and France as the Madrid to Chengdu flight began and the Paris to Chengdu flight resumed. [Improved connectivity](#) can have a notable impact on travel, and that has been noticed in the continued strong growth in nights (120.0%) spent in Norway by Chinese tourists, during the time in which Hainan Airlines began a three-weekly flight from Oslo to Beijing.

Outbound travel from China to many destinations is still below where it was prior to the pandemic, and this continued recovery is a key reason behind stronger year-on-year growth than some other key source markets for Europe. This is especially evident across smaller destinations where even modest changes can result in relatively large shifts in growth.

Japanese visits and overnights to select destinations (% relative to 2024)

2025 year-to-date*, % year



Source: TourMIS* *date varies (Jan-May) by destination

Japanese tourists continued to return to Europe towards the end of Q1 and into Q2, with just Slovakia (-9.8%), Serbia (-10.2%) and Poland (-1.4%) reporting a year-on-year decline in nights. Overall, average growth across these destinations for both arrivals and nights improved on the outturn in last quarter's report.

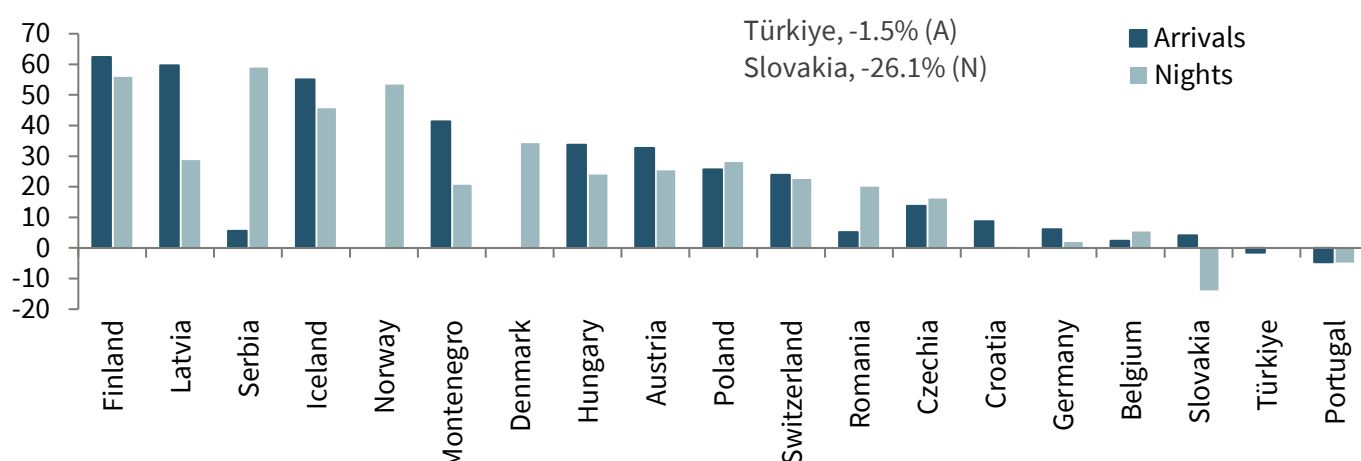
Finnair once again holds the title of "[leading European airline to Japan](#)" which should continue to facilitate the ongoing travel recovery in both arrivals (51.9%) and nights (59.0%) to Finland. Although growth softened slightly towards the start of Q2, it is still one of the faster growing destinations within Europe. The emerging popularity of both Iceland and Norway suggest that nature and the environment are much more valued tourism offerings among the new generation of Japanese travellers.

Despite improved air connectivity between Japan and Türkiye, a modest slowdown in arrivals was reported on last quarter. But growth remains significant with arrivals up on last year by 39.2%.

Among the main destinations that attract Japanese tourists, Germany welcomed more arrivals and nights than last quarter, up 7.6% and 5.0% respectively, largely driven by stronger growth in March. Elsewhere, arrivals to Spain continued to build on momentum achieved at the start of the year, rising by 12.6% on the same period last year, while nights growth moderated to 12.1%. In both cases, growth in arrivals and nights have become more balanced, suggesting both destinations are achieving a fairly consistent average length of stay among Japanese tourists.

Indian visits and overnights to select destinations (% relative to 2024)

2025 year-to-date*, % year



Source: TourMIS* *date varies (Jan-May) by destination

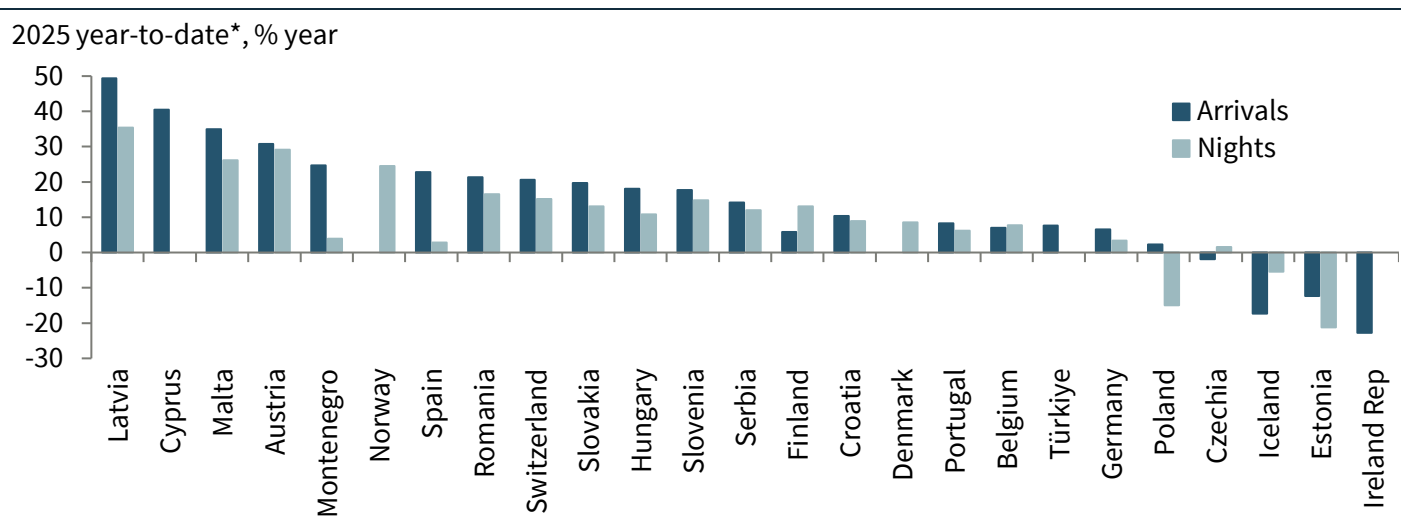
Outbound travel from India ended Q1 on a strong note for many reporting destinations and momentum continued to build on the number of nights spent in the region.

Among the larger tourism hotspots for Indian tourists, both arrivals to and nights spent in Germany notably picked up in March, pushing up year-on-year growth to 6.1% and 1.9% respectively. This is a significant improvement on last quarter whereby travel activity across both metrics were still down on the same period last year. Austria also reported a larger rise in arrivals (32.7%) from India, and slightly softer nights (25.4%) growth continues to imply a shorter length of stay.

A stronger outturn in the number of arrivals (23.9%) than nights (22.5%) in Switzerland has meant that performance across both of these metrics has become more aligned than they had been previously. The alignment has also improved for Portugal, with 4.7% fewer arrivals and 4.8% fewer nights than the same time last year.

Continued growth will likely be supported by increased connectivity over the summer across various airlines, adding to the [additional flights](#) in Q1, including routes from [Switzerland, Austria and the UK to Delhi](#).

Canadian visits and overnights to select destinations (% relative to 2024)



Source: TourMIS* *date varies (Jan-May) by destination

An increasing number of reporting destinations have experienced a stronger volume of either arrivals or nights compared to the same period last year, suggesting stronger travel activity over the last couple of months.

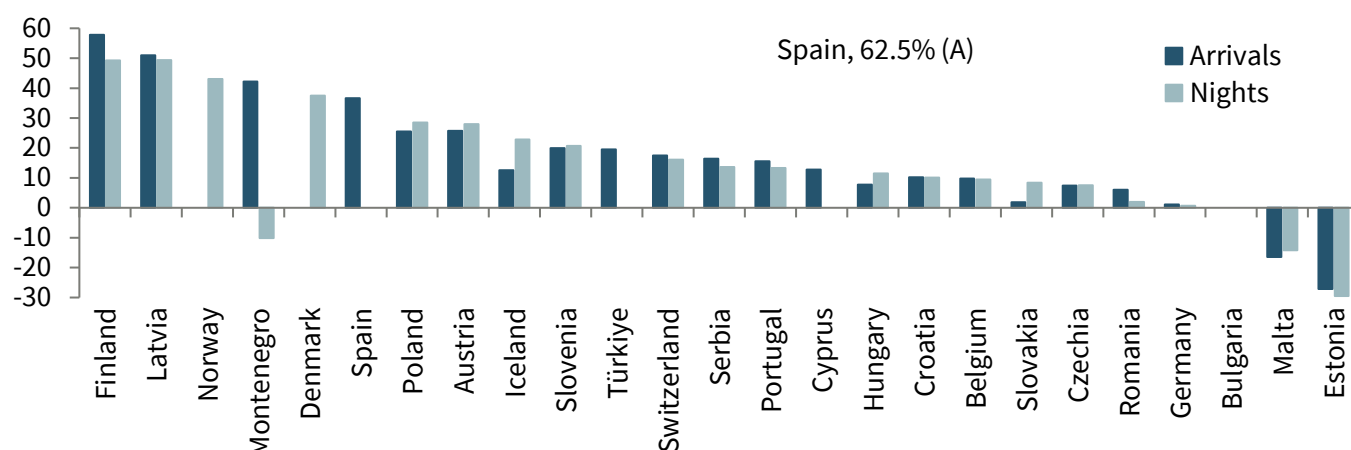
Southern & Mediterranean destinations continued to attract a larger number of Canadian tourists. Portugal continued to improve, with arrivals and nights ahead of 2024 by 8.3% and 6.2% respectively. [Increased flight connectivity](#) over the summer provides an upside to growth during both Q2 and Q3. Arrivals to Spain moderated in March, pushing year-to-date growth down to 22.8%. But smaller and comparable destinations such as Croatia are continuing to see a strong rise in Canadian tourists, albeit from a smaller base.

Germany reported a strong rise in both arrivals and nights at the end of Q1, pushing visitor levels 6.5% ahead of 2024 and nights 3.4% above and with additional flight connectivity planned for later in the year, this should facilitate continued growth over the summer.

Several Canadian airlines have announced that they are [directing more flight capacity](#) towards transatlantic travel to Europe as it moves away from the US. This follows shifts in US trade policy, with the imposition of tariffs, and some subsequent changes in travel sentiment towards the US. Many European destinations have the potential to benefit from this, including Italy, Portugal, Czechia and the UK.

Australian visits and overnights to select destinations (% relative to 2024)

2025 year-to-date*, % year



Source: TourMIS* *date varies (Jan-May) by destination

The majority of reporting destinations continue to experience a rise in Australian tourists so far in 2025, with all but two experiencing a rise in either nights or arrivals.

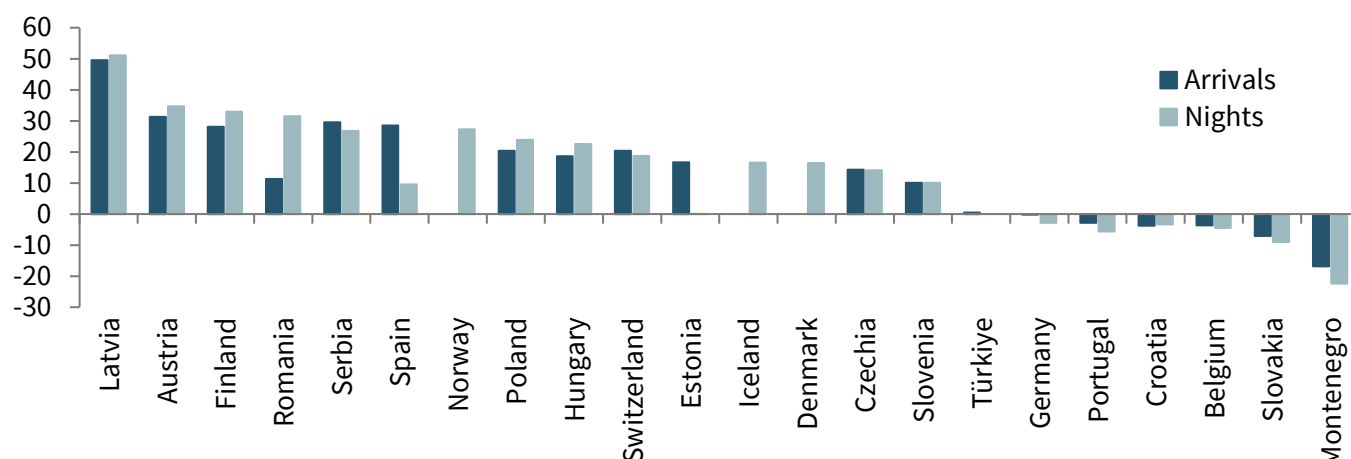
Malta (-16.5%) and Estonia (-27.1%) are now seeing fewer tourists from Australia, along with fewer nights compared to the same period last year. However, these destinations both represent a small share of total visitors to the region, so a small difference in absolute visitor volumes can sometimes lead to more volatile growth rates.

Arrivals to Spain have improved over the last quarter, now up 36.6% on 2024, which is significant because this reflects one of the most important destinations for Australian tourists. This solid increase in travel activity could be a result of the [marketing efforts](#) made to promote more sustainable and authentic tourism offerings. Elsewhere in Southern & Mediterranean Europe, most other destinations are also seeing a double-digit increase in arrivals from Australia, including smaller markets such as Montenegro (42.2%), Croatia (10.2%), Cyprus (12.8%) and Türkiye (19.5%), despite some softening in recent months.

Affordability concerns are possibly playing a role in the timing of travel, because this rise has coincided outside of peak summer season (July-August) when accommodation costs tend to rise in many European destinations in response to stronger demand. However, airlines such as [Etihad](#) are trying to encourage increased air travel with significant deals on long-haul travel to Europe for this summer.

Brazilian visits and overnights to select destinations (% relative to 2024)

2025 year-to-date*, % year



Source: TourMIS* *date varies (Jan-May) by destination

Brazilian tourists have been visiting European destinations in increasing numbers toward the end of Q1 and into Q2. Average growth among the reporting destinations for arrivals (23.6%) and nights (14.6%) have improved on last quarter, with a larger rise observed in arrivals than nights, suggesting increasingly shorter trips were taken over the last few months.

Arrivals to, and nights spent in Spain remain up on the same period in 2024, now ahead by 28.5% and 9.5% respectively. Increased travel demand was likely supported by [additional flight capacity](#) between both Fortaleza and Recife. Portugal, another important destination for tourists from Brazil also gained momentum, with arrivals now down just -2.8% and nights down -5.6% on the same time last year. A new route between [Brazil and Porto-Recife](#) from June would enable stronger demand over the summer.

Similar to Canada, a possible upside from recent developments in US trade policy could come in the form of more airlines shifting capacity towards routes between [Brazil and Europe](#), which may open up further opportunities for travel, in particular to France, Italy, Türkiye and Germany. Increased competition among airline carriers for this transatlantic route may have a positive impact on prices, which could help ease concerns over affordability that have been cited in the latest [ETC long-haul travel barometer](#).

Other coastal and beach destinations, Türkiye, has improved on last quarter. Arrivals to Türkiye are now ahead of 2024 levels by just 0.5%. This growth could be expected to continue in the remainder of the year with [Antalya Airport](#) recently completing the first phase of its expansion with a brand new terminal.

7. Origin market share analysis

Based on Tourism Economics' Global Travel Service (GTS) model, the following charts and analysis show Europe's evolving market position – in absolute and percentage terms – for selected source markets.

Data in these charts and tables relate to reported arrivals in all destinations as a comparable measure of outbound travel for the calculation of market share.

For example, US outbound figures featured in the analysis are larger than reported departures in national statistics as long-haul trips often involve travel to multiple destinations. In 2014, US data reporting shows 11.9 million departures to Europe, while the sum of European arrivals from the US was 23.4 million. Thus, each US trip to Europe involved a visit to two destinations on average.

The geographies of Europe are defined as follows:

Northern Europe is Denmark, Finland, Iceland, Ireland, Norway, Sweden, and the UK;

Western Europe is Austria, Belgium, France, Germany, Luxembourg, Netherlands, and Switzerland;

Southern/Mediterranean Europe is Albania, Bosnia-Herzegovina, Croatia, Cyprus, North Macedonia, Greece, Italy, Malta, Montenegro, Portugal, Serbia, Slovenia, Spain, and Türkiye;

Central/Eastern Europe is Armenia, Azerbaijan, Belarus, Bulgaria, Czechia, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Poland, Romania, Russian Federation, Slovakia, and Ukraine.

United States market share summary

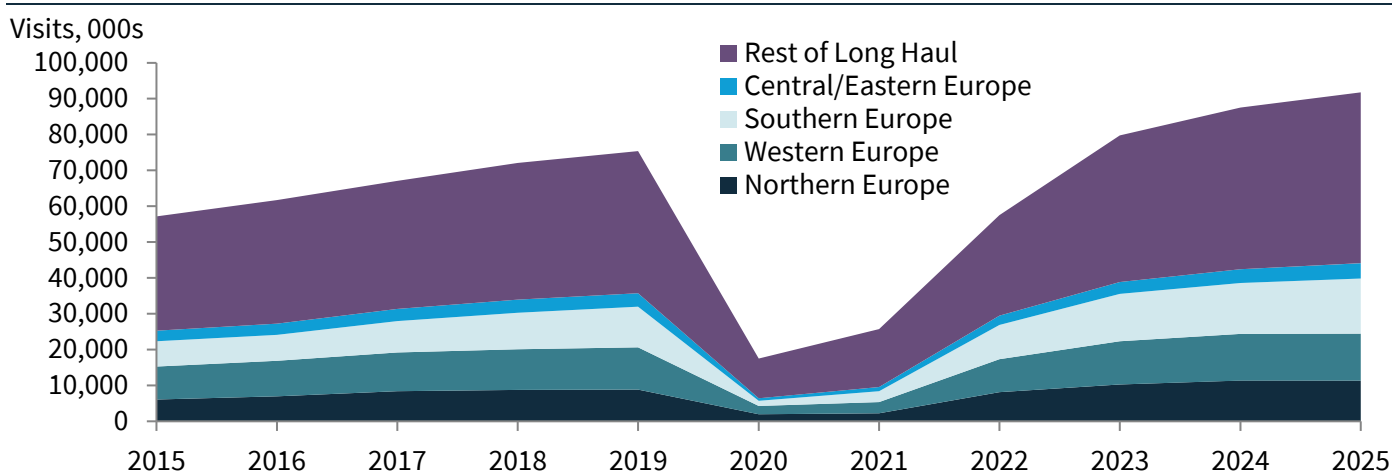
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	139,383	-	4.4%	23.9%	-	9.5%	-
Long haul	87,493	62.8%	4.8%	26.5%	64.1%	16.0%	59.2%
Short haul	51,890	37.2%	3.6%	19.5%	35.9%	-0.1%	40.8%
Travel to Europe	42,447	30.5%	3.5%	18.6%	29.1%	18.8%	28.1%
European Union	31,260	22.4%	3.8%	20.4%	21.8%	14.4%	21.5%
Northern Europe	11,376	8.2%	1.5%	7.7%	7.1%	28.6%	6.9%
Western Europe	12,975	9.3%	2.9%	15.1%	8.7%	9.8%	9.3%
Southern Europe	14,264	10.2%	4.3%	23.4%	10.2%	26.3%	8.9%
Central/Eastern Europe	3,831	2.7%	7.6%	44.4%	3.2%	1.1%	3.0%

*Shows cumulative change over the relevant time period indicated. 2019-24 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

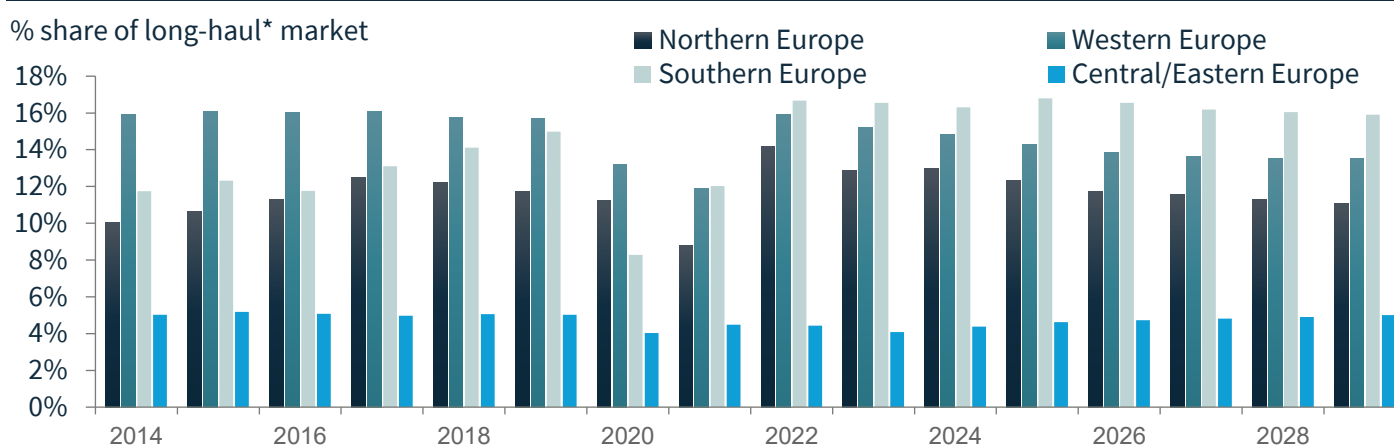
United States long-haul* outbound travel



*Long haul defined as tourist arrivals to destinations outside North America

Source: Tourism Economics

Europe's share of American market



*Long haul defined as tourist arrivals to destinations outside North America

Source: Tourism Economics

Canada market share summary

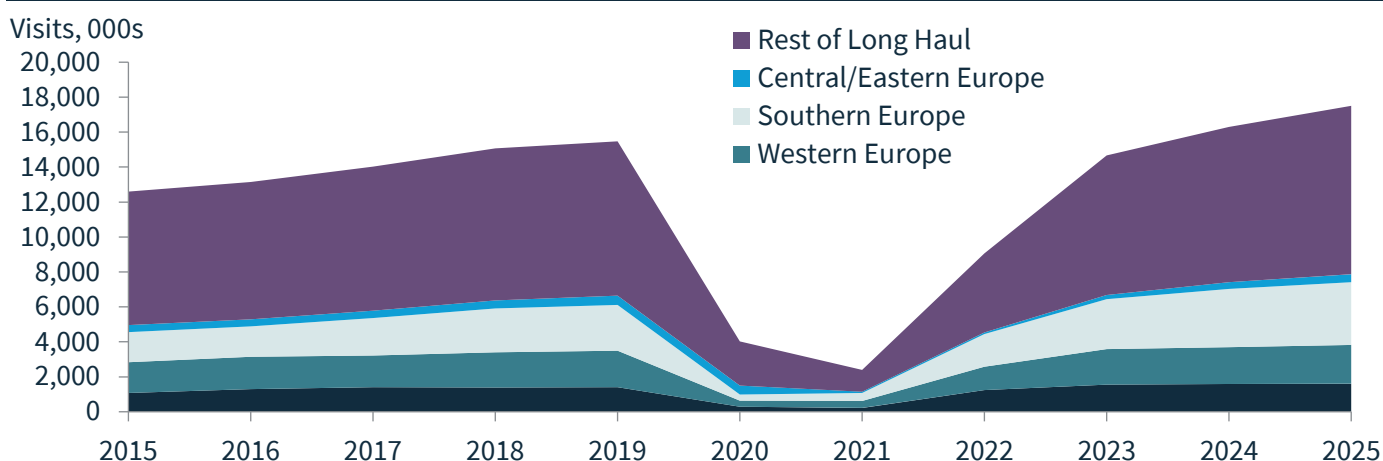
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	39,126	-	2.5%	13.2%	-	1.7%	-
Long haul	16,362	41.8%	5.3%	29.3%	47.8%	5.9%	40.2%
Short haul	22,764	58.2%	0.3%	1.6%	52.2%	-1.1%	59.8%
Travel to Europe	7,476	19.1%	3.0%	15.7%	19.5%	13.0%	17.2%
European Union	5,699	14.6%	2.3%	12.3%	14.4%	12.9%	13.1%
Northern Europe	1,587	4.1%	3.1%	16.2%	4.2%	12.6%	3.7%
Western Europe	2,114	5.4%	2.2%	11.5%	5.3%	1.6%	5.4%
Southern Europe	3,323	8.5%	2.6%	13.5%	8.5%	27.0%	6.8%
Central/Eastern Europe	451	1.2%	8.5%	50.3%	1.5%	-11.4%	1.3%

*Shows cumulative change over the relevant time period indicated. 2019-24 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

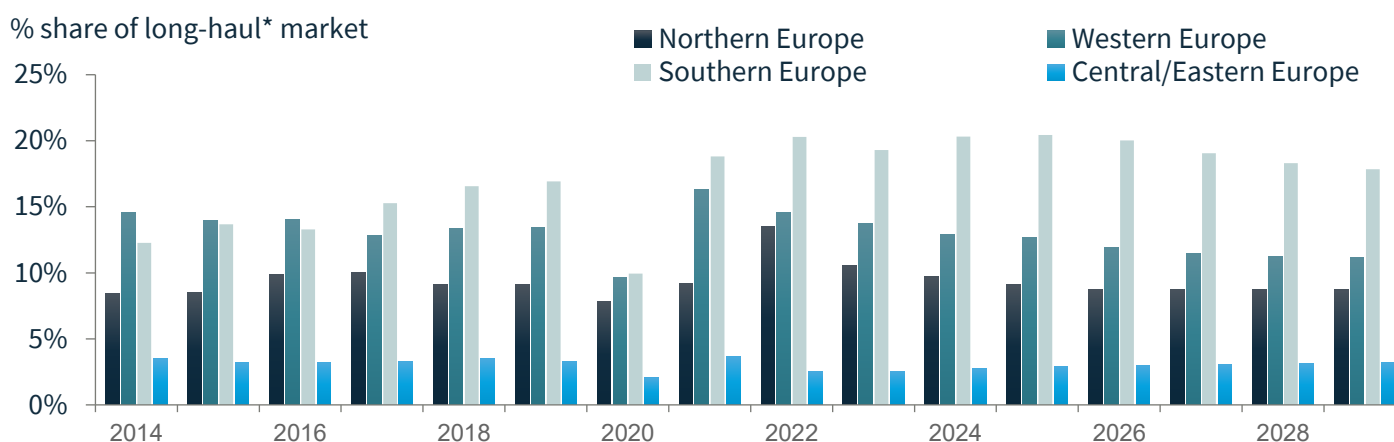
Canada long-haul* outbound travel



*Long haul defined as tourist arrivals to destinations outside North America

Source: Tourism Economics

Europe's share of Canadian market



*Long haul defined as tourist arrivals to destinations outside North America

Source: Tourism Economics

Mexico market share summary

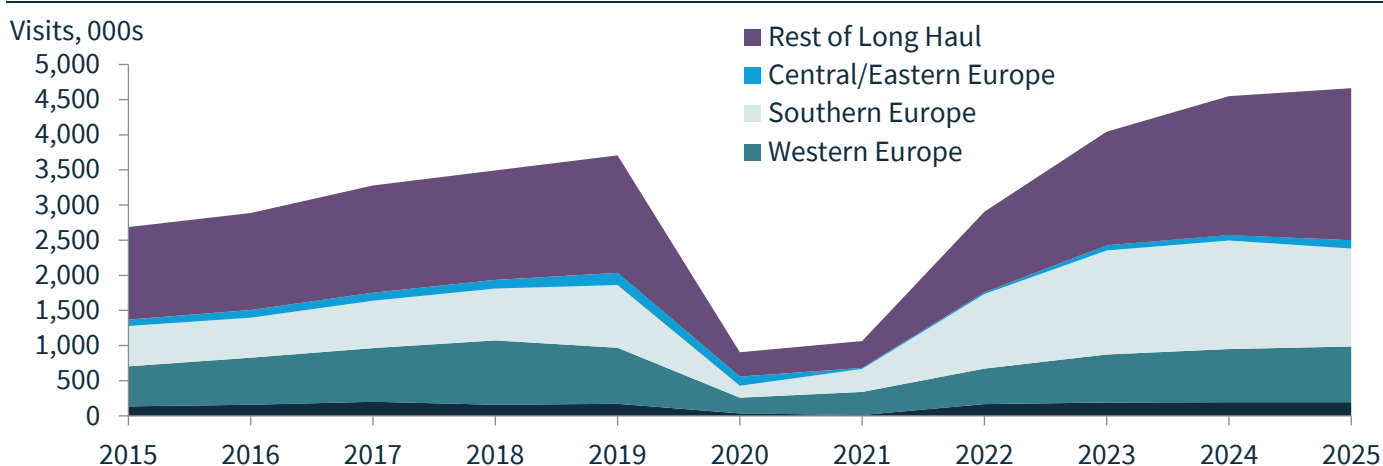
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	21,972	-	2.5%	12.9%	-	-2.3%	-
Long haul	4,587	20.9%	2.6%	14.0%	21.1%	25.1%	16.3%
Short haul	17,385	79.1%	2.4%	12.6%	78.9%	-7.6%	83.7%
Travel to Europe	2,612	11.9%	0.5%	2.7%	10.8%	31.0%	8.9%
European Union	2,201	10.0%	0.3%	1.7%	9.0%	29.8%	7.5%
Northern Europe	196	0.9%	2.4%	12.6%	0.9%	13.5%	0.8%
Western Europe	753	3.4%	4.9%	27.0%	3.9%	-5.5%	3.5%
Southern Europe	1,544	7.0%	-2.5%	-12.1%	5.5%	72.8%	4.0%
Central/Eastern Europe	118	0.5%	4.5%	24.6%	0.6%	-9.6%	0.6%

*Shows cumulative change over the relevant time period indicated. 2019-24 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

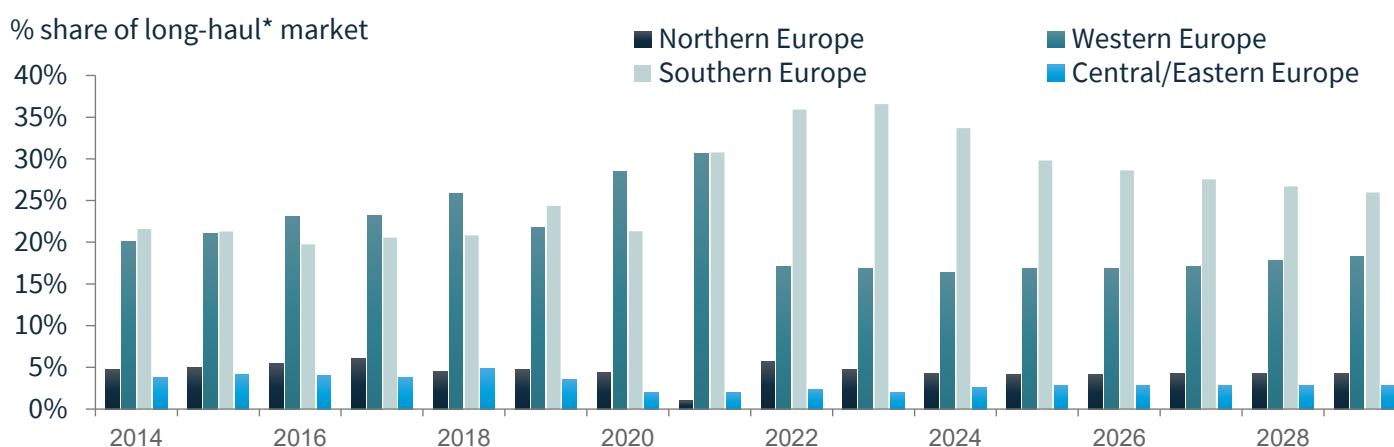
Mexico long-haul* outbound travel



*Long haul defined as tourist arrivals to destinations outside North America

Source: Tourism Economics

Europe's share of Mexican market



*Long haul defined as tourist arrivals to destinations outside North America

Source: Tourism Economics

Argentina market share summary

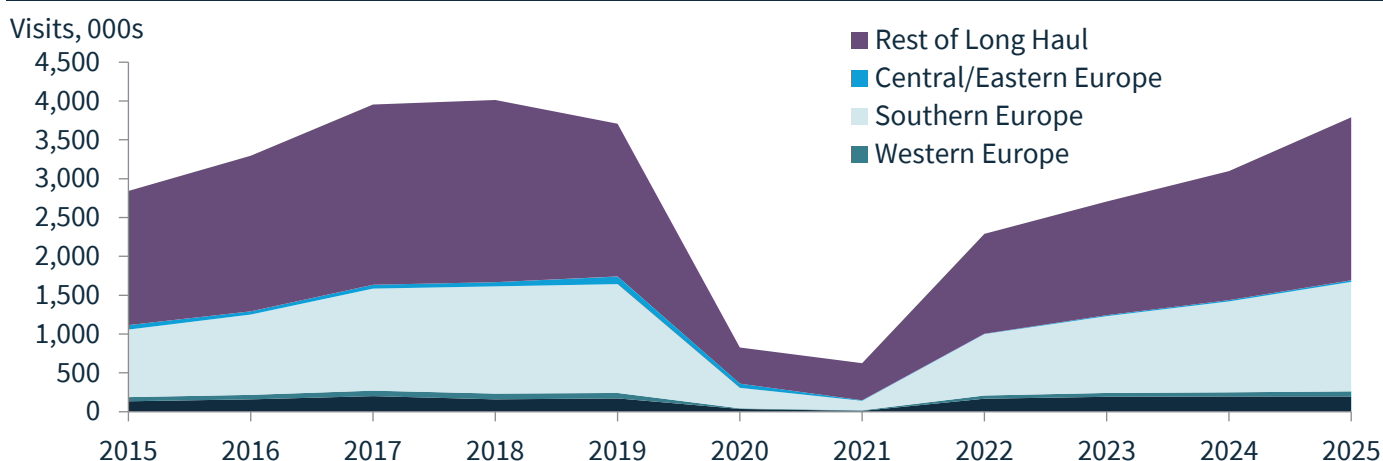
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	10,101	-	8.6%	51.1%	-	-3.1%	-
Long haul	3,027	30.0%	10.6%	65.7%	32.9%	-16.4%	34.7%
Short haul	7,073	70.0%	7.7%	44.9%	67.1%	4.0%	65.3%
Travel to Europe	1,364	13.5%	9.4%	56.8%	14.0%	-17.5%	15.9%
European Union	1,163	11.5%	9.2%	55.3%	11.8%	-17.8%	13.6%
Northern Europe	120	1.2%	8.6%	51.2%	1.2%	-6.8%	1.2%
Western Europe	55	0.5%	13.2%	86.2%	0.7%	-19.3%	0.7%
Southern Europe	1,167	11.6%	9.1%	54.9%	11.8%	-16.8%	13.5%
Central/Eastern Europe	22	0.2%	16.9%	118.6%	0.3%	-58.4%	0.5%

*Shows cumulative change over the relevant time period indicated. 2019-24 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

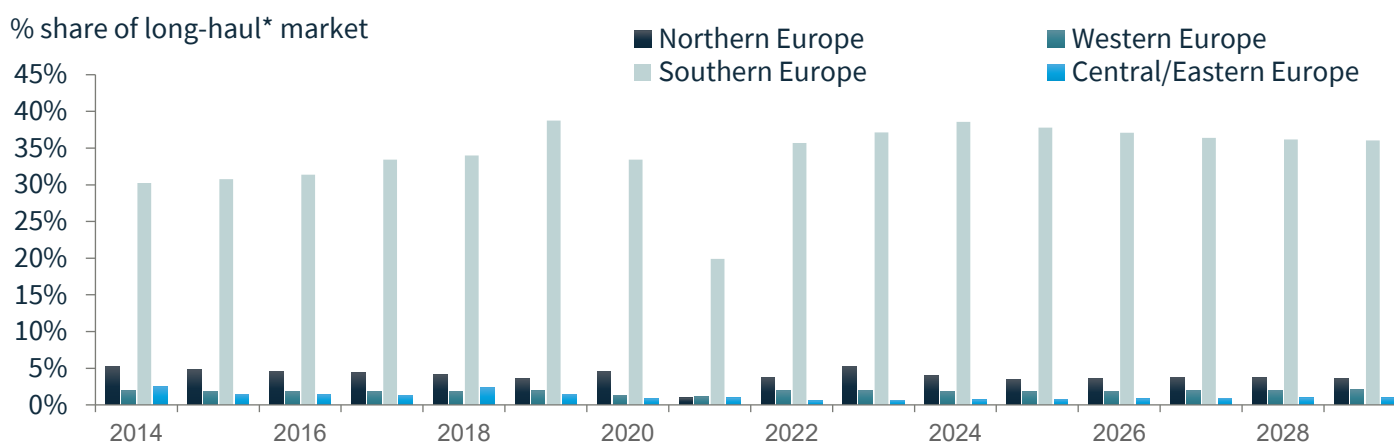
Argentina Long-Haul* Outbound Travel



*Long haul defined as tourist arrivals to destinations outside South America

Source: Tourism Economics

Europe's share of Argentinian market



*Long haul defined as tourist arrivals to destinations outside South America

Source: Tourism Economics

Brazil market share summary

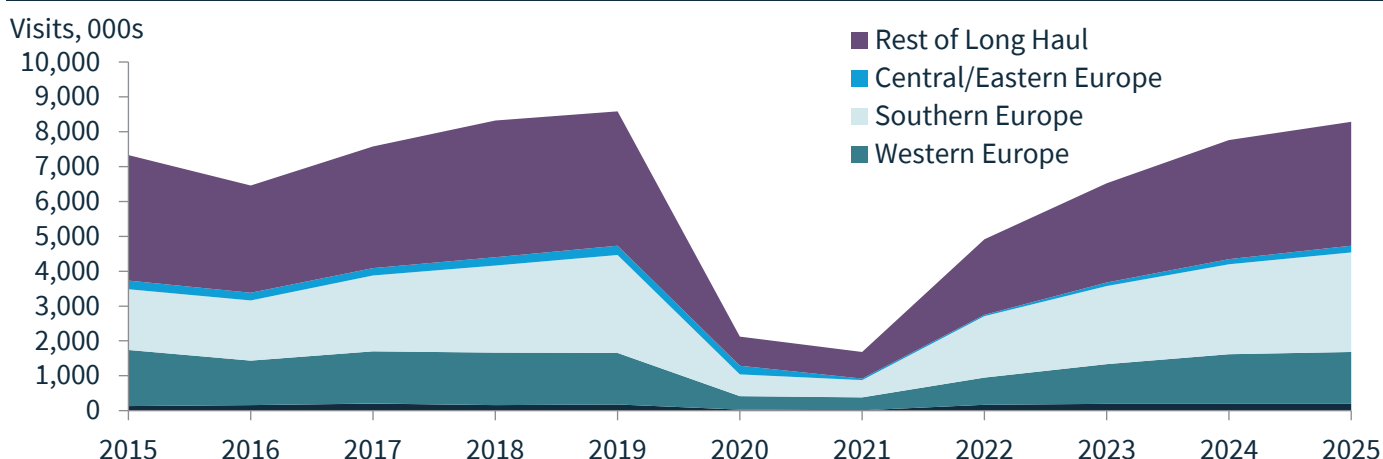
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	11,515	-	5.0%	27.9%	-	-4.1%	-
Long haul	8,013	69.6%	5.6%	31.2%	71.4%	-8.7%	73.1%
Short haul	3,502	30.4%	3.7%	20.2%	28.6%	8.3%	26.9%
Travel to Europe	4,600	39.9%	5.7%	31.8%	41.2%	-6.5%	41.0%
European Union	3,905	33.9%	6.0%	34.0%	35.5%	-8.7%	35.6%
Northern Europe	408	3.5%	3.9%	21.2%	3.4%	8.3%	3.1%
Western Europe	1,423	12.4%	4.5%	24.7%	12.1%	-4.2%	12.4%
Southern Europe	2,578	22.4%	6.4%	36.2%	23.8%	-8.3%	23.4%
Central/Eastern Europe	191	1.7%	8.1%	47.6%	1.9%	-23.1%	2.1%

*Shows cumulative change over the relevant time period indicated. 2019-24 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

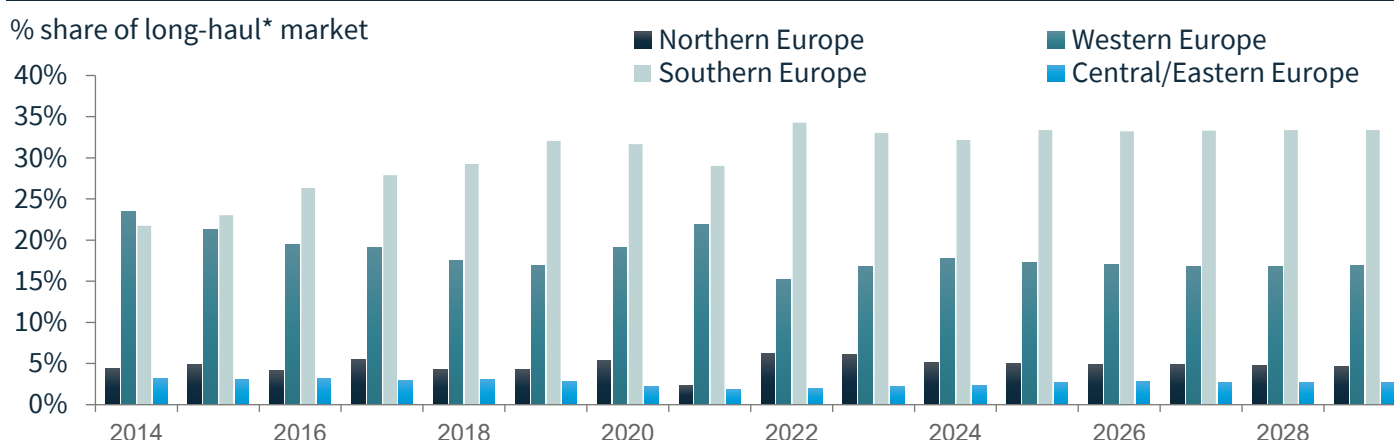
Brazil long-haul* outbound travel



*Long haul defined as tourist arrivals to destinations outside South America

Source: Tourism Economics

Europe's share of Brazilian market



*Long haul defined as tourist arrivals to destinations outside South America

Source: Tourism Economics

India market share summary

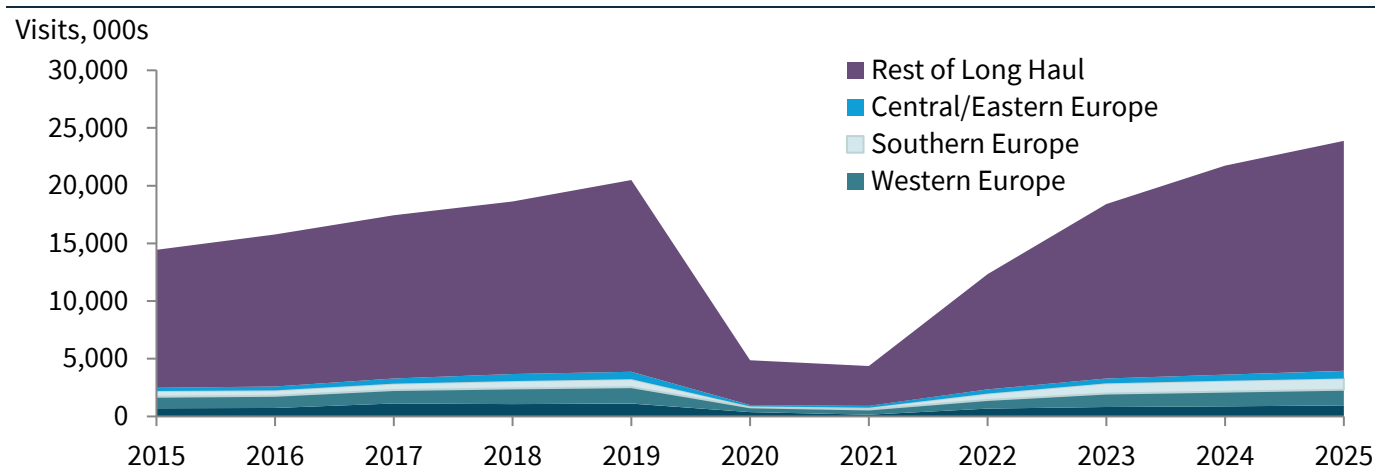
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	22,931	-	9.4%	56.5%	-	6.0%	-
Long haul	21,747	94.8%	9.6%	58.3%	95.9%	6.1%	94.7%
Short haul	1,184	5.2%	4.5%	24.4%	4.1%	3.6%	5.3%
Travel to Europe	3,608	15.7%	8.1%	47.9%	14.9%	-6.7%	17.9%
European Union	2,034	8.9%	8.2%	48.2%	8.4%	-8.5%	10.3%
Northern Europe	861	3.8%	12.4%	79.1%	4.3%	-22.6%	5.1%
Western Europe	1,289	5.6%	6.1%	34.6%	4.8%	-9.0%	6.5%
Southern Europe	934	4.1%	3.6%	19.3%	3.1%	35.1%	3.2%
Central/Eastern Europe	524	2.3%	12.5%	80.4%	2.6%	-19.0%	3.0%

*Shows cumulative change over the relevant time period indicated. 2019-24 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

India long-haul* outbound travel

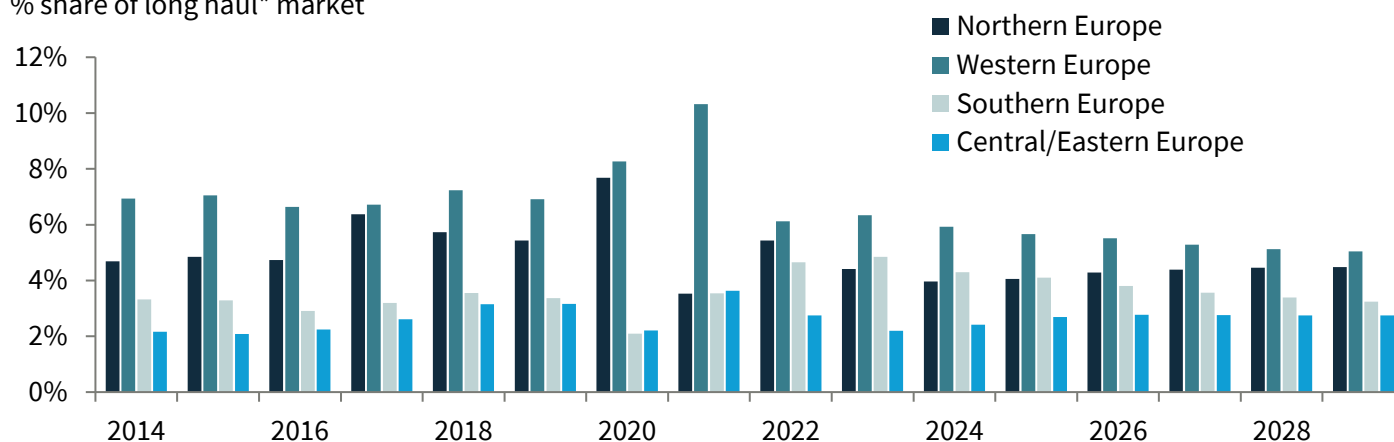


*Long haul defined as tourist arrivals to destinations outside South Asia

Source: Tourism Economics

Europe's share of Indian market

% share of long haul* market



*Long haul defined as tourist arrivals to destinations outside South Asia

Source: Tourism Economics

China market share summary

	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	70,921	-	15.6%	106.7%	-	-32.0%	-
Long haul	32,761	46.2%	18.1%	129.7%	51.3%	-41.9%	54.1%
Short haul	38,161	53.8%	13.3%	87.0%	48.7%	-20.4%	45.9%
Travel to Europe	7,646	10.8%	21.4%	164.1%	13.8%	-48.5%	14.2%
European Union	4,827	6.8%	22.7%	177.7%	9.1%	-50.1%	9.3%
Northern Europe	1,011	1.4%	24.3%	196.3%	2.0%	-50.4%	2.0%
Western Europe	3,059	4.3%	22.6%	177.5%	5.8%	-52.0%	6.1%
Southern Europe	1,796	2.5%	12.5%	80.4%	2.2%	-30.2%	2.5%
Central/Eastern Europe	1,780	2.5%	25.2%	207.3%	3.7%	-54.1%	3.7%

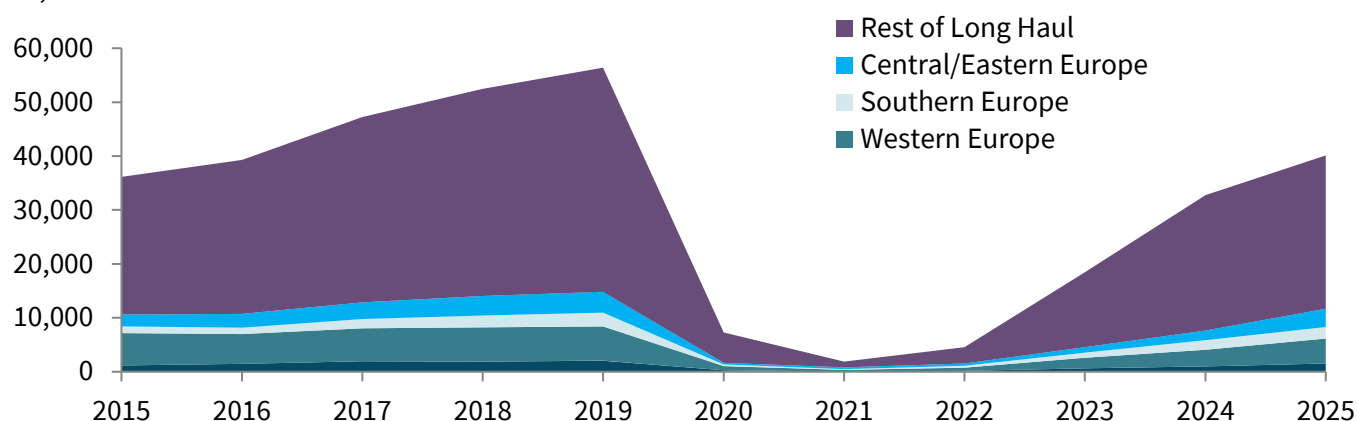
*Shows cumulative change over the relevant time period indicated. 2019-24 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

China long-haul* outbound travel

Visits, 000s

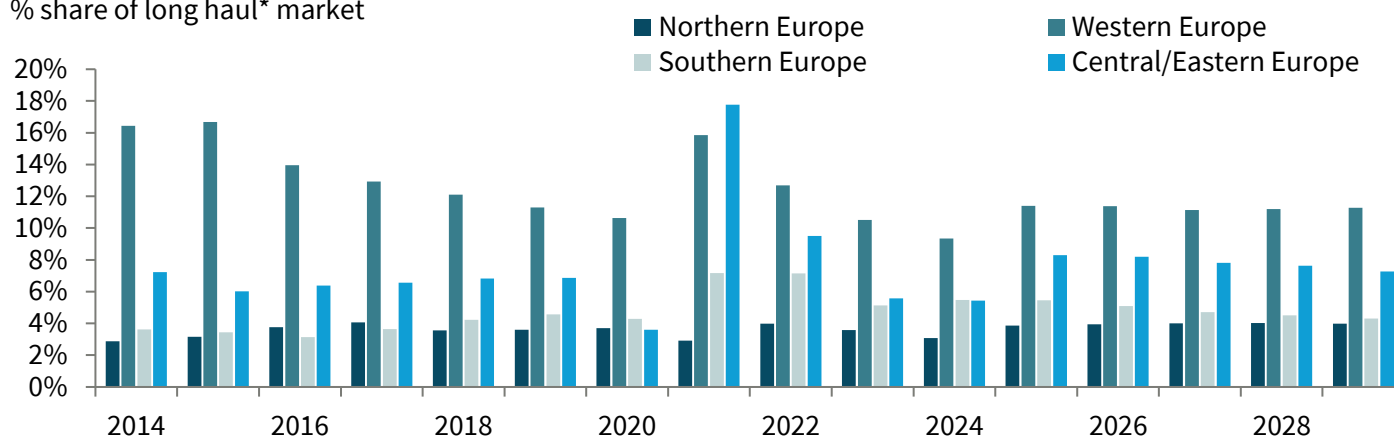


*Long haul defined as tourist arrivals to destinations outside Northeast Asia

Source: Tourism Economics

Europe's share of Chinese market

% share of long haul* market



*Long haul defined as tourist arrivals to destinations outside Northeast Asia

Source: Tourism Economics

Japan market share summary

	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	17,908	-	12.8%	82.8%	-	-29.4%	-
Long haul	10,561	59.0%	14.3%	94.8%	62.9%	-35.7%	64.8%
Short haul	7,347	41.0%	10.6%	65.4%	37.1%	-17.8%	35.2%
Travel to Europe	3,114	17.4%	15.2%	102.9%	19.3%	-38.4%	19.9%
European Union	2,466	13.8%	15.4%	104.8%	15.4%	-37.6%	15.6%
Northern Europe	528	2.9%	14.3%	95.2%	3.1%	-36.1%	3.3%
Western Europe	1,106	6.2%	14.8%	99.7%	6.8%	-42.1%	7.5%
Southern Europe	1,036	5.8%	14.0%	92.5%	6.1%	-33.4%	6.1%
Central/Eastern Europe	444	2.5%	19.6%	144.3%	3.3%	-42.2%	3.0%

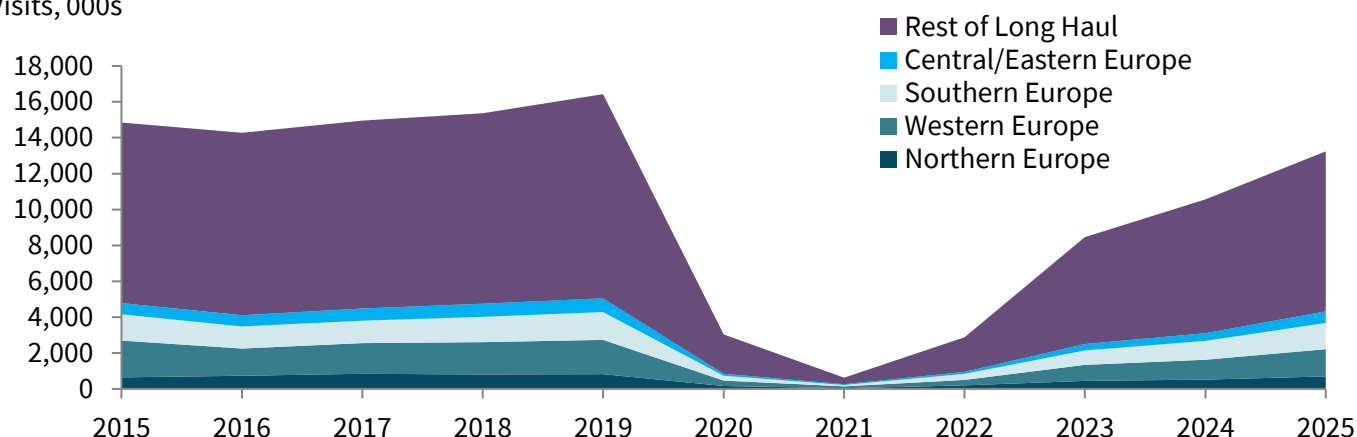
*Shows cumulative change over the relevant time period indicated. 2019-24 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

Japan long-haul* outbound travel

Visits, 000s

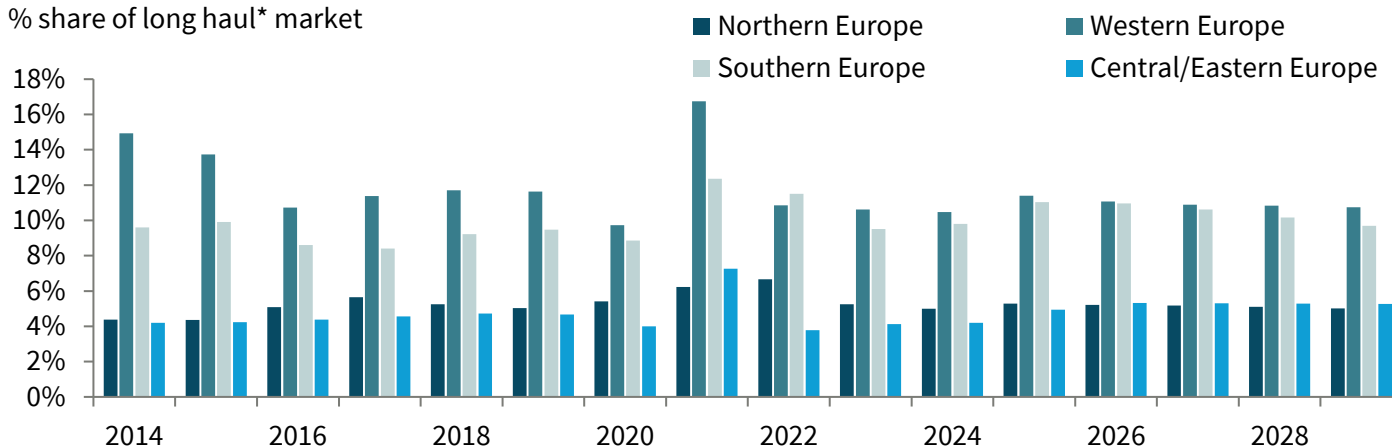


*Long haul defined as tourist arrivals to destinations outside Northeast Asia

Source: Tourism Economics

Europe's share of Japanese market

% share of long haul* market



*Long haul defined as tourist arrivals to destinations outside Northeast Asia

Source: Tourism Economics

Australia market share summary

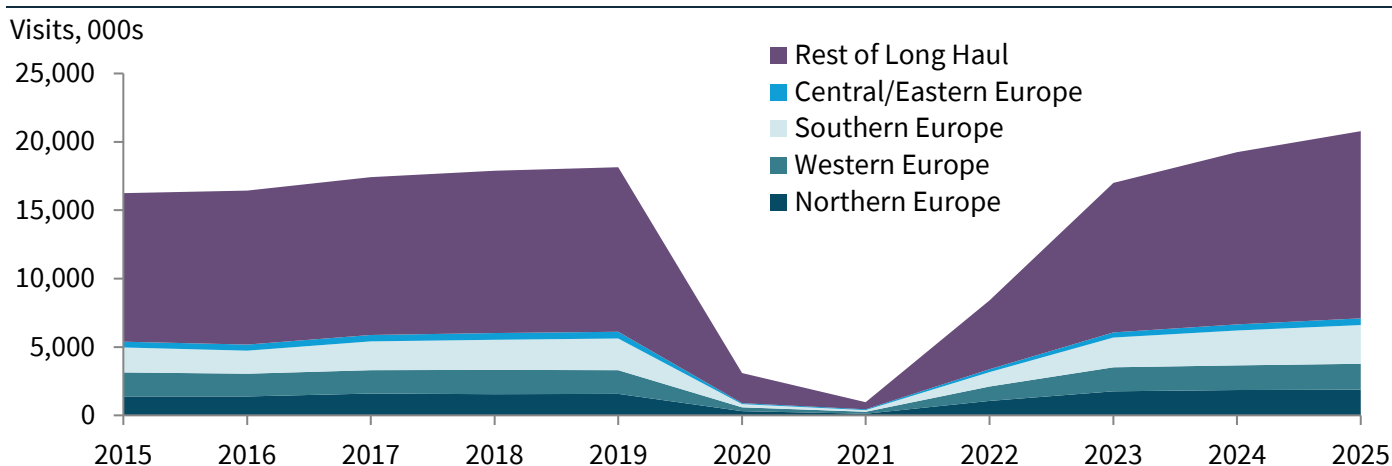
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	20,038	-	6.8%	39.2%	-	6.5%	-
Long haul	19,238	96.0%	6.7%	38.3%	95.3%	6.0%	96.5%
Short haul	800	4.0%	10.2%	62.4%	4.7%	20.3%	3.5%
Travel to Europe	6,639	33.1%	4.8%	26.5%	30.1%	8.7%	32.5%
European Union	4,643	23.2%	5.4%	29.8%	21.6%	6.4%	23.2%
Northern Europe	1,853	9.2%	2.6%	13.6%	7.5%	17.2%	8.4%
Western Europe	1,812	9.0%	3.3%	17.4%	7.6%	5.0%	9.2%
Southern Europe	2,547	12.7%	6.7%	38.4%	12.6%	10.6%	12.2%
Central/Eastern Europe	427	2.1%	8.5%	50.6%	2.3%	-14.3%	2.6%

*Shows cumulative change over the relevant time period indicated. 2019-24 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

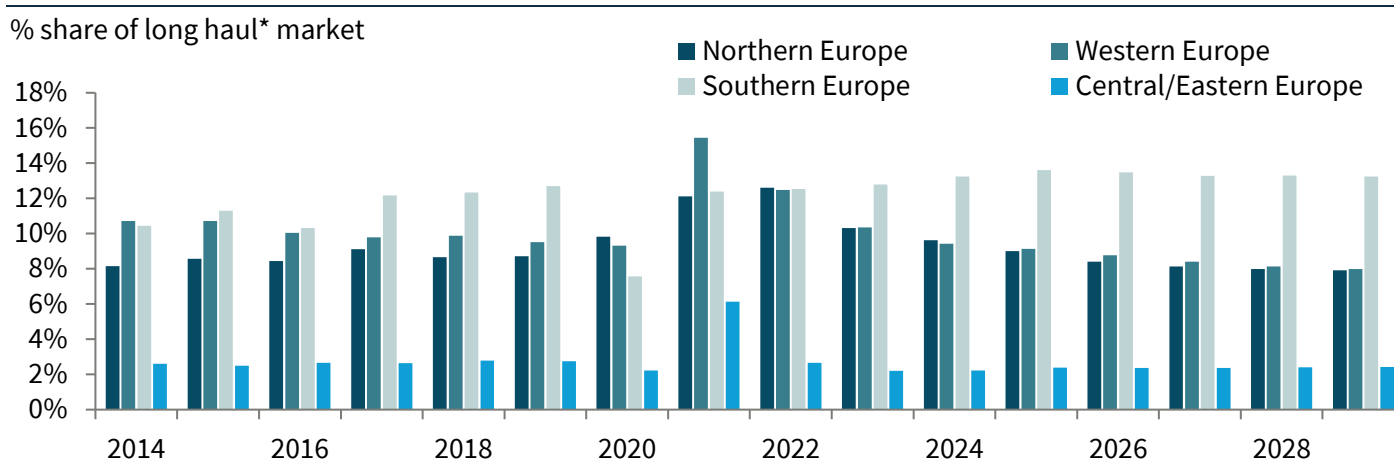
Australia long-haul* outbound travel



*Long haul defined as tourist arrivals to destinations outside Oceania

Source: Tourism Economics

Europe's share of Australian market



*Long haul defined as tourist arrivals to destinations outside Oceania

Source: Tourism Economics

Russia market share summary

	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	25,798	-	9.9%	60.2%	-	-21.5%	-
Long haul	10,146	39.3%	5.4%	30.2%	32.0%	34.4%	23.0%
Short haul	15,652	60.7%	12.4%	79.6%	68.0%	-38.2%	77.0%
Travel to Europe	15,652	60.7%	12.4%	79.6%	68.0%	-38.2%	77.0%
European Union	1,973	7.6%	36.0%	366.0%	22.3%	-81.8%	33.0%
Northern Europe	88	0.3%	52.3%	720.4%	1.7%	-93.0%	3.8%
Western Europe	656	2.5%	35.3%	352.9%	7.2%	-79.0%	9.5%
Southern Europe	8,108	31.4%	9.8%	59.3%	31.3%	-30.0%	35.2%
Central/Eastern Europe	6,801	26.4%	11.1%	69.2%	27.8%	-27.5%	28.5%

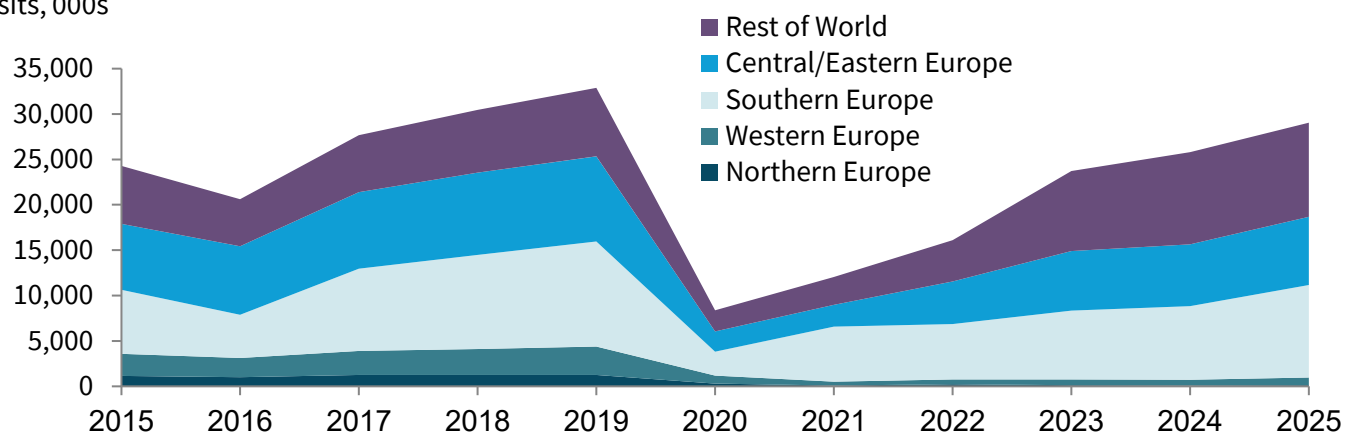
*Shows cumulative change over the relevant time period indicated. 2019-24 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

Russia long-haul* outbound travel

Visits, 000s

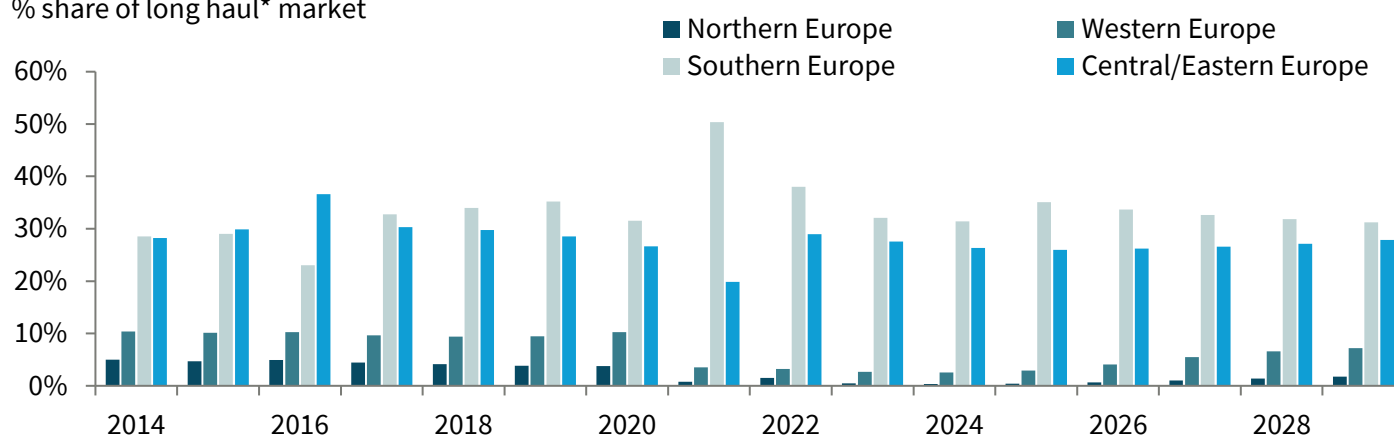


*Long haul defined as tourist arrivals to all destinations

Source: Tourism Economics

Europe's share of Russian market

% share of long haul* market



*Long haul defined as tourist arrivals to all destinations

Source: Tourism Economics

United Arab Emirates market share summary

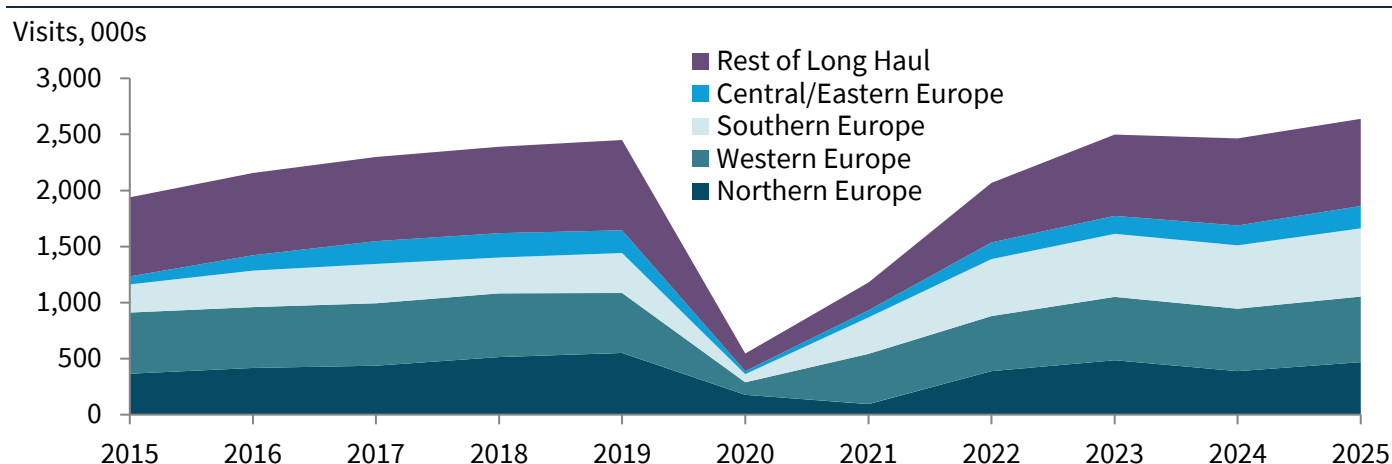
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	4,729	-	8.2%	48.6%	-	25.5%	-
Long haul	2,465	52.1%	5.0%	27.3%	44.7%	0.6%	65.0%
Short haul	2,264	47.9%	11.4%	71.8%	55.3%	71.6%	35.0%
Travel to Europe	1,689	35.7%	4.5%	24.7%	30.0%	2.7%	43.6%
European Union	993	21.0%	1.5%	7.8%	15.2%	23.6%	21.3%
Northern Europe	387	8.2%	8.8%	52.5%	8.4%	-29.6%	14.6%
Western Europe	556	11.8%	3.4%	18.2%	9.4%	3.9%	14.2%
Southern Europe	568	12.0%	2.5%	13.3%	9.2%	59.1%	9.5%
Central/Eastern Europe	177	3.7%	3.9%	21.2%	3.0%	-12.1%	5.3%

*Shows cumulative change over the relevant time period indicated. 2019-24 includes COVID-19 pandemic related declines.

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

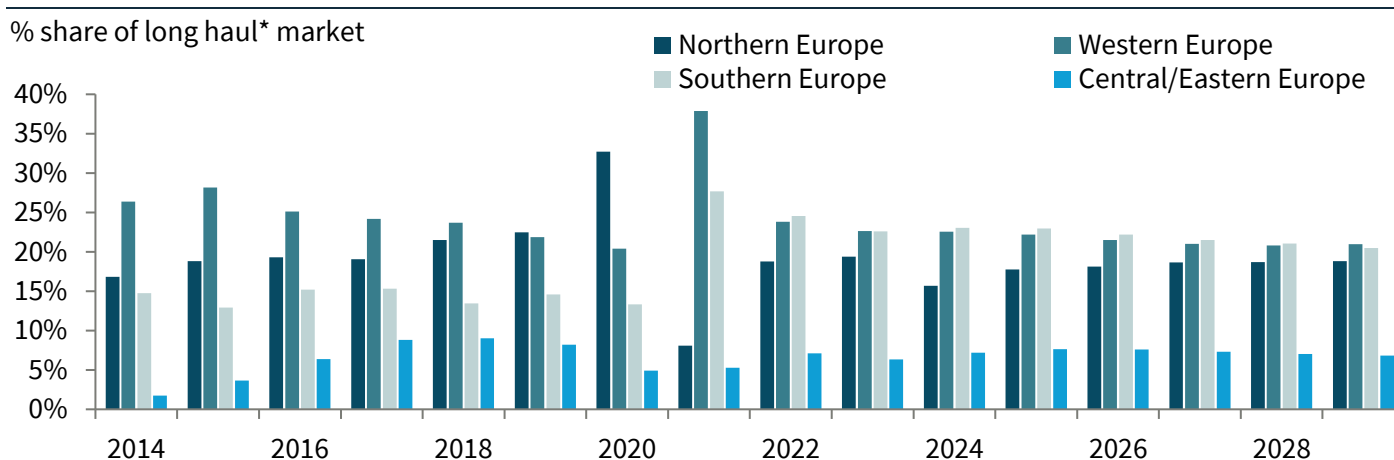
United Arab Emirates long-haul* outbound travel



*Long haul defined as tourist arrivals to destinations outside Middle East

Source: Tourism Economics

Europe's share of Emirati market



*Long haul defined as tourist arrivals to destinations outside Middle East

Source: Tourism Economics

8. Economic outlook

Assessing recent tourism data and industry performance is a useful way of directly monitoring the key trends for travel demand across Europe. This can be complemented by looking at key trends and relationships in macroeconomic performance in Europe's key source markets, which can provide further insight into likely tourism developments throughout the year.

The linkages between macroeconomics and tourism performance can be very informative. For example, strong GDP or consumer spending growth is an indication of rising prosperity with people more likely to travel abroad. It is also an indication of rising business activity and therefore stronger business travel. Movements in exchange rates against the Euro can be equally important as it can influence choice of destination. For example, if the Euro appreciated (gained value) against the US dollar, the Eurozone would become a more expensive destination and therefore potentially less attractive for US visitors. Conversely, depreciation (lost value) of the Euro against the US dollar would make the Eurozone a relatively less expensive destination and therefore more attractive to US travellers.

Disclaimer: the opinions expressed in the forthcoming section [Economic Outlook] are those of Oxford Economics ("we, us, our"). They do not purport to reflect the opinions or views of ETC or its members.

Overview

A temporary but substantial reduction in tariffs between the US and China has slightly lifted growth prospects for 2025. But uncertainty surrounding the US remains high and the outlook is still less favourable than envisaged prior to the tariff announcements in early April. Business surveys continue to suggest that US tariff policy is prompting global growth to slow but not plunge. Since April, the JP Morgan Global Manufacturing PMI (purchasing managers' index) has remained below 50, thereby indicating a modest contraction in activity, but the latest reading is still roughly in line with the average of the preceding two years.

The latest outlook assumes that the de-escalation of tensions between the US and China will last and that the temporary reduction in tariffs rates will be permanent, boosting bilateral trade across the US and China relative to what was assumed in last quarter's report.

Summary of Economic Outlook, % change*

Country	2024					2025				
	GDP	Consumer expenditure	Unemployment**	Exchange rate***	Inflation	GDP	Consumer expenditure	Unemployment**	Exchange rate***	Inflation
UK	1.1%	0.6%	4.4%	2.7%	2.5%	1.2%	1.0%	4.6%	0.5%	3.2%
France	1.1%	1.0%	7.2%	0.0%	2.0%	0.5%	0.7%	7.5%	0.0%	0.9%
Germany	-0.2%	0.2%	6.0%	0.0%	2.3%	0.2%	1.1%	6.3%	0.0%	2.1%
Netherlands	1.0%	1.0%	3.7%	0.0%	3.3%	1.1%	1.1%	3.9%	0.0%	2.9%
Italy	0.5%	0.4%	6.6%	0.0%	1.0%	0.5%	0.9%	6.3%	0.0%	1.6%
Spain	3.1%	2.9%	11.3%	0.0%	2.8%	2.5%	2.9%	10.9%	0.0%	2.3%
Russia	4.3%	5.4%	2.5%	-8.0%	8.4%	0.8%	1.9%	2.6%	0.3%	9.2%
US	2.8%	2.8%	4.0%	-0.1%	3.0%	1.5%	2.1%	4.3%	-2.6%	2.9%
Canada	1.6%	2.4%	6.4%	-1.6%	2.4%	0.8%	1.8%	7.2%	-5.1%	2.2%
Brazil	3.0%	4.8%	6.8%	-7.4%	4.4%	2.6%	1.4%	6.5%	-8.3%	5.5%
China	5.0%	5.3%	3.8%	-1.7%	0.2%	4.3%	4.1%	3.9%	-3.9%	0.1%
Japan	0.2%	-0.1%	2.5%	-7.2%	2.7%	0.8%	0.9%	2.4%	-1.3%	2.8%
India	6.7%	7.3%	8.0%	-1.4%	4.9%	6.5%	5.1%	7.9%	-5.6%	3.5%

Source: Tourism Economics based on GEM as of 13.06.2025

* Unless otherwise specified

** Percentage point change

*** Exchange rates measured against the euro. A positive change indicates stronger local currency against the euro and therefore a positive impact on outbound tourism demand. A negative change indicates weaker local currency against the euro and therefore a negative impact on outbound tourism demand.

Eurozone

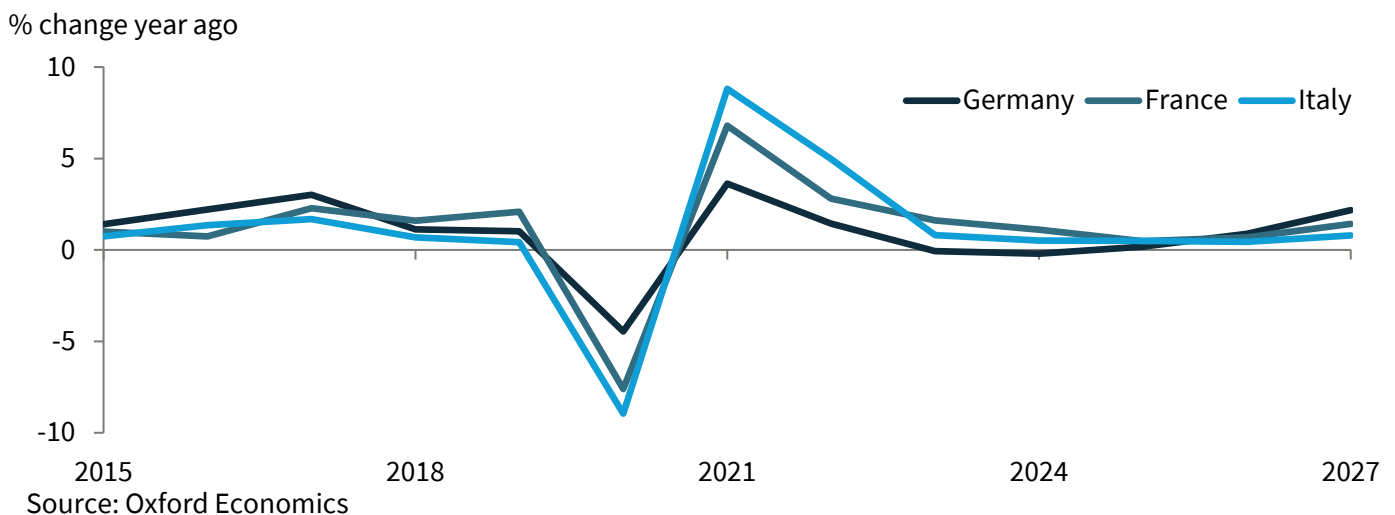
The Eurozone economy expanded by 0.6% on the quarter in Q1, an improvement from 0.2% growth in Q4/2024. Quarterly growth in the region still improved even when excluding the GDP contribution from Ireland which tends to be large and was driven by a 40.0% rise in investment at the start of the year.

Despite an upbeat start to the year, the big picture is still one of rather weak momentum in the Eurozone. The PMIs and other surveys are some way below normal levels, though they have not fallen off a cliff in recent months, pointing to subdued growth over the coming quarters.

Tariffs are only set to have a modest negative impact on consumer spending this year, and the scale of the impact will be affected by factors such as the strength of the labour market and consumer confidence. Consumer spending growth is expected to stabilise this year, as inflation continues to moderate, averaging 1.9% in 2025, while the central bank interest rate decreases to 1.5% by the end of the year.

Assumptions on tariffs between the EU and the US have only changed marginally since last quarter. It is expected that the US will maintain a 10% tariff on its imports from the EU beyond the current extension, with the various exceptions and additional sectoral charges also remaining in place. However, the main change is that the forecast assumes that the EU will not retaliate in full, but still, uncertainty around tariffs remains very high.

Economic performance in key Eurozone economies, real GDP



United Kingdom

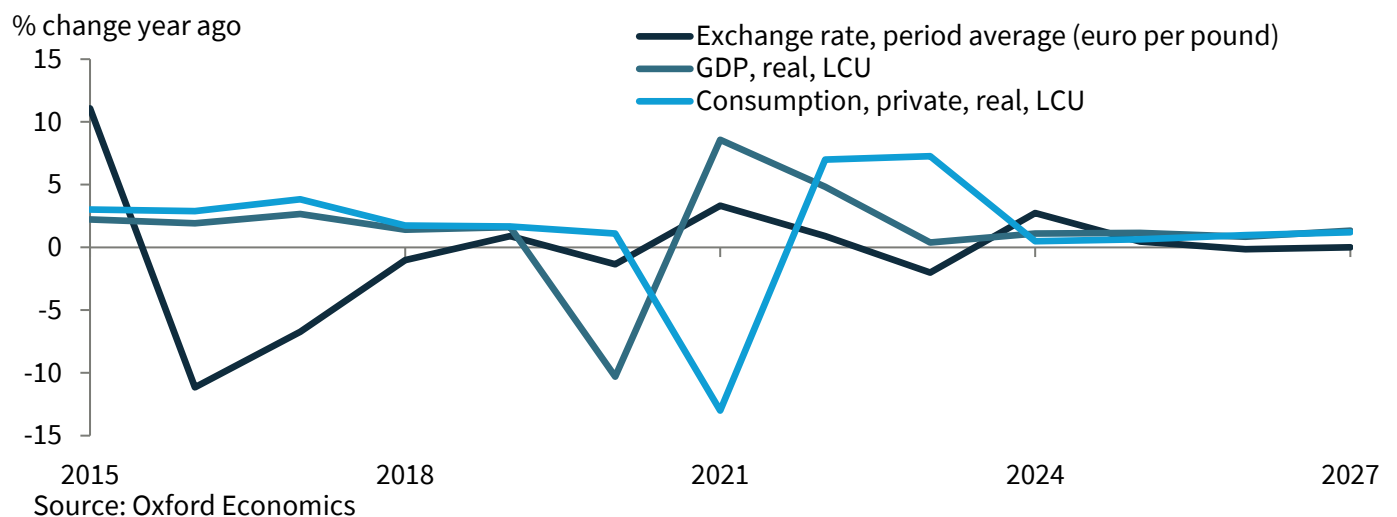
The preliminary estimate reported that GDP rose by 0.7% on the quarter in Q1, continuing the recent pattern of strong first quarters.

In two of the 20 sectors covered in the ONS release, quarterly output growth in Q1 exceeded 3.0%, while another five sectors were above 1.5%. But underlying conditions look nowhere near as strong, and residual seasonality is likely boosting the figures across several sectors. This means there may be some offset to this growth in the coming months.

Business survey data was much softer in Q1 and has taken a further step down in Q2 in response to US trade policy announcements, with the manufacturing results particularly weak. Though the composite PMI rebounded in May after April's slump, it was barely in positive territory. The CBI (Confederation of British Industry) surveys have been weaker still. However, while the surveys may be doing a reasonable job of tracking sentiment, their recent record of tracking activity has been poor.

Despite a slight upgrade to the rate of economic growth in 2025 to 1.2%, reflecting the stronger-than-expected activity in Q1, momentum is still weak. Domestic headwinds, including significantly tighter fiscal policy and the lagged impact of past interest rate rises will continue to play out. On top of this, external demand will remain challenged as a result of the impact from US trade policy.

United Kingdom economic outlook



United States

GDP growth slipped in Q1 as imports were an enormous drag on economic growth, likely because firms rushed to order materials and/or components ahead of the anticipated tariffs.

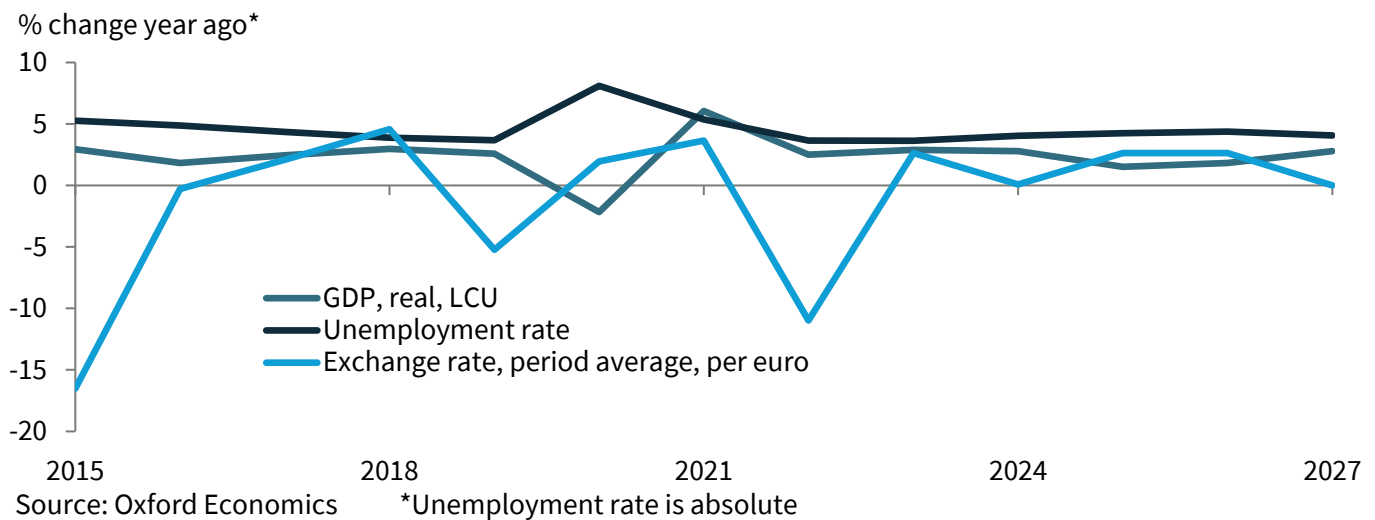
Following changes to US trade policy, data does suggest that the economy is being affected by the pressure of higher tariffs. This adds to the challenges to growth posed by significant policy uncertainty and high interest rates.

Although the labour market is starting to show signs of cracking, the volume of layoffs still remain low and nominal wage growth continues to outpace inflation. The impact of the current economic backdrop on consumer spending remains split, as low-income households are under greater financial pressures, whereas high-income households continue to spend.

Since last quarter, the expected probability of the US economy entering a recession has dropped. The outlook for the next year is slightly more optimistic due to a number of factors including, deregulation, fiscal stimulus, less policy uncertainty, and lingering support from AI-related business investment. In addition, as both unemployment and inflation are expected to be slightly lower next year, this would remove the need for a 25bp rate cut by the Federal Reserve.

The latest outlook still assumes that steel and aluminium tariffs on Canada and Mexico will be lowered to 10% in mid-2026 when the US-Mexico-Canada Agreement (USMCA) is up for renegotiation. This assumption is based on President Trump's first term, whereby tariffs of up to 25% on these metals were removed on Canada and Mexico ahead of the USMCA's ratification. In terms of Europe, the forecast assumes that the 50% tariff on US imports from the EU will be not implemented.

United States economic outlook



Japan

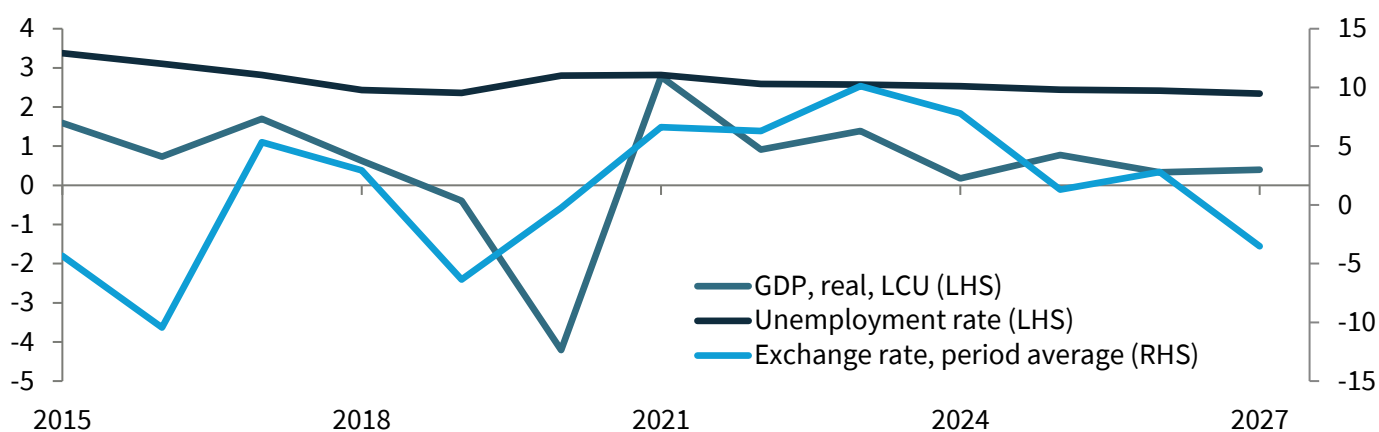
Preliminary estimates show that economic growth in Japan slowed to 0.2% on the quarter in Q1 after gaining 0.6% in Q4/2024. This weakness was broad-based, with a drop in export growth and consumption still flat, hampered by a decline in real incomes. In contrast, business investment increased, driven by investment in labour-saving technologies and digitalisation capex, while the impact from recent tariff uncertainty was limited.

The backdrop for consumers is expected to gradually improve, particularly from the second half of the year, as the strains from supply-side driven inflation ease and income gains continue. Encouragingly, the spring wage negotiations are coming in strong, with the headline pay rise rate currently a touch stronger than at the same point last year.

However, overall growth will be limited in 2025 by weak exports and business investment. High tariffs imposed on Japanese products by the US are likely to be maintained, and trade policy uncertainties are still elevated, dampening the appetite for business investment, both domestically and overseas. Based on this outlook, the Bank of Japan is not expected to rush to hike the policy rate and will hold rates steady for the rest of this year and next before hiking again in 2027, unless global trade policy uncertainty significantly declines, and progress is made in trade talks.

Japan economic outlook

% change year ago*



Source: Oxford Economics

*Unemployment rate is absolute

Emerging Markets

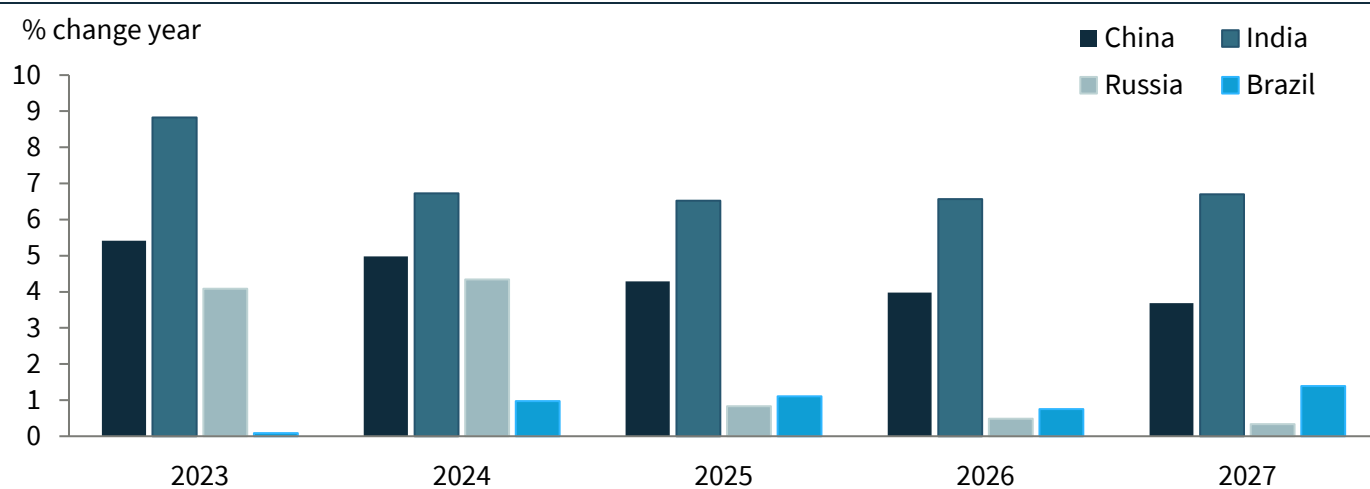
Economic activity in China started the year on a strong note, rising by 1.4% on the quarter on a seasonally adjusted basis. Growth was largely supported by firms significantly front-loading exports ahead of the anticipated tariffs. Momentum is set to slow in the coming quarters, with the driver of growth switching away from exports and towards the domestic side, as reinvigorated policy efforts to stabilise jobs and increase wages should support increased consumer spending.

High frequency indicators for Q1 suggests that GDP growth in India softened at the start of 2025, after some recovery in Q4/2024. Looking at 2025 as a whole, lower US imports as well as second-round effects from weaker Chinese and global demand will weigh on the external sector, and although India will continue to have a tariff advantage over China, it will not against its other export competitors in Asia. On the domestic side, households may delay spending given uncertain employment prospects while businesses are likely to adopt a wait-and-see approach in their investment decisions

The Brazilian economy had an upbeat start to 2025 following a 14.0% expansion in agricultural output in Q1. Limited foreign demand for Brazil's agriculture will likely result in higher domestic supply and thus cheaper fresh produce, which will limit food inflation and support real wage growth in the near term. The unexpectedly quick rebound of the Brazilian real and a sharp fall in energy commodity prices will also contribute to the easing of Brazilian inflation, which rose by 5.5% on the year in April. But GDP growth is still expected to slow this year as domestic growth is more than offset by weaker external demand.

The flash GDP estimate for Q1 in Russia showed that the economic growth collapsed, as annual growth dropped to 1.4% from 4.5% in Q4/2024. The central bank is expected to respond to this rapid loss of momentum with frontloaded rate cuts. But with lower oil prices and stubbornly high inflation, the government and central bank have limited room to manoeuvre, meaning that growth is likely to remain feeble at 0.8% this year.

Economic growth in selected emerging markets, GDP real



Source: Oxford Economics

Appendix 1

GLOSSARY OF COMMONLY USED TERMS AND ABBREVIATIONS

AIRLINE INDUSTRY INDICATORS

ASK – Available Seat Kilometres. Indicator of airline supply, available seats * kilometres flown.

RPK – Revenue Passenger Kilometres. Indicator of airline demand, paying passenger * kilometres flown.

PLF – Passenger Load Factor. Indicator of airline capacity. Equal to revenue passenger kilometres (RPK) / available seat kilometres (ASK).

Xmth mav – X month moving average.

HOTEL INDUSTRY INDICATORS

ADR – Average Daily Rate. Indicator of hotel room pricing, equal to hotel room revenue / rooms sold in a given period.

OCC – Occupancy Rate. Indicator of hotel performance, equal to the number of hotel rooms sold / room supply.

RevPAR – Revenue per Available Room. Indicator of hotel performance, equal to hotel room revenue / rooms available in a given period.

CENTRAL BANKS

BoE – Bank of England.

MPC – Monetary Policy Committee of BoE.

BoJ – Bank of Japan.

ECB – European Central Bank.

Fed – Federal Reserve (US).

RBI – Reserve Bank of India.

OBR – Office for Budget Responsibility.

PBoC – People's Bank of China.

ECONOMIC INDICATORS AND TERMS

BP – Basis Point. A unit equal to one-hundredth of a percentage point.

Broad money – Key indicator of money supply and liquidity including currency holdings as well as bank deposits that can easily be converted to cash.

CPI – Consumer Price Index. Measure of price inflation for consumer goods.

FDI – Foreign Direct Investment. Investment from one country into another, usually by companies rather than governments.

GDP – Gross Domestic Product. The value of goods and services produced in a given economy.

LCU – Local Currency Unit. The national unit of currency of a given country, e.g., pound, euro, etc.

PMI – Purchasing Managers' Index. Indicator of producers' sentiment and the direction of the economy.

PPI – Purchase Price Index. Measure of inflation of input prices to producers of goods and services.

PPP – Purchasing Power Parity. An implicit exchange rate which equalises the price of identical goods and services in different countries, so they can be expressed with a common price.

QE – Quantitative Easing. Expansionary monetary policy pursued by central banks involving asset purchases to reduce bond yields and increase liquidity in capital markets.

G7 – Group of seven industrialised countries comprising the United States, the United Kingdom, France, Germany, Italy, Canada, and Japan.

Appendix 2

TRAVELSAT© Sentiment Index & Sentiment Analysis Technology

E-Reputation data is sourced from the TRAVELSAT© Sentiment Index, an advanced social listening-based technique applied to travel and destinations developed by MMGY TCI Research. A proprietary script allows web-crawling posts and social content shared that can influence destination reputation, in direct relation to tourism or from other non-tourism external factors that impact attractiveness for potential visitors (politics, safety, social events, societal, economic context, business, geopolitics...).

The “sentiment” reflects the state of travel brands’ online reputation. These are seen through online social conversations at a global level. They are shared by differing media, consumers, companies, citizens, brands and officials on websites, forums, blogs & social networks. While sentiment is not predictive of travellers’ planning, a positive e-reputation is essential to generate favourability towards destinations and travel brands, particularly when choosing a destination.

Data are reported as Net Sentiment Scores measuring the balance of sentiment polarity in online social conversations concerning the topic and destinations monitored: % of positive comments - % of negative comments. In this sense, scores range from -100 to +100, where 0 is the middle point balancing an equal number of positive and negative mentions.

The sections on Value for Money and Sustainable Travel are measured through sentiment scores stemming from written reviews from 45 sources (TripAdvisor, Google Reviews, Booking...). In order to calculate the scores MMGY TCI Research uses advanced Sentiment Analysis Technology to detect the positive and negative sentiment towards specific concepts or topics in written reviews. In order to form the concepts, often referred to as “dimensions”, keywords or lexicons are detected in the text. The context in which these are used in a review and the polarity of other words in the review are also used in determining the full polarity of the review (Positive, Neutral, or Negative).

Sentiment scores range from 0 to 10, with the lowest score being 0 and the highest being 10. When it comes to sentiment analysis, the score can be seen as the polarity of written reviews that a destination or point of interest has received. In this sense, a score over 5 means that the consolidated polarity of all reviews is more positive than it is negative, with the opposite being the case for scores below 5. A score of 5 will mean an equal proportion of positive and negative polarity.

Appendix 3

ETC member organisations

Austria – Austrian National Tourist Office (ANTO)
Belgium - Flanders – Visit Flanders, Wallonia – Wallonie-Belgique Tourisme
Bulgaria – Bulgarian Ministry of Tourism
Croatia – Croatian National Tourist Board (CNTB)
Cyprus – Deputy Ministry of Tourism, Republic of Cyprus
Czechia – CzechTourism
Denmark – VisitDenmark
Estonia – Estonian Tourist Board – Enterprise Estonia
Finland – Business Finland Oy, Visit Finland
France – Atout France
Germany – German National Tourist Board (GNTB)
Greece – Greek National Tourism Organisation (GNTTO)
Hungary – Hungarian Tourism Agency Ltd.
Iceland – Icelandic Tourist Board
Ireland – Fáilte Ireland and Tourism Ireland Ltd.
Italy – Agenzia Nazionale del Turismo (ENIT)
Latvia – Investment and Development Agency of Latvia (LIAA)
Lithuania – Ministry of the Economy and Innovation, Tourism Policy Division
Luxembourg – Luxembourg for Tourism (LFT)
Malta – Malta Tourism Authority (MTA)
Monaco – Monaco Government Tourist and Convention Office
Montenegro – National Tourism Organisation of Montenegro
Netherlands – NBTC Holland Marketing
Norway – Innovation Norway
Poland – Polish Tourism Organisation (PTO)
Portugal – Turismo de Portugal, I.P.
Romania – Romanian Ministry of Economy, Entrepreneurship and Tourism
San Marino – State Office for Tourism
Serbia – National Tourism Organisation of Serbia (NTOS)
Slovakia – Slovakia Travel
Slovenia – Slovenian Tourist Board
Spain – Turespaña – Instituto de Turismo de España
Switzerland – Switzerland Tourism
Türkiye - Türkiye Tourism Promotion and Development Agency
Ukraine – State Agency for Tourism Development of Ukraine (SATD)