European Tourism: Trends & Prospects

Quarterly Report Q1/2025

EUROPEAN TRAVEL COMMISSION

European Tourism:

Trends & Prospects

Quarterly Report (Q1/2025)

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the European Travel Commission
by Tourism Economics

Brussels, May 2025

ETC Market Intelligence Report

European Tourism: Trends & Prospects (Q1/2025)

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Email: *info@visiteurope.com*

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Cover: Château en hiver. Château romantique de conte de fées dans le pittoresque paysage montagneux, couvert de neige. Château avec église blanche, hautes tours, toits rouges, murs en pierre. Château de Bouzov, République Tchèque.
Image ID: 1906569820

Foreword

2024 marked a milestone for European tourism, as international tourist arrivals officially achieved pre-COVID levels. While a few destinations are still catching up, their strong year-on-year growth signals ongoing recovery. The start of 2025 has also maintained momentum, with most reporting destinations recording solid growth, often from a lower base, and reflecting the sector's resilience amid persistent challenges.

Ongoing geopolitical conflicts, economic uncertainty, financial pressures, overcrowding and extreme weather events will continue to shape the tourism landscape in 2025. Furthermore, the US-led trade war is raising economic uncertainty and concerns across the global travel industry, with tariffs and geopolitical frictions threatening to impact global travel demand and disrupt businesses worldwide.

In this context, price increases are driving more budget consciousness among travellers, boosting demand for value-for-money, short-haul travel and domestic getaways. Recent data has also shown increased preferences for destinations with cooler climates, as travellers seek some relief from rising temperatures. Winter ski destinations and those offering Northern Lights travel have seen increased arrivals early this year. Encouragingly, this trend has not come at the expense of Southern & Mediterranean destinations, many of which performed well by diversifying their tourism offerings, boosting off-season travel and increasing air connectivity and capacity.

As we look to the year ahead, the European tourism industry must remain flexible to navigate an increasingly complex and uncertain global environment. To stay resilient, it will be critical to concentrate efforts in diversifying source markets and tourism products, investing in sustainable and climate-resilient infrastructure and embracing digital readiness to meet the consumer's evolving needs. Supporting the tourism workforce, promoting off-season and off-the-beaten track travel and strengthening coordination with governments and tourism stakeholders will also be essential to manage emerging disruptions and maintain the tourism sector's resilience.

Jennifer Iduh

Head of Research & Insights

European Travel Commission (ETC)

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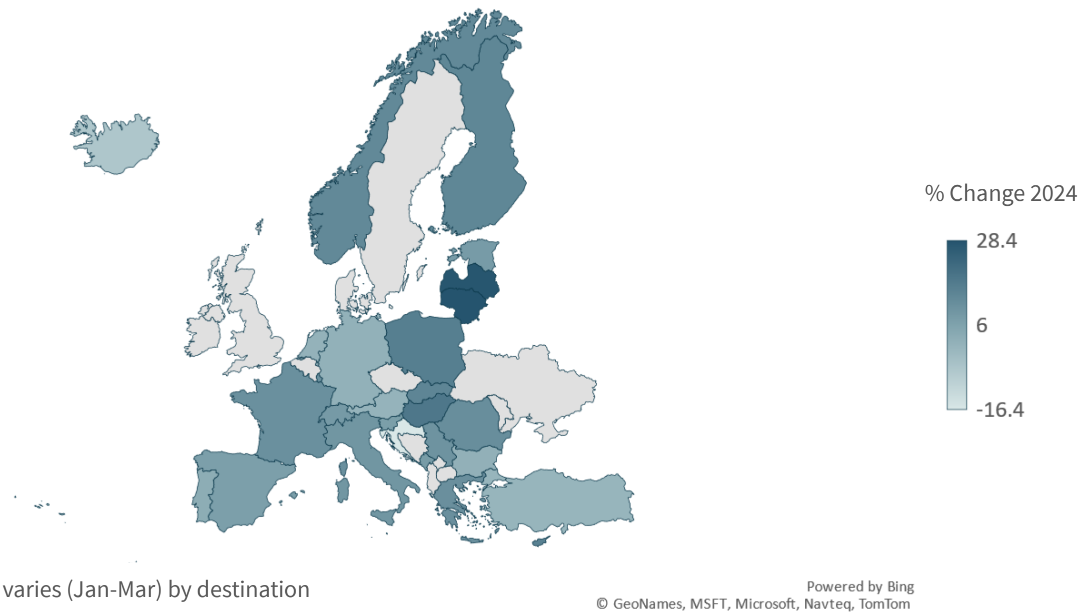
Executive summary

European tourism sees strong ending in 2024 while growth uncertainties climb to new highs in 2025.

European tourism demand ended 2024 on a strong footing, with international tourist arrivals increasing by 6.2% on last year and most destinations reporting substantial increases. European tourism officially exceeded pre-COVID levels (+6.2%) in 2024, although 11 out of 31 reporting destinations remain below 2019 levels. These include destinations such as Latvia, Romania and Estonia, which also feature among the fastest-growing countries based on year-on-year performance.

Consumer preference continues to lean towards value-for-money and destinations with milder temperatures. The latter, however, did not hamper demand for some traditionally hot Southern & Mediterranean destinations including Malta, Serbia, Spain and Greece, which outperformed the regional average in terms of arrivals. ETC's recent research among Europeans indicates that inflation, economic concerns and geopolitical tensions remain the top travel concerns followed by overcrowding and extreme weather[1]. Intensifying downside risks dominate Europe's tourism outlook in 2025 amid global trade disputes that could lead to tighter financial conditions, economic pressures and ongoing geopolitical conflicts.

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



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

Momentum has continued into early 2025, with arrivals up 4.9% across all reporting destinations. Growth rates, however, should be interpreted with caution due to early year volatility, although data is expected to normalise as the year progresses. About 90% of reporting destinations have seen year-on-year growth in arrivals, particularly winter ski destinations and those offering Northern Lights travel. Non-traditional winter getaways like Cyprus (+15%) and Malta (+13%) succeeded in diversifying their tourism offer, attracting visitors outside peak seasons. In the case of Malta, growth is also due to increased air connectivity and capacity.

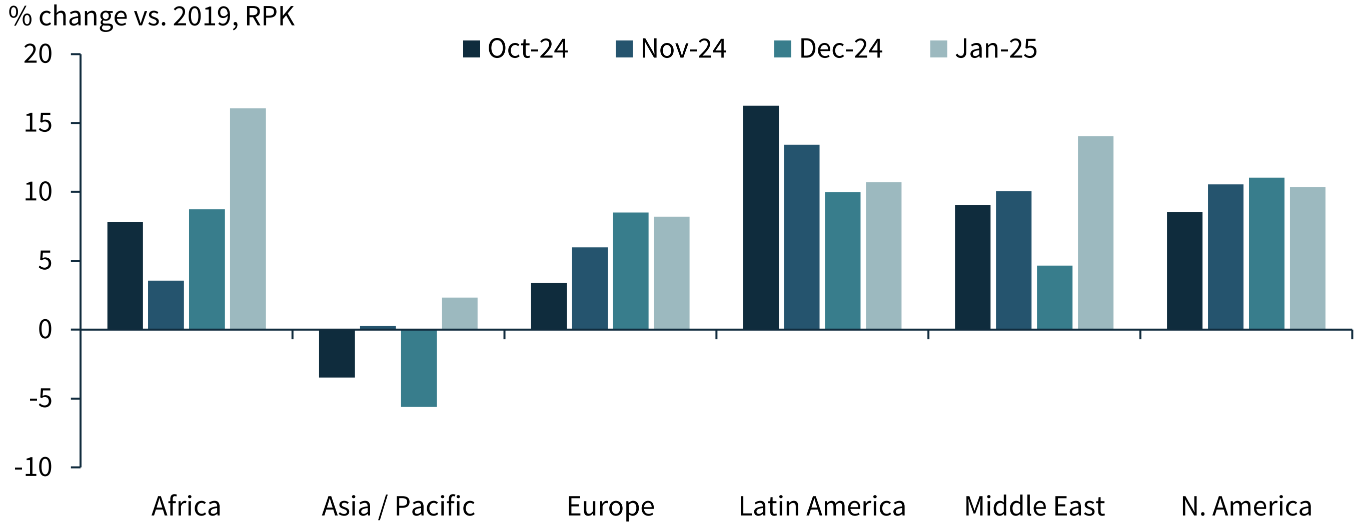
European air travel demand remains above pre-pandemic levels

European air passenger demand remains strong at the end of 2024 and into early 2025, relative to the same months of 2019. While growth in January eased slightly, revenue passenger kilometres (RPK) were still up 8.2% compared to

[1] Monitoring Sentiment for Intra-European Travel Spring/Summer 2025

January 2019 and 8.6% compared to January 2024. European air passenger demand has been growing at a slower pace compared to most global regions, except Asia/Pacific. In Asia/Pacific, demand has fluctuated in recent months on 2019, with lower demand in October and December, but higher in November and January. January's growth was remarkable, likely driven by the Chinese New Year at the month's end.

International monthly air passenger growth (% change)

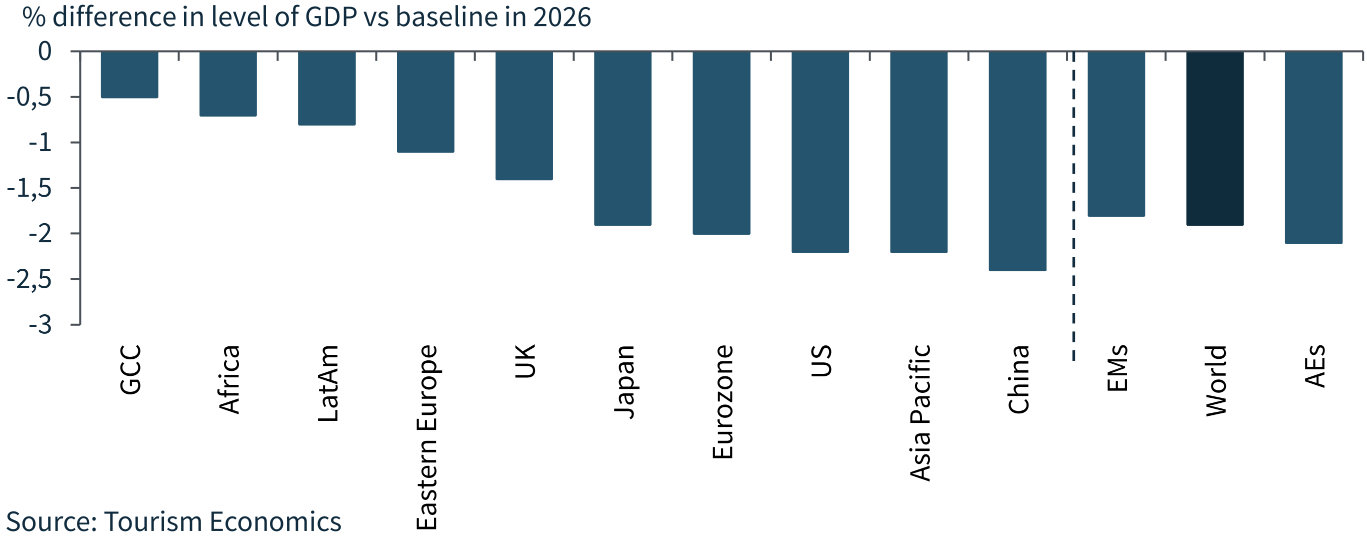


Source: IATA

Storm clouds ahead: navigating an uncertain global outlook amid US trade policy

Since February 2025, the US has introduced several waves of tariffs against trading partners. Trade tensions have increased global economic uncertainty which will lead to a significant slowdown in global growth and undermine travel demand growth. According to the IMF, risks of a US recession have now raised as tariffs disrupt supply chains, boost inflation and put pressure on consumers. The IMF's World Economic Outlook, April 2025, reports that US economic growth is expected to decline to 1.8% in 2025. This represents a 1% reduction from the rate for 2024 and 0.9% from the forecast rate in the January 2025 WEO Update. Tariffs are also expected to weigh on US growth in 2026, which is projected at 1.7%. The downward revision in the US mirrors increased policy uncertainty, trade tensions and weaker consumption growth. In the euro area, growth is expected to decline slightly to 0.8% in 2025 and pick up modestly to 1.2% in 2026 due to rising uncertainty and tariffs.[2]

Global GDP impacts under a heightened tensions scenario



Source: Tourism Economics

[2] https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025

The trade conflict is expected to have the greatest impact on the US and China with negative effects on travel. These effects could be translated into weaker economic growth, reduced household incomes limiting travel affordability, weaker travel sentiment due to uncertainty and perceived instability and potential travel bans along with increased restrictions. Nevertheless, some offsetting might also be apparent including substitution of travel to the US (particularly from China) and potentially a boost in short-haul travel within Europe, with more tourists opting to remain within the region.

Despite headwinds, outbound travel from both China and the US will remain key drivers of international tourism. US travel to Europe continues to perform strongly with over 80% of reporting destinations experiencing year-on-year growth in Q1 2025. Norway recorded the sharpest increase in overnights, driven by demand for winter experiences including the Northern Lights. Mediterranean destinations such as Malta (+35%) and Cyprus (+27%) also outperformed in arrivals, albeit on a small base. Türkiye (+20%) also reported robust growth in US arrivals year-on-year. This growth is expected to continue helped by expanded transatlantic capacity from Turkish Airlines, particularly over the summer.

"European destinations will continue to implement strategic efforts to maintain their appeal to American travellers. We firmly believe that as long as travellers have the means and time, Europe will remain a top destination, offering a rich tapestry of experiences that attract Americans year after year", 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 2024

Summary

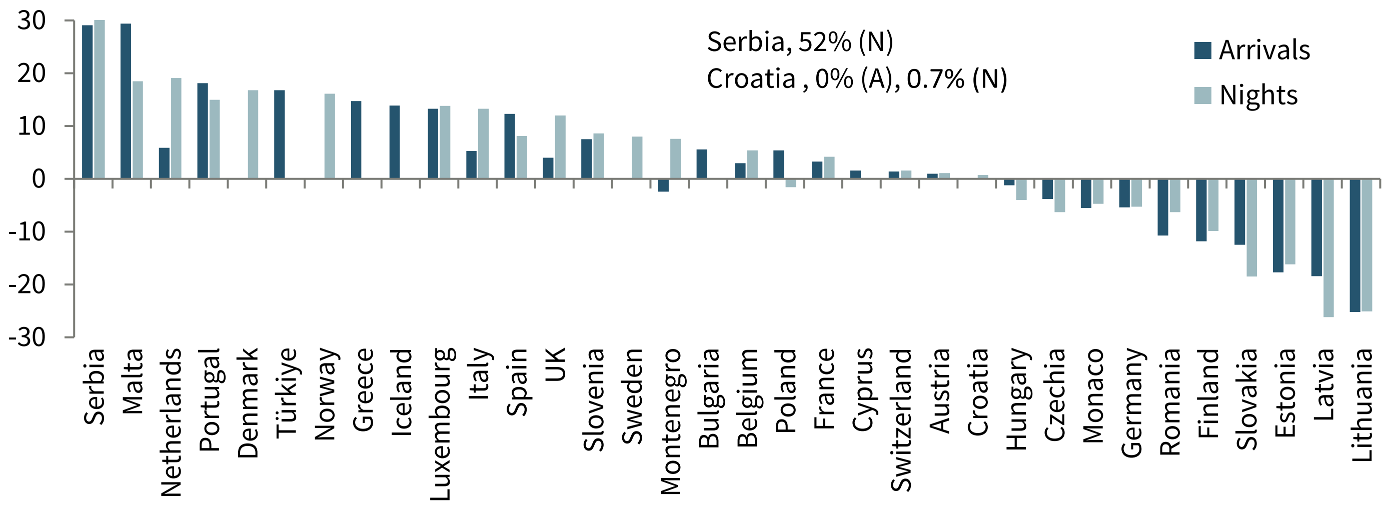
- International travel to Europe officially exceeded pre-pandemic levels in 2024. Arrivals and nights were up 6.2% and 6.4% respectively on 2019, based on the latest data from reporting destinations on the TourMIS platform.
- Length of stay remains elevated as growth in nights continued to outpace arrivals at a regional level and among many destinations, although this moderated a little in 2024.
- As well as an implied change in the average length of stay relative to 2019, some destinations such as Spain have shown signs of extending their peak summer season, with a higher share of arrivals during both May and October.
- The UK and Germany were common source markets driving the strength in Southern and Mediterranean Europe for a number of destinations, including Spain and Portugal. But smaller tourism hotspots such as Serbia and Montenegro have been increasingly popular with long-haul source markets from the Asia/Pacific region.
- Among the destinations which did not achieve a full recovery in 2024, there were still signs of progress with rapid year-on-year improvement across both arrivals and nights. This is visible in Latvia, Lithuania, Estonia, Slovakia and Germany where momentum continues to build, moving into 2025.

The European travel industry ended 2024 on a solid footing, with international arrivals ending the year at 6.2% above 2019 and nights 6.4% above, based on data from reporting destinations on the TourMIS platform. The outturn for arrivals is largely consistent with last quarter, but the recovery in nights ended the year stronger than expected, up from 5.9%. Overall, this confirms the recovery that has been apparent in the data over the last few quarters.

This also reflects an annual rise in both visitors and nights into Europe for the majority of destinations. At a regional level, arrivals were up 6.2% and nights 5.2% on last year, marking a slight moderation in arrivals growth but an acceleration in nights compared to the previous report. This is a modest decline in length of stay, but the overall trend is still for longer stays since the pandemic.

Foreign visits and overnights to select destinations (% relative to 2019)

2024 year-to-date*, % change relative to 2019 levels



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

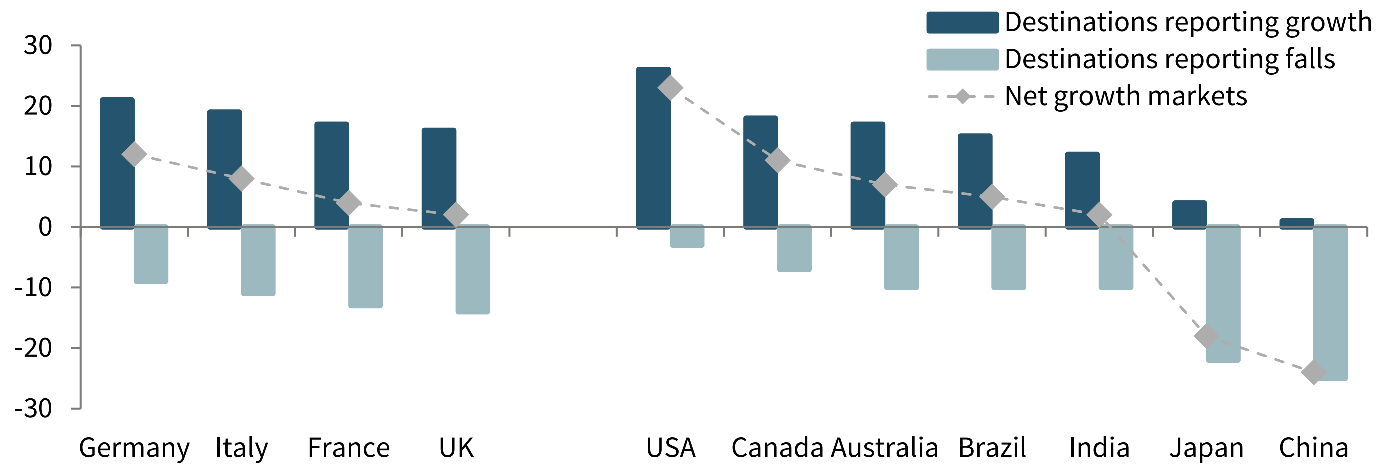
However, this implied increase in the average length of stay is not universally the case across all destinations in the region. On one side, arrivals to Malta, Poland, Slovakia and Latvia recovered at a faster pace than nights.

Destinations in Southern and Mediterranean Europe continued to report some of the highest volume of visitors and nights compared to 2019. Tourists from the UK and Germany were key contributors to growth among some of these destinations, including Portugal, Türkiye, Spain and Malta. Among these, Spain was one of the most successful in extending its summer season, with the share of arrivals in May and October higher than pre-pandemic levels.

The region also experienced significantly strong growth from smaller long-haul source markets including China and India. However, Serbia remained the only European destination to welcome more Chinese tourists than prior to the pandemic. Montenegro has seen a large rise from India, benefiting from its appeal as a wedding destination, and from other markets further afield as it continues to increase the number of cruise ships passing through its ports. Nevertheless, across the board, and not just within Southern and Mediterranean Europe, the US remained the most valuable long-haul source market to Europe, with 90% of destinations reporting growth from this market.

Key source market demand for European destinations, 2024

Number of destinations reporting growth in arrivals or night by origin, relative to 2019

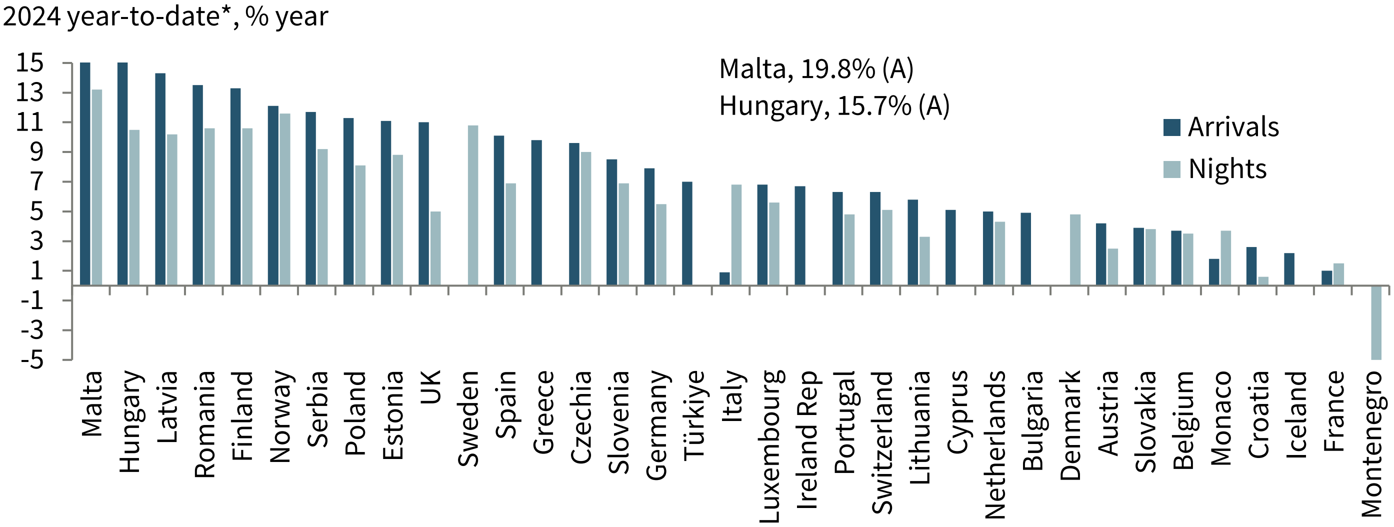


Source: TourMIS, Tourism Economics

Poland was one of the leading destinations within Central and Eastern Europe last year and saw arrivals pick up in the final quarter of 2024, relative to 2019, especially during October and December. This rise was driven by stronger growth across a number of significant source markets, including the UK, Italy and Germany. Growing demand has been supported by marketing efforts as well as the appeal of a milder climate and an offer of both coastal and city attractions. Despite nights having yet to recover, momentum has improved considerably over recent months.

Although there are still a number of destinations that have yet to see visits or nights exceed pre-pandemic levels, including Germany, Lithuania, Latvia, Estonia and Slovakia, the recovery has been ongoing. They have all reported a positive year-on-year improvement on 2023 across both metrics. In all of these cases, arrivals ended the year closer to a full recovery than nights, implying a drop in length of stay. Among Central and Eastern European destinations, the ongoing geopolitical conflict is possibly a contributing factor to these shorter stays. While in Germany, demand among leisure travellers, who typically stay longer than those who visit for business, has remained subdued, as more visitors have looked towards sun, sea and sand destinations, taking advantage of package deals.

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



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

Looking at more recent performance, arrivals and nights across most reporting destinations in 2024 posted sizeable improvements on the previous year, and all destinations reported growth for the year. Several Central and Eastern European countries, including Latvia, Romania and Estonia, feature among the fastest growing destinations as they were still recovering to pre-pandemic levels and regaining market share.

Elsewhere, demand for Nordic destinations such as Finland and Norway picked up ahead of many others in the region, perhaps benefiting from tourists seeking more moderate temperatures and natural beauty. But the 'cool-cations' trend has not been to the detriment of destinations in Southern and Mediterranean Europe that typically experience the highest temperatures. Malta, Serbia, Spain and Greece experienced growth ahead of the European average last year across all available metrics.

For the most part, growth in arrivals exceeded nights across the region and most notably in the UK with arrivals rising 11.0% on the year and nights rising by a smaller 5.0%. This is in contrast to Italy which experienced the opposite with nights (6.8%) growing significantly faster than arrivals (0.9%). Any moderation in length of stay does not unwind previous gains and, on average across the region, trips are still of longer duration than the pre-pandemic period.

Summary performance 2024, year to date % change relative to 2019 and 2023

	International Arrivals			International Nights		
Country	% YTD vs. 2019	% YTD vs. 2023	to month	% YTD vs. 2019	% YTD vs. 2023	to month
Austria	1.0%	4.2%	Jan-Dec	1.1%	2.5%	Jan-Dec
Belgium	3.0%	3.7%	Jan-Dec	5.4%	3.5%	Jan-Dec
Bulgaria	5.6%	4.9%	Jan-Dec			
Croatia	0.0%	2.6%	Jan-Dec	0.7%	0.6%	Jan-Dec
Cyprus	1.6%	5.1%	Jan-Dec			
Czechia	-3.8%	9.6%	Jan-Dec	-6.3%	9.0%	Jan-Dec
Denmark				16.8%	4.8%	Jan-Dec
Estonia	-17.7%	11.1%	Jan-Dec	-16.2%	8.8%	Jan-Dec
Finland	-11.8%	13.3%	Jan-Dec	-9.9%	10.6%	Jan-Dec
France	3.3%	1.0%	Jan-Dec	4.2%	1.5%	Jan-Dec
Germany	-5.4%	7.9%	Jan-Dec	-5.3%	5.5%	Jan-Dec
Greece	14.7%	9.8%	Jan-Dec			
Hungary	-1.2%	15.7%	Jan-Dec	-4.0%	10.5%	Jan-Dec
Iceland	13.9%	2.2%	Jan-Dec			
Irish Rep.		6.7%	Jan-Dec			
Italy	5.3%	0.9%	Jan-Dec	13.3%	6.8%	Jan-Dec
Latvia	-18.4%	14.3%	Jan-Dec	-26.2%	10.2%	Jan-Dec
Lithuania	-25.2%	5.8%	Jan-Dec	-25.1%	3.3%	Jan-Dec
Luxembourg	13.3%	6.8%	Jan-Dec	13.8%	5.6%	Jan-Dec
Malta	29.4%	19.8%	Jan-Dec	18.5%	13.2%	Jan-Dec
Monaco	-5.5%	1.8%	Jan-Dec	-4.7%	3.7%	Jan-Dec
Montenegro	-2.4%	0.0%	Jan-Dec	7.6%	-5.0%	Jan-Dec
Netherlands	5.9%	5.0%	Jan-Dec	19.1%	4.3%	Jan-Dec
Norway		12.1%	Jan-Dec	16.1%	11.6%	Jan-Dec
Poland	5.4%	11.3%	Jan-Dec	-1.6%	8.1%	Jan-Dec
Portugal	18.1%	6.3%	Jan-Dec	15.0%	4.8%	Jan-Dec
Romania	-10.7%	13.5%	Jan-Dec	-6.3%	10.6%	Jan-Dec
Serbia	29.1%	11.7%	Jan-Dec	52.0%	9.2%	Jan-Dec
Slovakia	-12.5%	3.9%	Jan-Dec	-18.5%	3.8%	Jan-Dec
Slovenia	7.5%	8.5%	Jan-Dec	8.6%	6.9%	Jan-Dec
Spain	12.3%	10.1%	Jan-Dec	8.1%	6.9%	Jan-Dec
Sweden				8.0%	10.8%	Jan-Dec
Switzerland	1.4%	6.3%	Jan-Dec	1.6%	5.1%	Jan-Dec
Türkiye	16.8%	7.0%	Jan-Dec			
UK	4.0%	11.0%	Jan-Jun	12.0%	5.0%	Jan-Jun

Source: TourMIS (http://www.tourmis.info) and VisitBritain

(f) denotes forecast provided by member

Measures used for nights and arrivals vary by country. Available data as of 10.04.2025

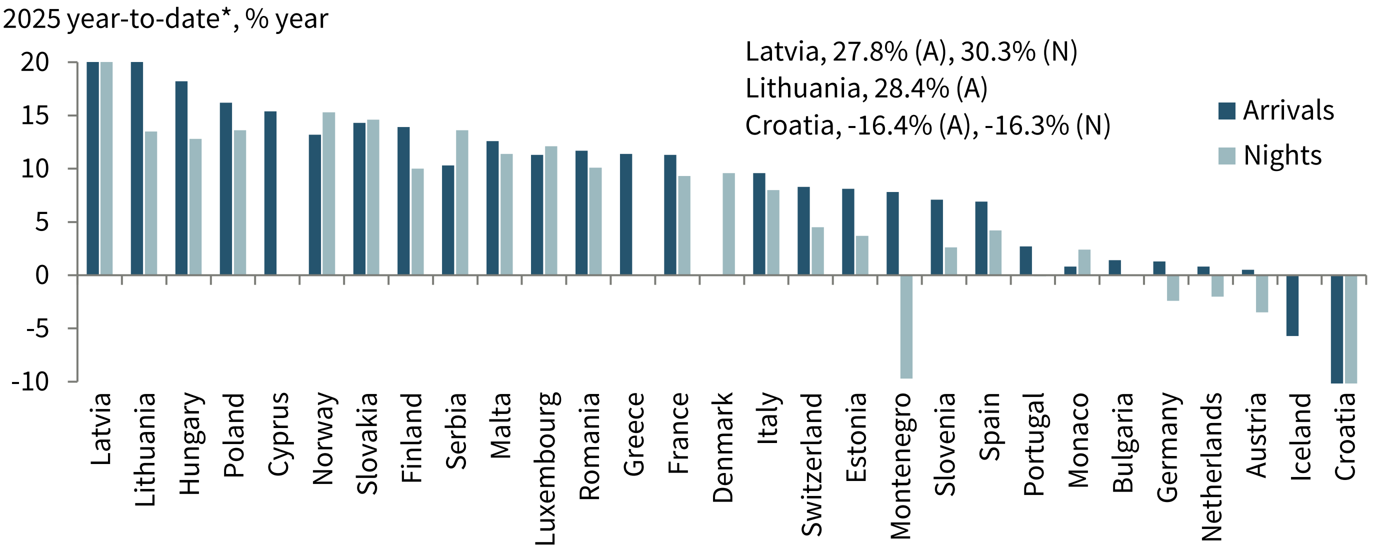
2. Tourism performance summary 2025

Summary

- Travel demand has maintained some of the momentum of last year, based on the latest data from the TourMIS platform. Initial data for the first quarter of this year indicates a strong rise in both international arrivals and nights into Europe, with visitor numbers up 4.9% and nights up 2.2% compared with last year.
- Unsurprisingly, many destinations with a strong winter tourism offering performed well at the start of this year, including Norway and Slovakia where early-year demand pushed both arrivals and nights considerably ahead of 2024 levels.
- Bulgaria and Romania's accession to being full Schengen area members at the start of 2025 is providing some boost to cross-border travel with neighbouring countries, though many air travel gains have already been realised.
- Non-traditional winter getaways, such as Cyprus and Malta, reported record levels of activity at the start of this year. Possible reasons for this include more tourists trying to avoid more overcrowded months. But travel volumes are still relatively low compared to the summer months when demand typically peaks.
- Strong arrivals from the UK to a number of destinations in Europe have been supported by a continued favourable GBP/Euro exchange rate.
- Value for money remains a key consideration for tourists going into this year. For many destinations, Q1 is not classed as peak-season but prices for tourism-related goods and services are already higher than they were in 2024. With heightened uncertainty, and potentially higher prices coming in as a result of the US tariffs, tourists may further prioritise affordability.

International travel to Europe had an upbeat start to the year, with arrivals exceeding 2024 levels by 4.9% and nights by 2.2%, based on data from reporting destinations on the TourMIS platform for Q1 (dates vary between destinations). This represents a 14.9% rise in visitors and 10.2% growth in nights on 2019 levels. Growth tends to be more volatile in Q1 due to lower volumes in most destinations and do not represent full-year growth, but this is still broadly consistent with expectations of continued growth of around 5% into the medium term.

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



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

Travel demand continued to build on the recovery experienced last year. 27 out of 29 reporting destinations registered an increase in at least one metric when compared to the same months in 2024. Iceland and Croatia were the only two exceptions, with some very different dynamics, but both are apparently seeing some subdued demand due to higher costs. Only six destinations are still yet to recover pre-pandemic levels of visits and nights in the first quarter of 2025. However, it is worth noting that the sample of destinations with data is slightly smaller than the outturn for last year. For some destinations, the early-year improvement may soften as demand for more coastal rather than winter destinations rise.

Italy has been found to be one of the best value-for-money ski destinations during the 2024/25 winter season in the latest Post Office Travel Money Ski Resort Report. This could be a contributing factor to arrivals and nights growth so far this year relative to other winter skiing destinations, including Austria and Switzerland. However, it is lagging the growth to France for this year to date. Among the Nordics, competitive prices for ski passes and equipment hire in Norway is likely to have attracted some longer stays over the winter season, with nights now 15.3% above 2024 and more than a third higher than 2019 levels for the same months.

Both Latvia and Lithuania demonstrated markedly improved performances in the early months of the year – but this is in comparison with reduced levels of visitation in 2024. Riga, the capital of Latvia is emerging as a growing destination for tourists from Lithuania, Estonia, the UK and Germany. Its popularity could be rising following being announced as the second best European destination for 2025 by "European Best Destinations". This indicates a significant return in travel confidence in this sub-region where a slower recovery to 2019 levels has been evident so far. Both destinations have been affected by war in Ukraine. This dynamic is also evident in the improved performances of both Hungary and Poland. Elsewhere in Central and Eastern Europe, nights in Slovakia are up 14.6% on 2024, with visitor numbers also up 14.3%.

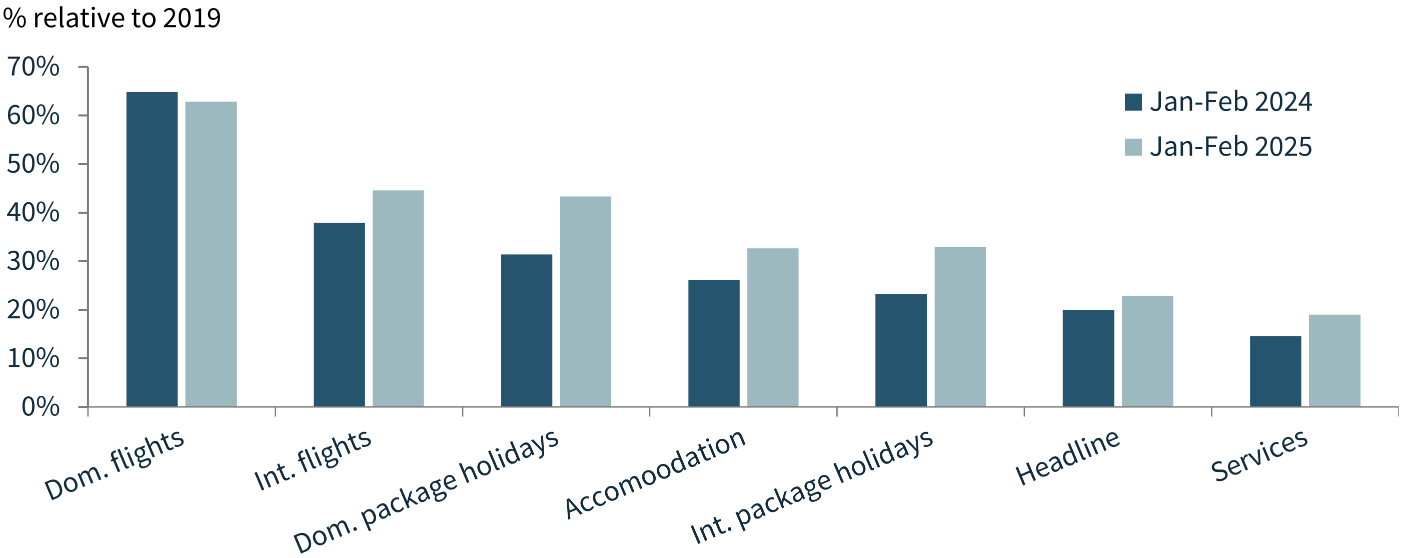
It has not just been winter destinations performing well in the early period of this year, as Cyprus recorded a 15.4% increase in arrivals during January and February compared to the same period last year. Malta has also performed strongly with arrivals up 12.6%. What Malta Tourism Authority have described as exceptional growth can be attributed to the benefits from increased investment in air connectivity and capacity, which included additional flights to both Ireland and Poland. This is consistent with the cool-cations trend as travellers are increasingly trying to avoid travel during the warmest months, while destinations are aiming to diversify tourism products to develop the industry during off-peak months.

Spain has continued to build on last year's momentum, with foreign arrivals exceeding 10 million in the first two months of the year. This is the equivalent of 673,000 more visitors than the same time in 2024 and 1.9 million more compared to 2019. Tourists from France and the UK have been key drivers of growth, possibly as they try to avoid periods of overcrowding. The strong start to the year is encouraging given the challenges that the travel sector has faced so far, including strikes by airline staff which led to 700 cancelled flights in January, and heavy rain storms causing flooding and evacuations in areas including Seville and the province of Malaga. There is a risk that adverse weather conditions may dampen tourism demand in affected areas, as recent data has shown a slight dip in arrivals to Valencia, which experienced extreme flooding towards the end of last year.

Value for money continues to play a role in destination choice and can partially explain some of the early variations in travel activity. Prices for tourism-related goods and services have remained significantly higher than prior to the pandemic and have increased significantly since the same months in 2024 for most categories. Domestic flights are cheaper, on average, than a year ago but remain well above pre-pandemic levels. Domestic and international package holiday costs have reportedly increased the most, up 12% and 10% respectively compared to last year. This rise is more than double the rise reported for the service sector as a whole (4%). For most, if not all destinations, January and February do not reflect the months with the highest prices, and with uncertainty rising with the arrival of US tariffs, tourists may continue to seek out better deals as the year progresses.

Croatia has experienced some higher-than-average price increases since adopting the euro as its currency in 2023, especially relative to some other Mediterranean destinations. This may partly explain the falls in arrivals and nights in early 2025, but this is a period with low activity and the volatility is not likely to be representative of full-year performance.

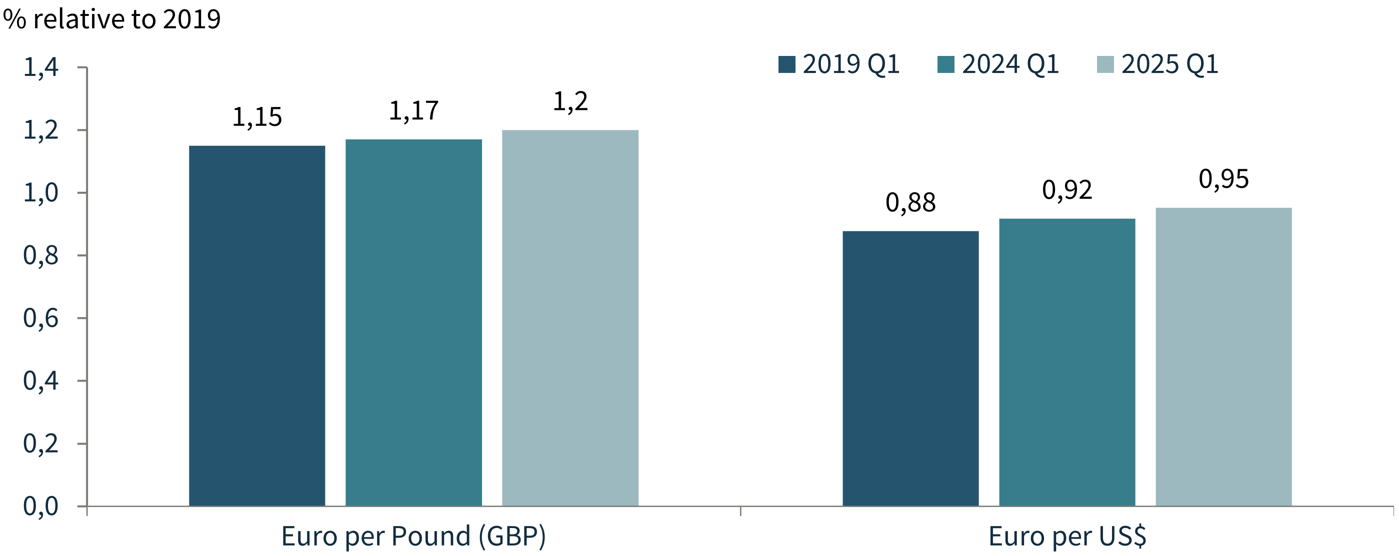
Euro area inflation, seasonally adjusted, HICP definition



Source: Haver Analytics (Int. = international, Dom. = domestic)

Growing demand from the UK has been a notable contribution to the stronger arrivals reported by many destinations so far this year and can be partly attributed to the more favourable exchange rate. The Sterling has continued to strengthen against the euro in Q1 2025 compared to both last year and prior to the pandemic, making many destinations more affordable to British tourists. This is mirrored by the euro/US$ exchange rate over the same period, which may support continued US travel demand. However, there has been increased volatility in this currency pairing towards the end of Q1 and into April following US trade policy announcements and adds to the uncertainty in the outlook.

US exchange rate against selected European currencies

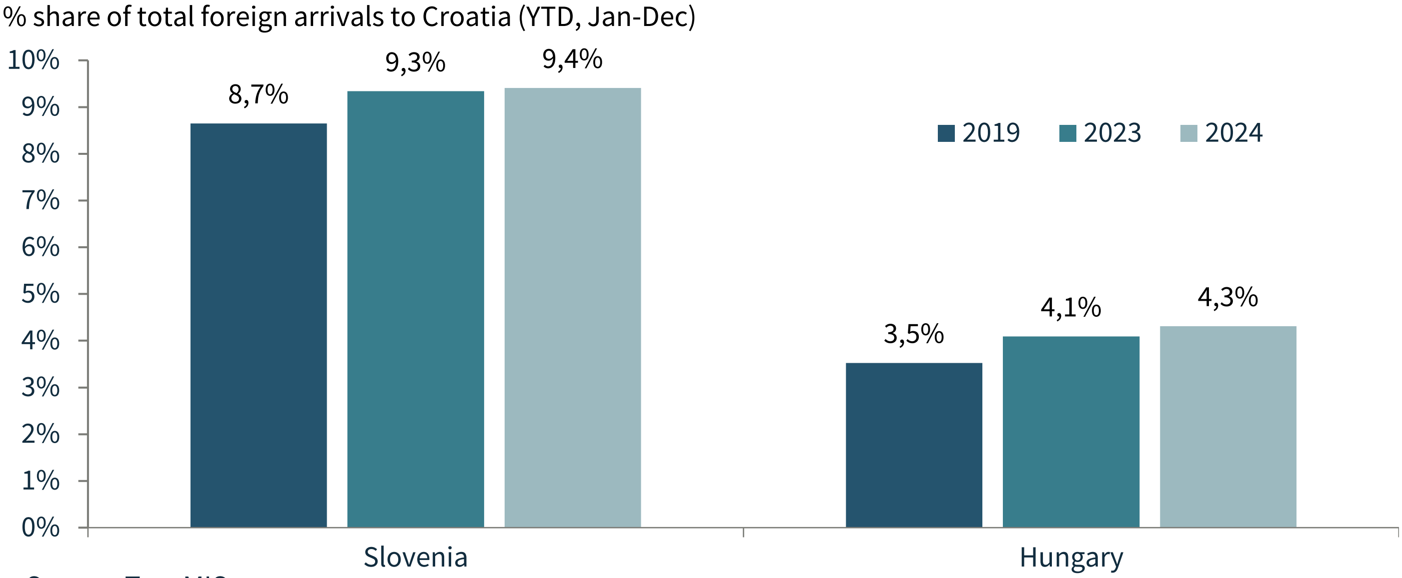


Source: Haver Analytics/Tourism Economics

Bulgaria and Romania became full members of the Schengen Area on January 1st 2025, which means the removal of land border checks for arrivals from other member countries, and this follows the removal of air and sea border controls from March 31st 2024. Full membership is seemingly already providing some uplift in arrivals from nearby source markets and should provide a boost throughout the year.

Croatia provides an example of the potential gains from full membership. Since it became a full member at the start of 2023, the share of arrivals from neighbouring countries, Slovenia and Hungary has risen. Among the newest members, Romania should see the greatest potential uplift in coming years as the share of arrivals by road are estimated to be larger for Romania (84.0%) than Bulgaria (64.2%) last year. But there is some upside for Bulgaria, as the share of arrivals to Europe attributed to Schengen-member bordering countries to Bulgaria (17.7%) was slightly higher than Romania (11.3%) in 2024.

International arrivals to Croatia from bordering Schengen member areas (% share)



Source: TourMIS

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

	International Arrivals			International Nights		
Country	% YTD vs. 2019	% YTD vs. 2024	to month	% YTD vs. 2019	YTD % vs. 2024	to month
Austria	4.0%	0.5%	Jan-Feb	0.8%	-3.5%	Jan-Feb
Bulgaria	40.7%	1.4%	Jan-Feb			
Croatia	-10.0%	-16.4%	Jan-Mar	8.6%	-16.3%	Jan-Mar
Cyprus	31.1%	15.4%	Jan-Feb			
Denmark				15.2%	9.6%	Jan-Jan
Estonia	-8.2%	8.1%	Jan-Feb	-11.8%	3.7%	Jan-Feb
Finland	4.3%	13.9%	Jan-Feb	5.9%	10.0%	Jan-Feb
France	12.9%	11.3%	Jan-Jan	16.8%	9.3%	Jan-Jan
Germany	-13.6%	1.3%	Jan-Jan	-14.5%	-2.4%	Jan-Jan
Greece	24.5%	11.4%	Jan-Jan			
Hungary	17.3%	18.2%	Jan-Jan	11.7%	12.8%	Jan-Jan
Iceland	-7.1%	-5.7%	Jan-Feb			
Italy	11.7%	9.6%	Jan-Jan	18.2%	8.0%	Jan-Jan
Latvia	-15.0%	27.8%	Jan-Jan	-23.1%	30.3%	Jan-Jan
Lithuania	5.2%	28.4%	Jan-Feb	-5.7%	13.5%	Jan-Feb
Luxembourg	-14.2%	11.3%	Jan-Jan	-13.7%	12.1%	Jan-Jan
Malta	52.0%	12.6%	Jan-Jan	23.7%	11.4%	Jan-Jan
Monaco	-11.0%	0.8%	Jan-Mar	-9.3%	2.4%	Jan-Mar
Montenegro	29.3%	7.8%	Jan-Feb	99.3%	-9.7%	Jan-Feb
Netherlands	2.8%	0.8%	Jan-Feb	18.2%	-2.0%	Jan-Feb
Norway		13.2%	Jan-Feb	36.2%	15.3%	Jan-Feb
Poland	21.8%	16.2%	Jan-Jan	10.9%	13.6%	Jan-Jan
Portugal	25.1%	2.7%	Jan-Feb	18.3%	-0.1%	Jan-Feb
Romania	-4.0%	11.7%	Jan-Jan	5.5%	10.1%	Jan-Jan
Serbia	62.1%	10.3%	Jan-Feb	94.8%	13.6%	Jan-Feb
Slovakia	12.1%	14.3%	Jan-Jan	3.7%	14.6%	Jan-Jan
Slovenia	10.0%	7.1%	Jan-Feb	2.2%	2.6%	Jan-Feb
Spain	22.0%	6.9%	Jan-Feb	15.8%	4.2%	Jan-Feb
Switzerland	8.9%	8.3%	Jan-Feb	5.9%	4.5%	Jan-Feb
Türkiye	35.3%	0.0%	Jan-Feb			

Sources: TourMIS (http://www.tourmis.info) and VisitBritain

(f) denotes forecast provided by member

Measures used for nights and arrivals vary by country. Available data as of 11.04.2025

3. 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	**102.6%**	**36.6%**	**14.3%**	**10.0%**	**8.5%**	**107.2%**	**37.7%**	**14.5%**	**9.8%**	**8.6%**
Americas	**89.2%**	**27.1%**	**8.0%**	**0.7%**	**6.2%**	**95.9%**	**32.6%**	**9.3%**	**2.6%**	**6.0%**
North America	78.2%	24.3%	8.4%	-2.5%	6.0%	84.3%	31.7%	9.7%	1.4%	5.5%
Caribbean	51.3%	17.8%	5.2%	6.3%	5.3%	94.1%	20.8%	7.0%	6.4%	7.2%
Central & South America	209.7%	43.5%	8.4%	6.3%	7.2%	171.9%	37.8%	8.1%	7.6%	8.0%
Europe	**92.0%**	**18.8%**	**10.4%**	**8.3%**	**6.0%**	**101.0%**	**19.6%**	**9.9%**	**8.0%**	**6.4%**
ETC+2	101.0%	18.1%	9.9%	7.1%	5.5%	107.1%	18.3%	9.6%	7.3%	5.8%
EU 27	106.8%	18.7%	9.6%	7.0%	5.2%	109.6%	18.5%	9.6%	7.2%	5.7%
Non-EU	45.2%	19.3%	14.0%	14.2%	9.2%	62.4%	25.7%	11.6%	12.7%	9.8%
Northern	203.8%	17.7%	11.1%	5.5%	4.2%	226.5%	19.3%	9.1%	6.6%	6.0%
Western	93.6%	22.0%	3.7%	5.9%	5.0%	83.2%	16.4%	8.0%	7.2%	5.6%
Southern/Mediterranean	90.0%	16.5%	10.7%	6.9%	5.2%	110.0%	21.9%	10.3%	7.4%	6.2%
Central/Eastern	41.2%	20.4%	23.6%	19.4%	10.7%	57.0%	25.5%	14.8%	10.6%	7.5%
- Central & Baltic	92.3%	17.5%	22.4%	10.6%	6.4%	79.0%	20.6%	16.5%	7.9%	5.3%
Asia & the Pacific	**233.9%**	**173.5%**	**33.0%**	**19.7%**	**14.2%**	**200.1%**	**177.6%**	**34.8%**	**20.2%**	**14.7%**
North East	55.1%	417.9%	47.0%	20.9%	13.3%	89.5%	372.0%	46.3%	23.8%	15.9%
South East	1216.5%	136.2%	24.9%	19.7%	16.1%	426.0%	105.9%	22.1%	16.9%	14.1%
South	99.6%	16.1%	11.2%	13.1%	12.5%	174.6%	48.9%	19.2%	12.5%	12.6%
Oceania	827.9%	93.1%	16.9%	17.6%	11.2%	787.3%	74.5%	13.3%	10.4%	7.6%
Africa	**89.3%**	**37.0%**	**15.3%**	**11.9%**	**7.8%**	**100.5%**	**42.8%**	**15.1%**	**13.8%**	**10.7%**
Middle East	**157.8%**	**38.1%**	**8.5%**	**11.5%**	**13.5%**	**126.9%**	**25.9%**	**9.1%**	**8.6%**	**9.4%**

* 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

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

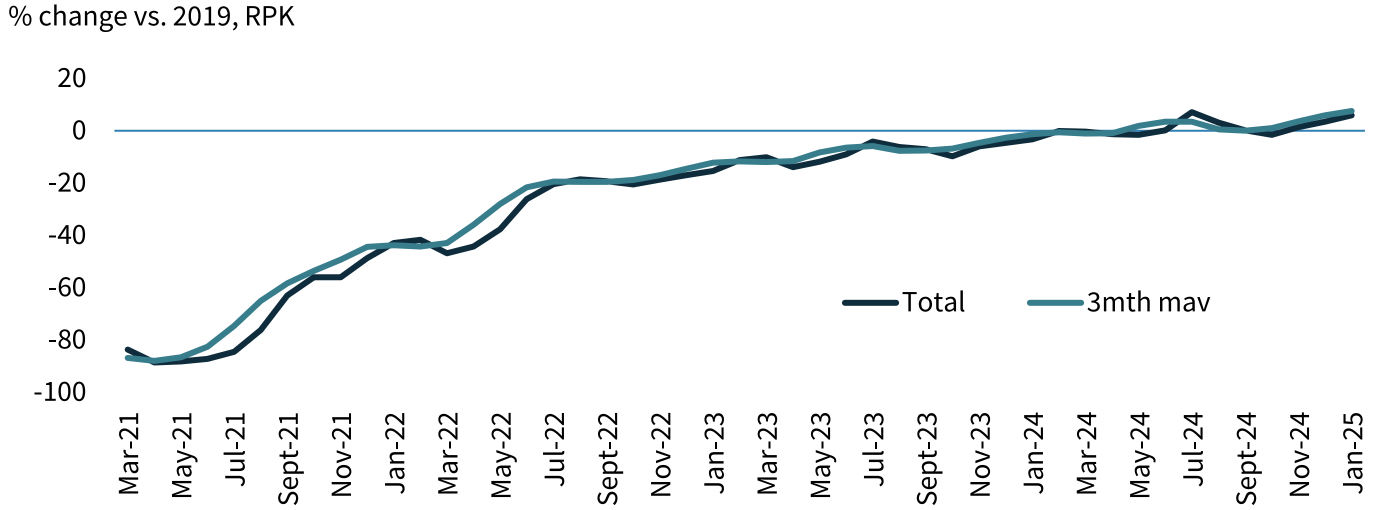
Source: Tourism Economics based on GTS as of 27.03.2025

4. Recent industry performance

3.1 Air transport

European air passenger demand grew robustly at the end of 2024 and into 2025, relative to the same months of 2019. While growth in January ticked downwards slightly, revenue passenger kilometres (RPK) were still 8.2% higher compared to January 2019 and 8.6% higher compared to January 2024. This performance followed strong growth in December when demand was 8.5% higher compared to December 2019 and 8.6% higher compared to December 2023.

International air passenger growth (%), Europe

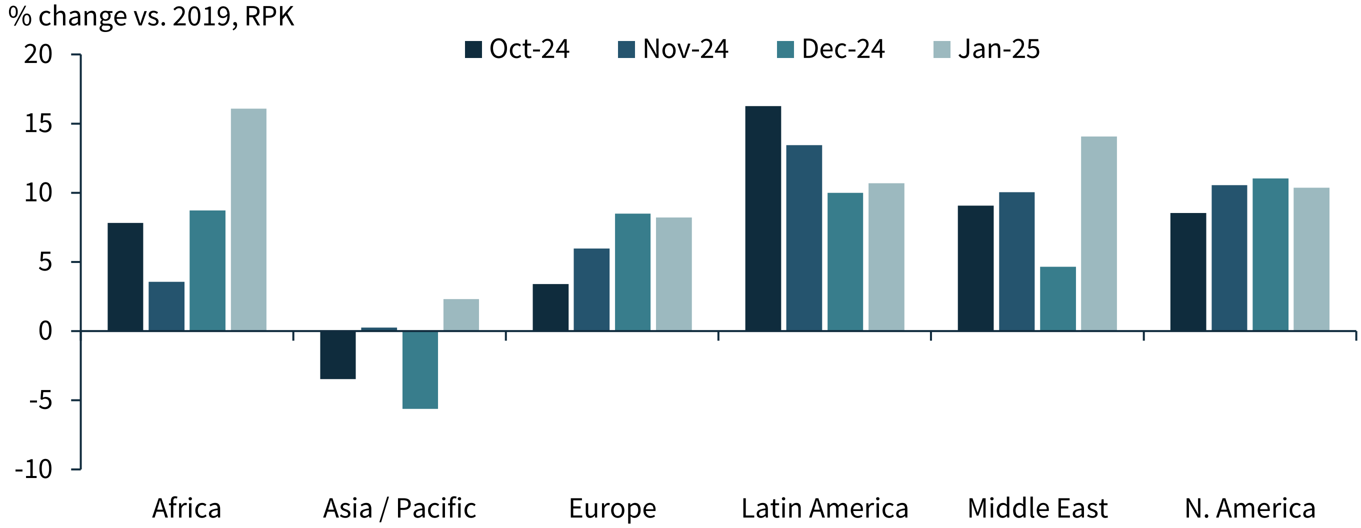


Source: IATA

Regional Air Passenger Outlook:

- In recent months, European air passenger demand has been growing at a slightly slower rate compared to other global regions with the exceptions of Asia/Pacific markets.
- Markets in Asia/Pacific have performed erratically in recent months compared to the same months in 2019: demand in October and December was lower, while demand in November and January was higher. Growth in January was the strongest of the four most recent months; some of this growth could be linked to the Chinese New Year which fell at the end of the month.
- The Chinese New Year typically leads to a surge in demand in the lead up to the holiday period, with many people travelling to spend time with family. There was also a strong uptick in demand growth in Africa and the Middle East in January. The Chinese New Year concluded, and Ramadan began in February this year, which is likely to have caused a further uptick in growth in demand in regions where these events are celebrated, but data are not fully available to view this yet.

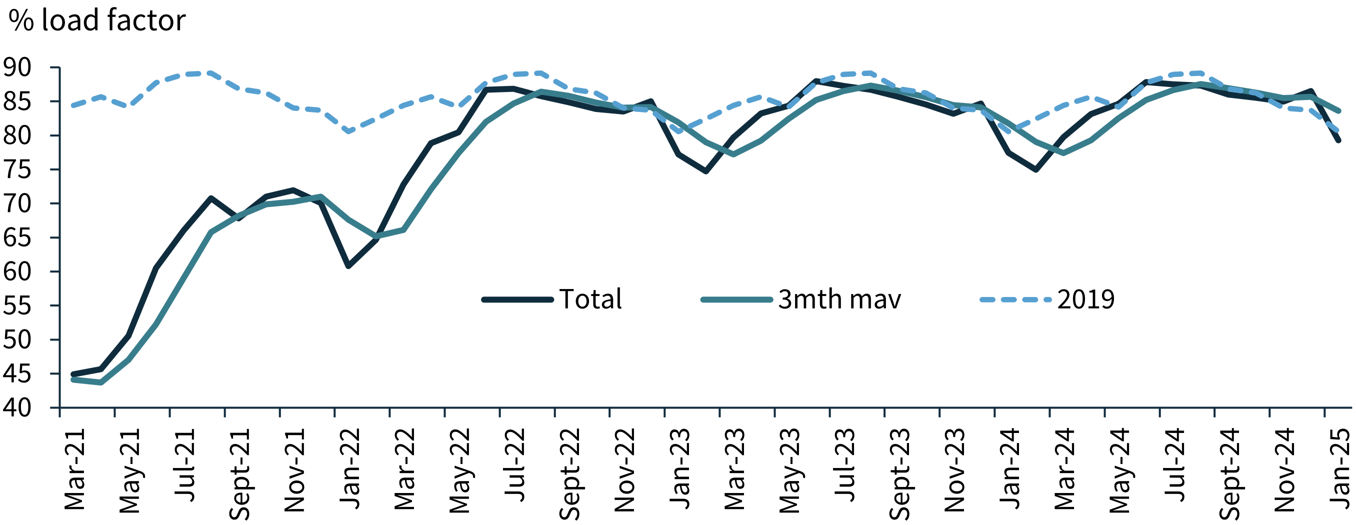
International monthly air passenger growth (% change)



Source: IATA

Between 2010-19, growth in European air passenger demand outpaced growth in air passenger capacity (4.3% vs. 4.0% on average per annum respectively). This dynamic meant that there was a sustained increase in passenger load factors. In recent months, European load factor has been trending above 2019 levels. In November and December, European load factors were 85% and 86.5% respectively – record high values. There was a slight downturn in January when load factors hit 79.3%, which is slightly below the 2019 level. This is due to some more rapid capacity growth during the month, but this appears to be an exception. Perpetual delays in new aircraft deliveries as well as the lack of workshop capacity to maintain, repair, or overhaul active aircraft have contributed to these high load factors, particularly since the pandemic. President Trump's on-again, off-again tariff policy is likely to further delay aircraft manufacture and delivery, which could exacerbate high load factors in the near term.

International passenger load factor, Europe



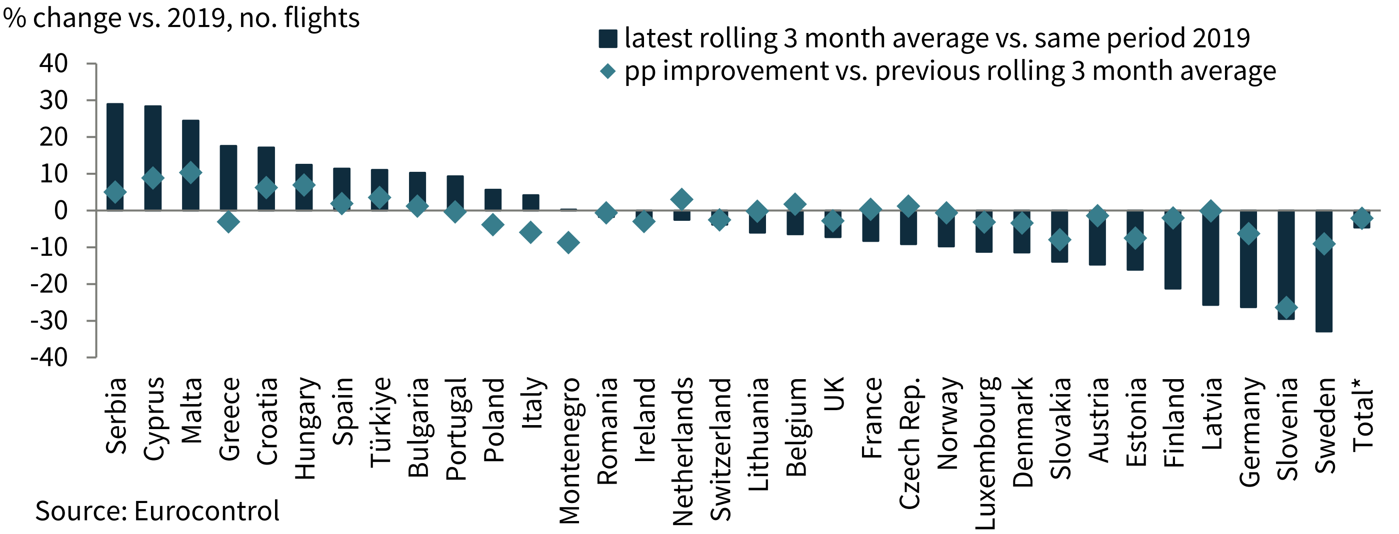
Source: IATA

This growth in available seat kilometres (ASK), however, is not reflected in European flight volumes data. According to Eurocontrol, European flight volumes were 4.6% lower across December 2024 to February 2025 compared to the same months in 2019. While this dataset is not directly comparable to supply data provided by IATA (i.e., ASK), the inverse relationship between the two could imply that, in order to boost seat capacity, airlines have done so through the reconfiguration of existing aircraft (i.e., more seats per aircraft) or by deploying larger aircraft in order to compensate for less frequent aircraft movements.

At country level, the story is not necessarily the same with several countries reporting an increase in flight volumes in the last three months (December 2024 to February 2025), albeit more countries have reported a reduction in flight volumes compared to those that have (20 vs. 13).

- Serbia reported the largest increase in flight volumes which were 29% higher compared to the same period in 2019. Cyprus reported an increase of 28.4%. In both cases, growth over the last three months ticked upwards compared to the three-month period prior (September-November 2024).
- This growth could be linked to some redirection of Russian travel demand; despite EU sanctions on Russian flights, there has been a notable increase in Russian tourists visiting Cyprus, with Serbia serving as a key transit point for flights. Cyprus was a popular destination for Russian tourists before the sanctions, and while direct flights are limited, indirect routes through Serbia have been established.

European air traffic by country, total flights arriving and departing



Source: Eurocontrol

3.2 Accommodation

At a global level, hotel performance has generally improved compared to the same quarter last year. On a regional level, all hotel metrics, including occupancy, ADR and RevPAR reported a positive year-on-year growth in Q1/2025, apart from occupancy rates in Asia/Pacific which were -1.1% down on the same time in 2024. That said, occupancy growth overall was the slowest among the metrics for all regions, not just in Asia/Pacific.

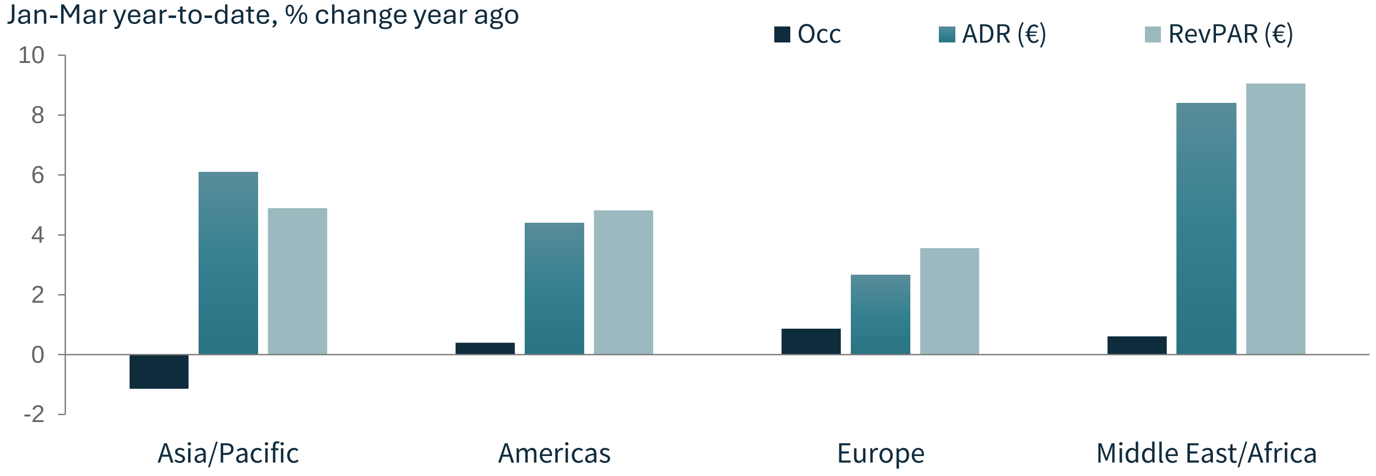
Global Outlook:

- The Americas reported positive growth across occupancy (0.3%), ADR (2.0%) and RevPAR (2.4%) on last quarter, with RevPAR largely driven by a stronger increase in ADR than occupancy. The upswing from Central and South America continues as the luxury segment thrives, despite increased competition from alternative lodging options. The US hotel industry is citing concerns with demand, which are expected to worsen as a result of weaker consumer spending, a drop in international inbound travel and uncertainty surrounding the Trump administration's retaliatory tariffs.
- Despite a slowdown in occupancy growth in Asia/Pacific, compared to Q4 2024, ADR rates have risen significantly (from 0.7% to 6.1%), contributing to a stronger outturn in RevPAR (up 4.9% from 1.1%). Stronger ADR may stem from the continued growth of luxury travel across APAC as wealth within the region increases, with individuals willing to spend on high-end trips and seeking unique, culturally immersive travel experiences.

- Hotel occupancy in the Middle East and Africa was slightly up on last year (0.6%), but this reflects a decrease on last quarter (1.2%). Despite this, the region continued to experience a resurgence in both ADR and RevPAR, with growth ahead of all other regions. Government initiatives to drive tourism growth as well as increased number of luxury accommodations may be contributing to stronger outturn in hotel pricing and revenue.

- European hotel performance has lost some momentum going into 2025, reporting modest growth across all metrics compared to the same period last year. Although year-on-year growth remains positive, hotel pricing power has been limited as both ADR and RevPAR growth lags all other regions and this trend is evident across all sub-regions of Europe.

Global hotel performance

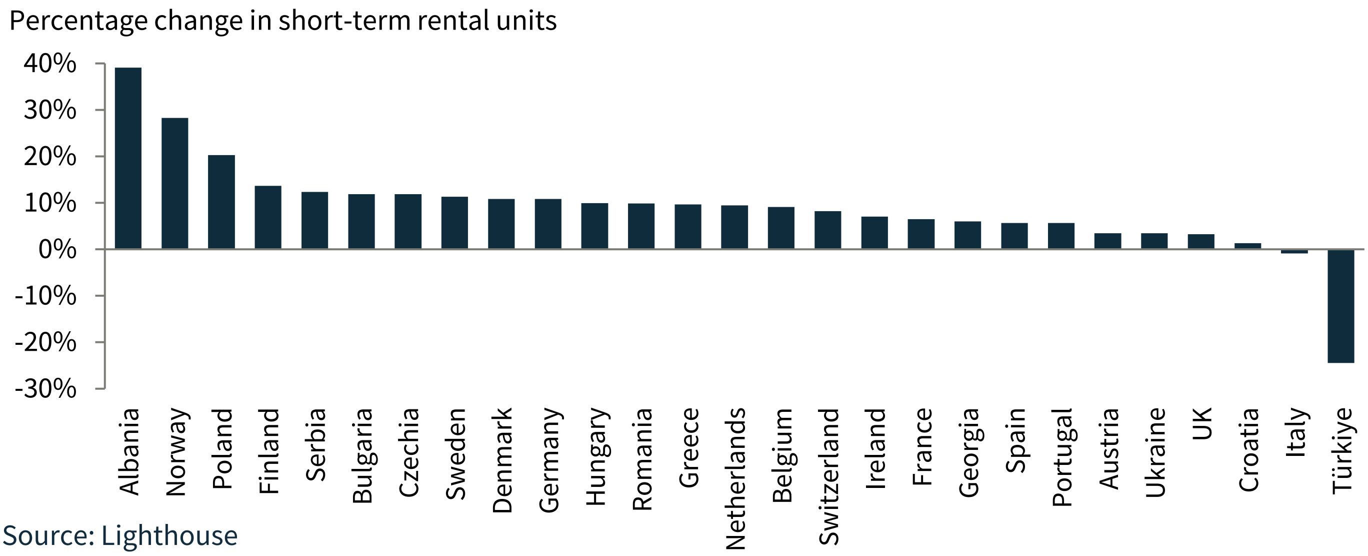


Source: STR

Short-term rentals

With nearly 4.4 million short-term rental units as of February 2025, Europe experienced roughly 5.9% year-over-year (YOY) supply growth, approximately 243,000 more short-term rental units than in February 2024. Since the last issuance of this report, which included Lighthouse's short-term rental data as of November 2024, Europe's short-term rental supply has been stable, increasing by just 0.06%, or 3,000 properties.

Short-term rental supply across Europe, Feb 2025 vs Feb 2024



Source: Lighthouse

France continues to have Europe's highest short-term rental supply. With 6.5% year-on-year growth since February 2024, France's capacity has been growing at a faster clip than Europe's aggregate 5.9% growth. As of February 2024, the country had yet to cross the 1 million property milestone. A year later, in February 2025, its 1.02 million short-term rental properties represent 23.3% of Europe's total short-term rental supply. In terms of countries experiencing the most significant short-term rental supply growth and focusing on larger markets with a minimum of 60,000 short-term rental units, Norway's 64,000 units as of February 2025 represents an approximate 28% YOY increase from February 2024. Poland similarly experienced over 20% YOY growth during the same time period, with its 28,000 unit growth in absolute terms representing the 3rd largest increase in Europe, behind only France and Germany.

Of all European countries with at least 2,000 short-term rental units, Italy and Türkiye were the only ones to experience supply decreases. Italy, Europe's second-largest short-term rental supply market with 13.4% of the region's listings, experienced a year-over-year decline of 0.9% since February 2024. This is notable given the ban on unmanned self check-ins announced at the end of last year, with February 2025 being the first month in recent history with YOY supply declines in the country. Italy's decrease seems almost trivial in comparison to Türkiye's 24.5% year-over-year supply decline. With more strict guidelines and regulations for short-term rentals in Türkiye going into effect in January 2024, it is perhaps not surprising to see such a significant year-over-year decrease in supply since then.

From an ADR perspective, at a macro level, the European average monthly median ADR through TTM (Trailing Twelve Months) February 2025 was approximately €113, which represents a YOY increase of approximately 8.3% from the average monthly median ADR of €105 through TTM February 2024. At a country level, the short-term rental supply decrease experienced by Türkiye had an inverse effect on its average monthly median ADR, with TTM February 2025 ADR increasing by nearly 39% year-on-year. That said, it should be noted that despite this significant YOY growth, on an absolute level, Türkiye's average monthly median ADR of €91 as of TTM February 2025 is on the lower-end of the range of country-level ADRs in Europe.

5. Key themes

Most figures shared in this section relate to Oxford Economics and Tourism Economics current outlook and downside scenario modelling.

Summary

- Heightened uncertainty is a prominent feature in the global economy following recent policy announcements by the new US government. Global growth is expected to soften in 2025 across all economies impacted by either additional or higher import tariffs, as well as in the US itself.
- Tourism Economics expect a 9% fall in inbound arrivals to the US this year as travel sentiment has tumbled, but there is a high probability that travel growth will be weaker given more recent policy announcements. Tariffs that were announced on April 2nd went far beyond all prior expectations based on reasonable reciprocal tariff rates.
- Europe is expected to see slightly fewer US tourists this year, but weaker economic growth across the region might spur an additional rise in short-haul and domestic travel for affordability reasons or as an alternative to long-haul travel to the US. Differences in source market mix and the severity of the tariffs on consumer spending can account for some of the variations among destinations.
- Value for money remains an important consideration and has potentially supported shorter stays in European destinations in the first few months of this year, as well as higher demand for more affordable destinations.
- On top of this, the industry continues to face consistent financial challenges, in particular from the cost of doing business. But in the near-term, many destinations will have to tackle rising travel volumes over Easter and into the shoulder season at a time when strike action is planned among rail and air travel operators.

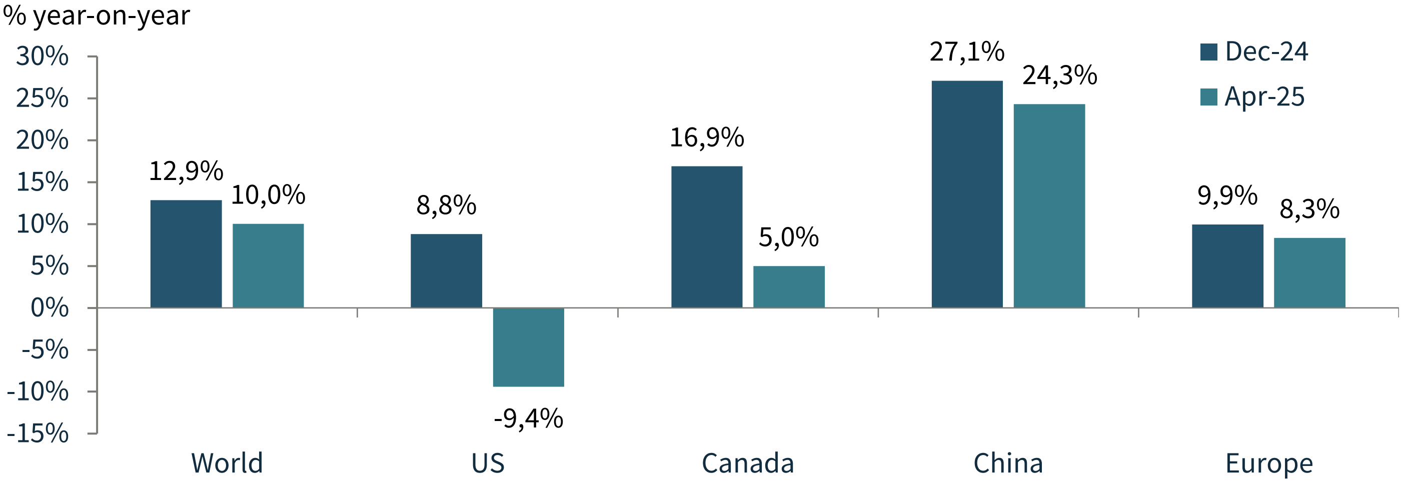
4.1 Special focus: Rising global uncertainty and what this means for travel

In a year that was previously expected to bring about a 13% rise in global international visitors and tourism spend (Tourism Economics, December 2024), policies and pronouncements from the second Trump administration have resulted in a substantial setback not just for US travel, but for global travel.

The current outlook by Tourism Economics included tariffs and retaliatory measures that were either largely expected and/or planned (see appendix 4), which would have led to a slower rise in global arrivals (10%) and spend (9.9%). But following the 'Liberation Day' announcement on April 2nd, tariffs went far beyond what the market had expected. More recently, the situation changed again, with an announced 90-day pause on tariffs for countries apart from China, which will now see an even higher rate of tariffs, while there is considerable uncertainty in the rate that will be applied to some electronic and pharmaceutical goods. As a result, the latest global forecasts can be considered more as a best-case scenario under the current backdrop.

Under this 'best-case' outlook, inbound arrivals to the US are expected to drop by 9.4%, made up of a 20% decrease in tourists from Canada, an 8% drop from Mexico and 4% fewer tourists from elsewhere overseas, which includes tourists from Europe.

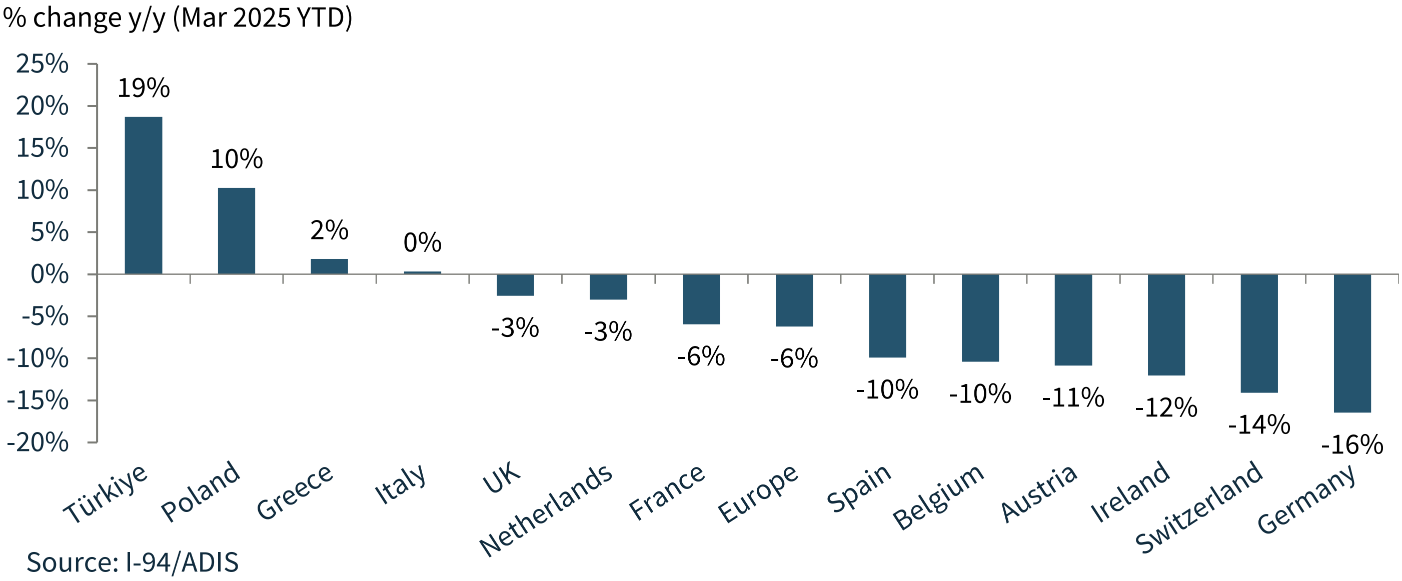
International travel arrivals growth, 2025



Source: Tourism Economics baseline forecast

Recent data suggests that negative sentiment towards the US has started to impact destination choices. Arrivals from Europe fell by 15.9% on the year in March, resulting in 6.0% fewer tourists from Europe visiting the US so far this year. However, it is important to note that some of the weakness in March could be due to a shift in the Easter period. Unfavourable sentiment is expected to be sustained by an evolving mix of Trump Administration's factors, including geopolitical friction on trade and national security policies as well as charged rhetoric and unilateral posturing. High visibility border security and immigration enforcement actions are also expected to sow uncertainty and discourage visits. The negative impact on international travel to the US is currently likely to be strongest in 2025 in terms of the impact on performance, but it will likely persist to some degree through the remainder of Trump's second term.

Inbound arrivals to the US from select European markets, Q1 2025



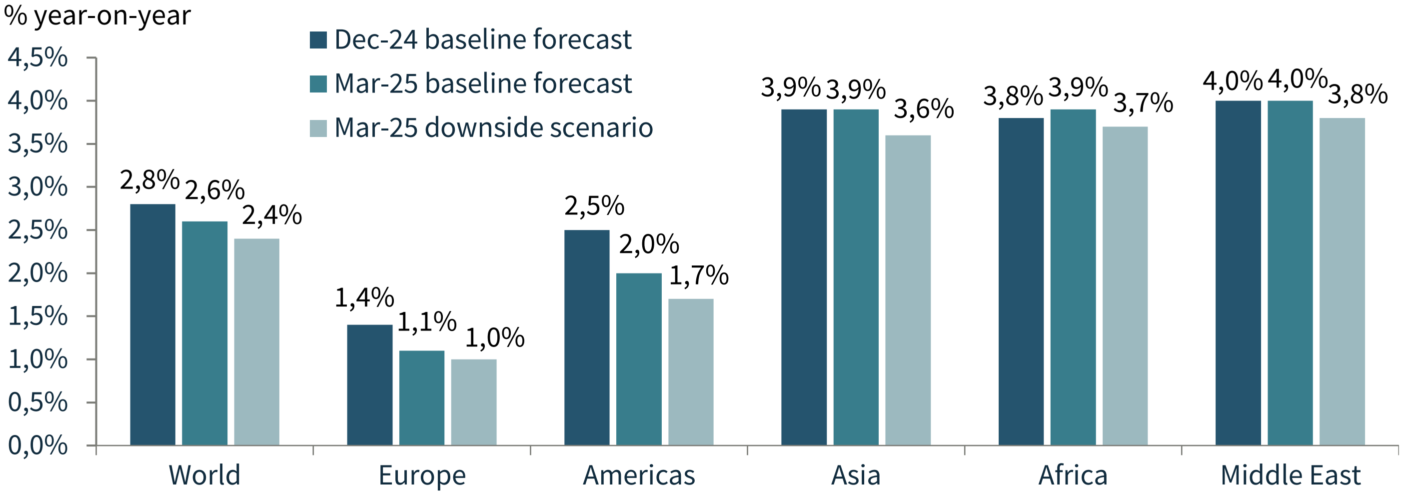
Source: I-94/ADIS

Changes in US government policy are expected to impact global travel through two main channels. First, via slower outbound travel from North America, and second from weaker economic outlook for countries facing new or rising US tariffs, putting a strain on discretionary consumer spending.

A decrease in tourism demand from the North American market is significant for global travel since it accounted for 13% of global travel prior to the pandemic, with 9% from the US alone. In Europe, long-haul travel represented 15% of total visitors last year and US tourists made up just over a third of these long-haul visits. In addition, countries facing higher or new tariffs on goods sold to the US will face weaker exports, slower economic growth and potentially higher prices, weighing on household income and consumer spending which could soften growth in intra-regional travel.

Economic growth for this year has softened between December 2024 and March 2025 and a key change is the incorporation of the tariffs found in appendix 4. However, there is a risk that the impact of these on GDP could be even greater, which is illustrated by the growth under the downside scenario. But this does not reflect the extent of the tariffs announced in early April, suggesting economic growth could be even weaker than this.

Global GDP and regional breakdown for 2025

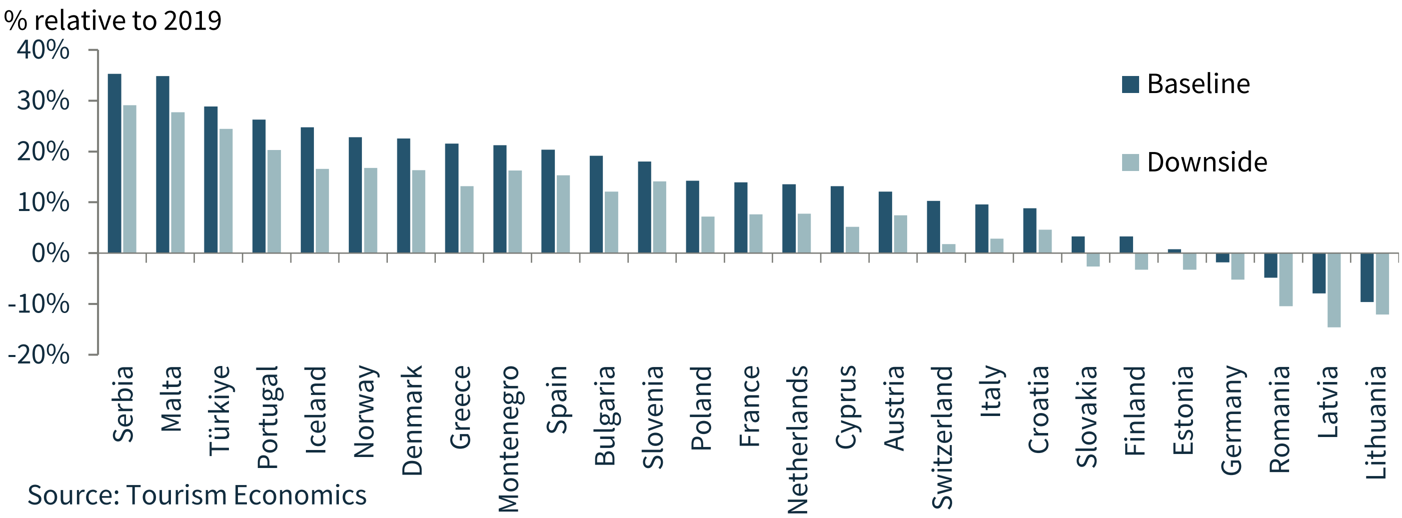


Source: Oxford Economics/Tourism Economics

However, since these forecasts were produced, there is now a higher likelihood for a recession in some key markets as a result of the tariffs imposed by the US. This is especially notable in Canada given the larger reliance on trade with its neighbour. Currently, under the downside scenario, economic growth in Canada would slow to just 0.9% in 2025, but there is a real possibility that the economy could shrink in size this year. This would put a large strain on household income and discretionary spending, key drivers of travel growth.

It is a similar case for Germany, where growth is currently expected to decline under the baseline, and there is now potential for an even stronger decline. Incomes will be hit harder in Germany than in some other European destinations because of the larger share of manufacturing within the total economy – with around 20% of household incomes linked to this sector.

International arrivals to select European destinations for 2025



Source: Tourism Economics

On the whole, risks to both economic and travel growth are skewed to the downside this year. Given recent announcements, Tourism Economics current downside case is arguably a more reliable outlook. A larger impact from tariffs would mean the recovery in international travel would slow significantly in 2025, from 12.3% above to just 6.7% above 2019 levels in the current downside view.

At a country level, overseas arrivals to Germany would take longer to recover, with arrivals dropping to 5% below 2019 levels by the end of this year (down from -2% below). Similar protracted recovery are expected for Romania, Latvia and Lithuania. In addition to this, a materialisation of these downside risks would reverse the expected recovery this year across several destinations, including Slovakia, Finland and Estonia, while putting the travel recovery in jeopardy for Switzerland and Italy. On the other hand, destinations that are already firmly back in growth territory going into 2025 should expect to see slower growth but remain comfortably ahead of pre-pandemic volumes.

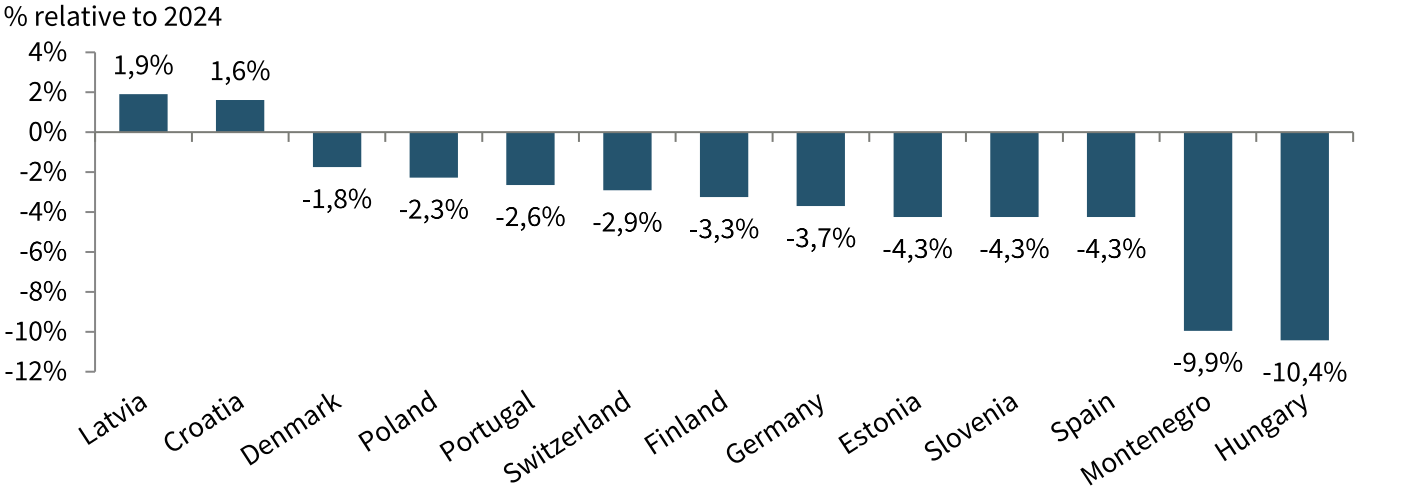
However, against the backdrop of increased protectionism and weaker economic growth, there are some opportunities within the European travel sector. These include a possible boost to both domestic and short-haul travel within Europe, arising from households having a smaller travel budget as well as a flight to the safety of closer to home destinations. There is also an opportunity to gain market share from both short- and long-haul source markets due to avoidance of the US over concerns with border security or due to negative sentiment. This was evident during Trump's first term when the US share of Chinese long-haul demand dropped while Europe gained. Currency shifts and relative affordability had some impact on that shift in market share, but the swings went well beyond what would have been expected from that alone.

4.2 The value of European tourism

The latest estimate for 2025 suggests that tourists are expected to spend roughly 14% more across Europe than they did in 2024, with spending growth expected to outpace arrivals, suggesting an increase in the average spend per visit.

Recent reports have suggested that tourists in a number of destinations are starting to spend more going into this year. One example comes from Spain, where spending rose by 8.3% on the year in January and February, faster than the 6.9% rise in international visitors. However, this is unlikely to be the case across all destinations as consumers become more budget-focused. This is particularly evident for long-haul tourists visiting the region, as identified in the latest ETC long-haul barometer. Despite tighter spending budgets from those travelling further afield, it is expected that most of the money spent in Europe will be directed towards food and drink, tourist activities and retail.

Average length of stay in selected European destinations, 2025



Sources: Haver/National Statistics/Tourism Economics* *date varies (Jan-Feb) by destination

Overseas tourists spent an average of 2.7 nights per stay in Europe so far this year, based on the latest reporting data from TourMIS. At a country-level, compared to the same period in 2024, tourists are generally staying for fewer nights across many European destinations, and this is not concentrated in just one sub-region. Shorter tourist breaks earlier in the year can be expected, compared to the summer period where more households take extended breaks during the school holidays. In contrast, Croatia and Latvia are reporting an implied longer average length of stay so far this year.

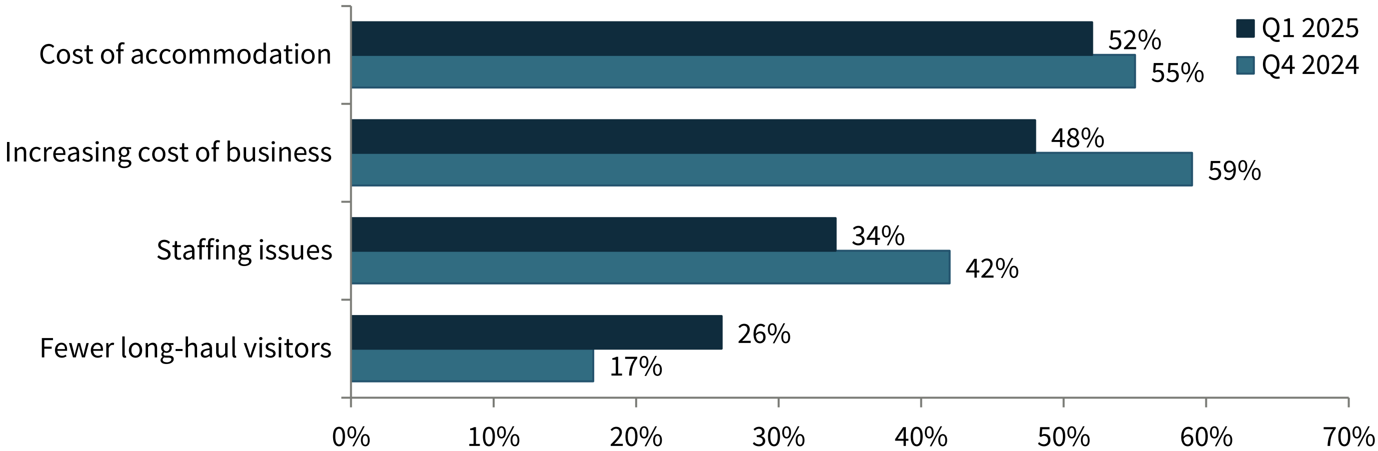
4.3 Risks

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 Q1 2025 survey identified a significantly weaker economic sentiment, with almost two-thirds of tourism experts developing a negative view on the economy over the past three months. However, there was a continuation in the overall positive outlook for tourism as there were strong levels of confidence in growth, although short and medium-term expectations were notably lower. In addition, respondents now think that travel budgets will be squeezed in 2025 as fewer expected that travel would account for an increased share of disposable income compared with last year's survey results.

Top 4 key global tourism challenges

% reported in top risks

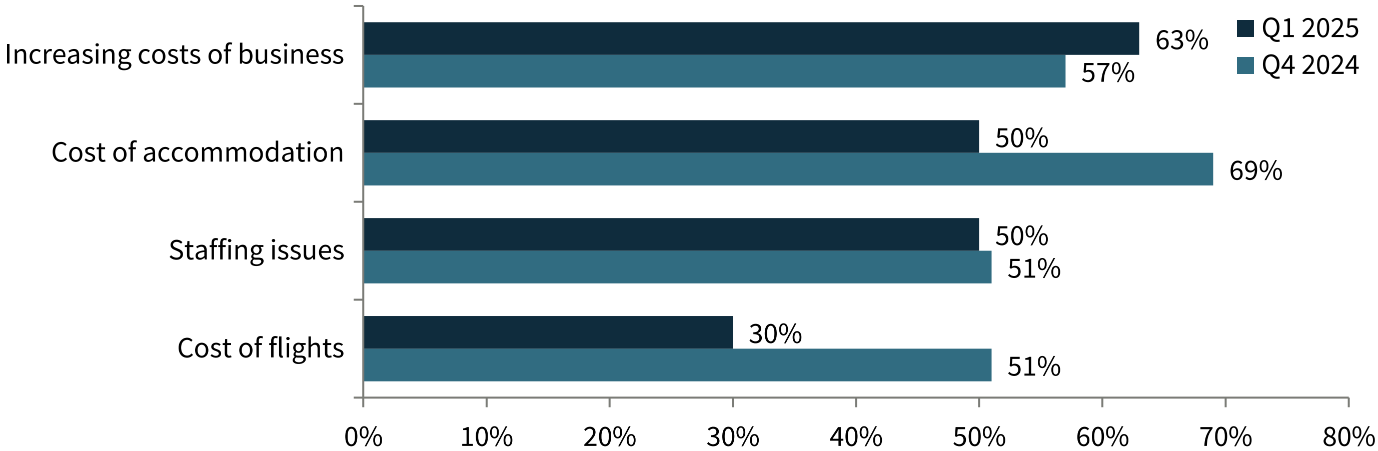


Source: Tourism Economics

There has been some movement among the top global challenges to tourism this year. Financial pressures remain a key challenge (mentioned by over 80%) but they eased slightly compared with last quarter. In contrast, concerns regarding bureaucracy, regulation, and trade policy were more prominent, along with the concern over fewer long-haul international visitors. These were likely influenced by recent global trade announcements by the US administration.

Top 4 key European tourism challenges

% reported in top risks



Source: Tourism Economics

Challenges facing European businesses do differ from the global picture, which is skewed by more US respondents. Fewer respondents highlighted the cost of flights and accommodation as key challenges to European tourism in the recent survey, marking a considerable drop on last quarter. However, these financial pressures are still a concern in the form of increasing cost of business.

Staffing issues remain a consistent challenge, and this is likely heightened in destinations which experience higher levels of strikes by various airline and air traffic staff. There were a number of strikes in the transport industry over the first quarter of this year, including in Germany, Italy and Belgium. But during the Easter period where travel volumes are generally higher than in January and February, these strikes have the potential to disrupt a larger number of tourists across various countries in Europe.

There are also risks stemming from adverse weather conditions and natural disasters that could divert tourists to alternative destinations or possibly delay booking trips to these areas. For example, flooding and storms in both Spain and the UK and the earthquake that hit Naples in March.

6. European travel sentiment tracker

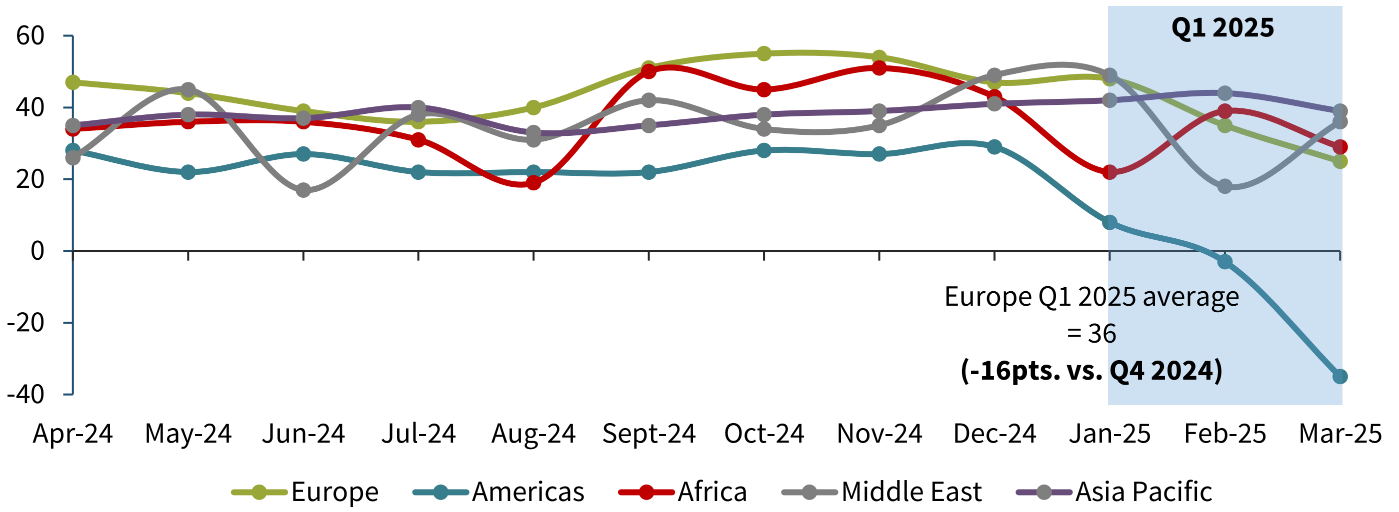
E-Reputation trends on travel in Europe

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.com), 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.

Throughout the first quarter of 2025, the polarity of online social conversations regarding European travel stood at an average of 36 points (-16 pts. vs. Q4 2024). Europe's score remained largely unchanged in January 2025, yet saw a considerable drop in February, followed by a similar one in March. Overall, Europe fell from the leading spot in global e-reputation scores in Q4 of 2024, to averaging second place in Q1 of 2025, being 6 points behind Asia Pacific. Notably, the Americas experiences a sharp drop in score since the start of 2025. Strict controls at the US border, coupled with a reduced perception of safety, and the potential inflationary effects tied to the Trump administrations' policies have all served to deteriorate the US's image as a travel destination.

Net sentiment score per world region, P12M



Source: MMGY TCI Research

Nature-oriented travel stood out as a prominent theme in online conversations throughout the first quarter of 2025. The start of the year saw alpine destinations frequently featured, with online stories capturing the serene beauty of destinations like **Zermatt** in Switzerland, home to the highest cable car station in Europe. Highlighting a different facet of the mountainous region, **Lake Como** in Italy was presented as a tranquil winter retreat, with scenic lakeside views and excellent cuisine. As spring arrived, nature-themed content highlighted Europe's blooming biodiversity. In France, the Loire Valley was praised for its rich natural heritage and as **home to the last wild river in Western Europe**, free from human intervention and retaining its natural state. Similarly, Croatia's Kopački Rit National Park emerged in online content as a vast wetland offering wildlife observation, including wild boars and bison. On Mallorca, travellers shared stunning photographs of the almond blossoms in full bloom, adding to the season's charm.

Much like the previous quarter, several festivities continued to shape Europe's positive image, with content showing how diverse and vibrant the continent's celebrations are. January's stories focused on unique **Mardi Gras traditions in the Balkans**, including floats and folk music in Montenegro, Croatia, and Albania. Meanwhile, **Lunar**

New Year celebrations in London, Paris, and Berlin were praised for their rich cultural showcases. February extended this theme, with Venice's masked Carnival balls, Nice's floral parades, and the historic Gilles performers in Binche all taking the spotlight in online conversations. Vienna's Rainbow Ball and the Berlinale Film Festival in Berlin also generated positive content, promoting themes of inclusivity and cultural prestige.

A third topic that surfaced related to indulgent travel experiences, particularly those focused on self-care. Oslo's floating sauna, **Trosten**, was brought forward for its inclusive design, making it accessible to those with mobility impairments. Lithuania was recognised with the **ITB Health Tourism Award**, thanks to its blend of natural remedies and modern treatments. Italy's **Palazzo Fiuggi** also appeared in several posts, applauded not only for its luxurious spa offer but also for its picturesque setting in a medieval town.

Finally, online stories celebrated Europe's diverse street food, with Vienna's **Würstelstände** hailed as a must-try, and Belfast's new street food market acclaimed for revitalising the area with artisanal vendors. Lisbon also appeared frequently in food-related content, especially for **Sumol** and the iconic **Pastéis de Belém**.

Transport disruptions dominated negative online conversations throughout the quarter. Severe winter weather in January caused flight delays and cancellations in airports across the UK and Germany, with major hubs such as Manchester and Munich Airport particularly affected. February followed with several **transport strikes** across the continent. A 24-hour strike by air traffic controllers in Greece grounded all flights, while union actions in Germany created chaos at airports such as Düsseldorf and Cologne-Bonn. March saw a fire near Heathrow cause power outages, grounding over a thousand flights, while national strikes in Belgium and Germany brought national air and rail travel to a halt.

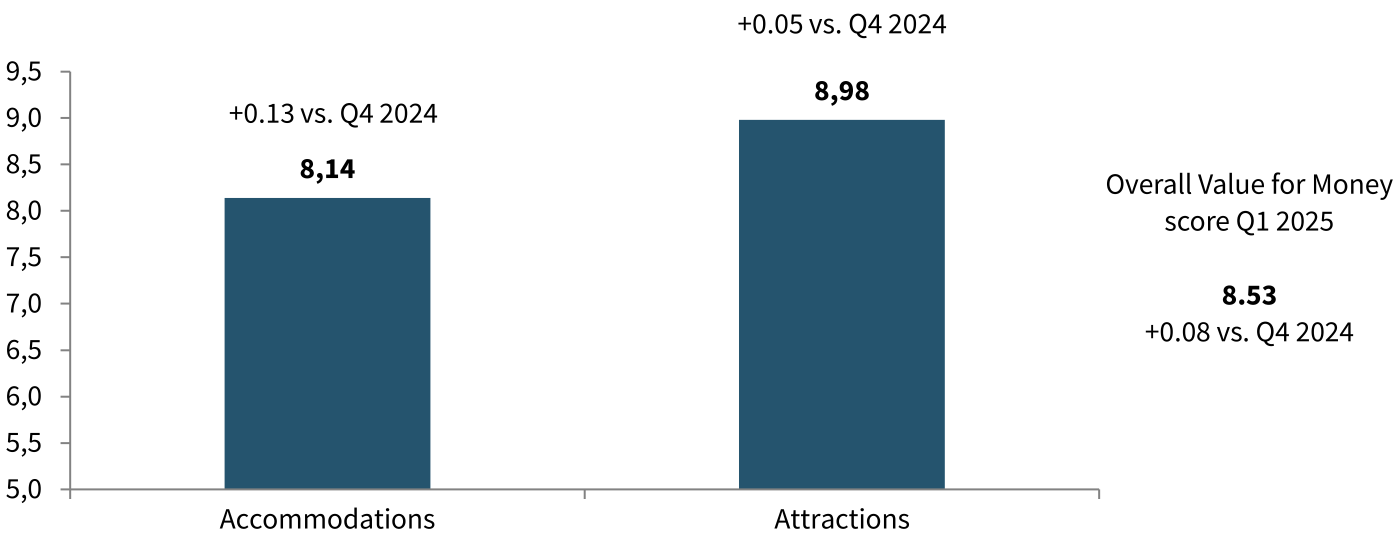
Much content focused on the **large-scale demonstrations held in Athens** to mark the anniversary of a tragic train collision, which had occurred at the end of February 2024. The protests, though peaceful in many areas, brought renewed attention to safety concerns in the country's transport infrastructure and public spaces. Lastly, actions taken by residents in Spain revived **anti-tourism sentiment** in online conversations, with activists blocking access to the iconic Es Vedrà viewpoint with warning signs, while masked protesters in Tenerife reportedly set fire to rental cars as a protest against overtourism.

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.

The Value for Money sentiment score of European Accommodations and Attractions increased to 8.53 in the first quarter of 2025 (+0.08 points vs. Q4 2024). Broken down by verticals, the score for Accommodations increased to 8.14 (+0.13 pts.), while for Attractions it increased to 8.98 (+0.05 pts.).

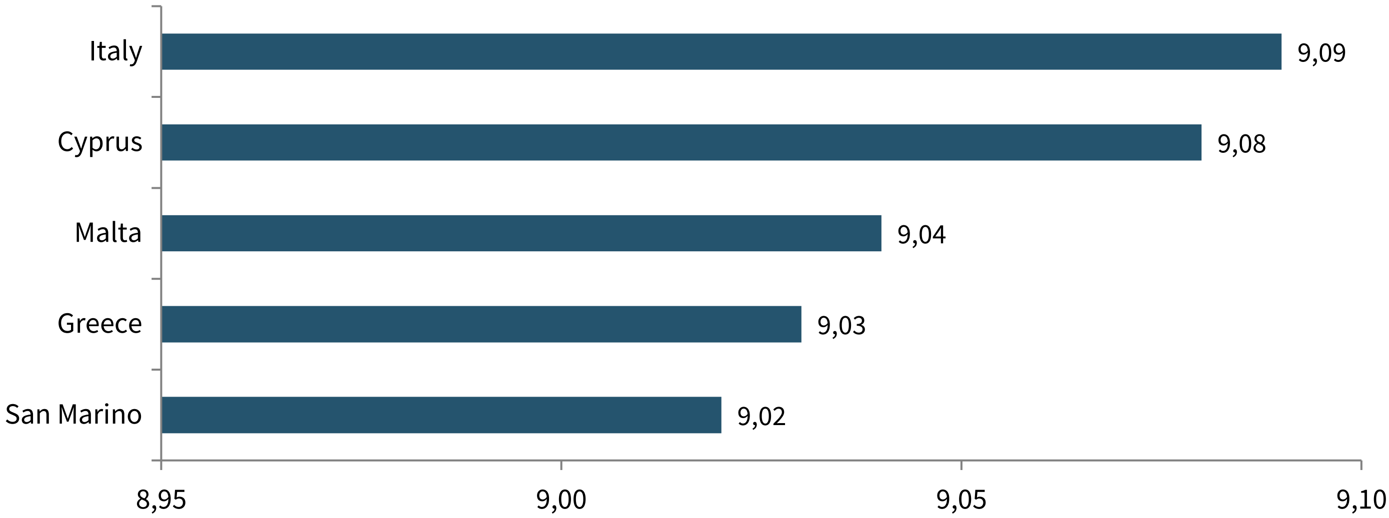
Value for money sentiment scores per vertical



Source: MMGY TCI Research

The five destinations receiving the most praise in terms of Value for Money in guests' written reviews were **Italy, Cyprus, Malta, Greece**, and **San Marino**. While Italy is often considered a destination that has become more expensive in recent years, its southern regions are still hailed as having excellent value for money in online conversations. Stepping out of the more commonly known spots, regions such as Puglia offer less expensive accommodations, particularly outside of the busiest periods[3]. Cyprus' southern town of Limassol was described online as having plenty to offer to both leisure visitors and those who consider relocating there temporarily. While it is one of Cyprus' most popular destinations, its offer remains affordable while offering beautiful scenery, excellent weather, and a wide range of food and activities[4].

Destinations receiving the highest sentiment scores on the topic of value for money during Q1 2025



Source: MMGY TCI Research

Focus on sustainable travel from visitors' written reviews

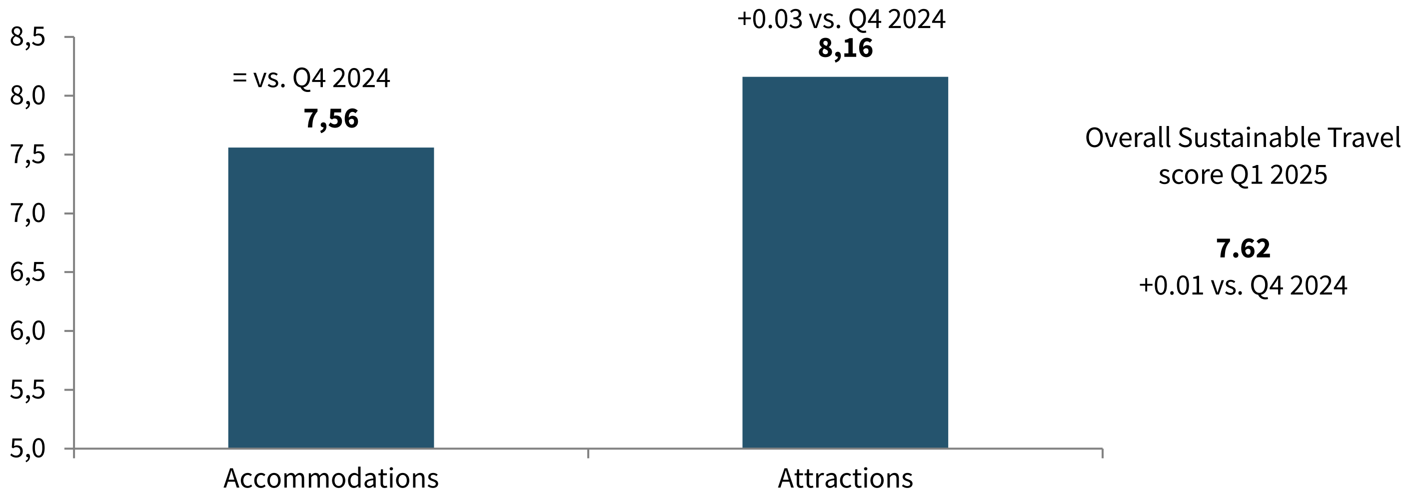
Sustainable Travel measures guests' perception of environmentally and socially friendly practices taken by operators.

The Sustainable Travel sentiment score of European Accommodations and Attractions remained relatively unchanged at 7.62 in the first quarter of 2025 (+0.01 points vs. Q4 2024). Broken down by verticals, the score for Accommodations stayed at 7.56 (=), while that of Attractions increased to 8.16 (+0.03 pts.).

[3] 15 Cheapest European Countries To Visit For Budget Vacations. Feb. 9th, 2025. https://www.hostelz.com/articles/europe-cheap-countries-to-travel

[4] The lesser-known sunshine spot with 16km of beaches, €1.20 pints, 40C temps and Ryanair €57.99 flights. April 7th,2025. https://www.thesun.ie/travel/15008243/lesser-known-sunshine-cyprus-sea-beaches-pints-flights/

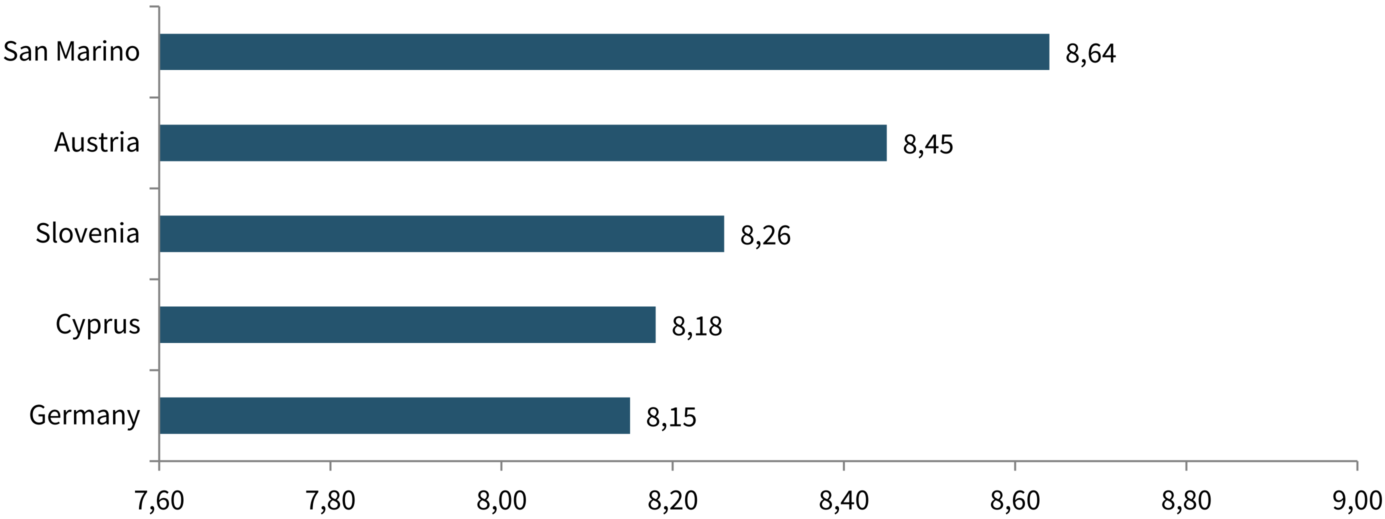
Sustainable travel scores per vertical



Source: MMGY TCI Research

In terms of guests' written reviews on Sustainable Travel, **San Marino, Austria, Slovenia, Cyprus**, and **Germany** received the most positive comments. Looking into the most recent reviews for San Marino, it becomes apparent that several accommodations received positive comments for guests' perceived sustainability. In particular, the Garden Village San Marino was praised by guests for its green spaces and quiet environment. A similar finding comes forward when looking into Austria's attractions, where the Tiergarten Schoenbrunn Zoo in Vienna was hailed for its cleanliness, dedication to recycling, and the well-kept and spacious environments in which the animals are kept.

Destinations receiving the highest sentiment scores on the topic of sustainable travel during Q4 2024



Source: MMGY TCI Research

7. Key source market performance

Trends discussed in this section relate to the period January to March 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).

- Demand for warmer winter temperatures from some Northern and Western European markets supported travel activity across the Mediterranean and Southern Europe, and especially for Spain and Greece.
- This is supported by efforts to diversify tourism products, including improvements in air capacity, in order to attract more year-round visitors in some of these destinations, as well as a desire among many travellers to avoid peak-summer or 'overcrowded' months.
- Connectivity between Europe and key source markets is set to rise this year which should help to facilitate additional volumes during the peak-tourism months.
- Higher prices in some destinations, such as Croatia, have contributed to some lower tourism activity or slower growth relative to 2024, with increased focus on value-for-money.
- The Chinese New Year saw a significant improvement in long-haul travel to the region and resulted in broad-based improvement across destinations. Increased air connectivity, especially between China and Eastern Europe should support the continued recovery throughout the year.
- Some of the more costly destinations in Europe are benefiting from the recovery in long haul travel in early 2025. Both Chinese and Japanese travel to the region saw strong growth compared to 2024, while Indian travel to Europe also continues to grow. However, much of the growth is from a low base in these early months and to smaller destinations, and the growth is not fully reflective of full-year growth to Europe.
- The US and Canada remain important source markets for European destinations, but the heightened uncertainty in the outlook following recent tariff announcements could result in airlines reconsidering planned increases in transatlantic flights and new routes scheduled for this summer.
- Australia was the only key source market to see year-on-year growth in at least one metric for every single reporting destination in early 2025 and should continue to grow in importance once again.

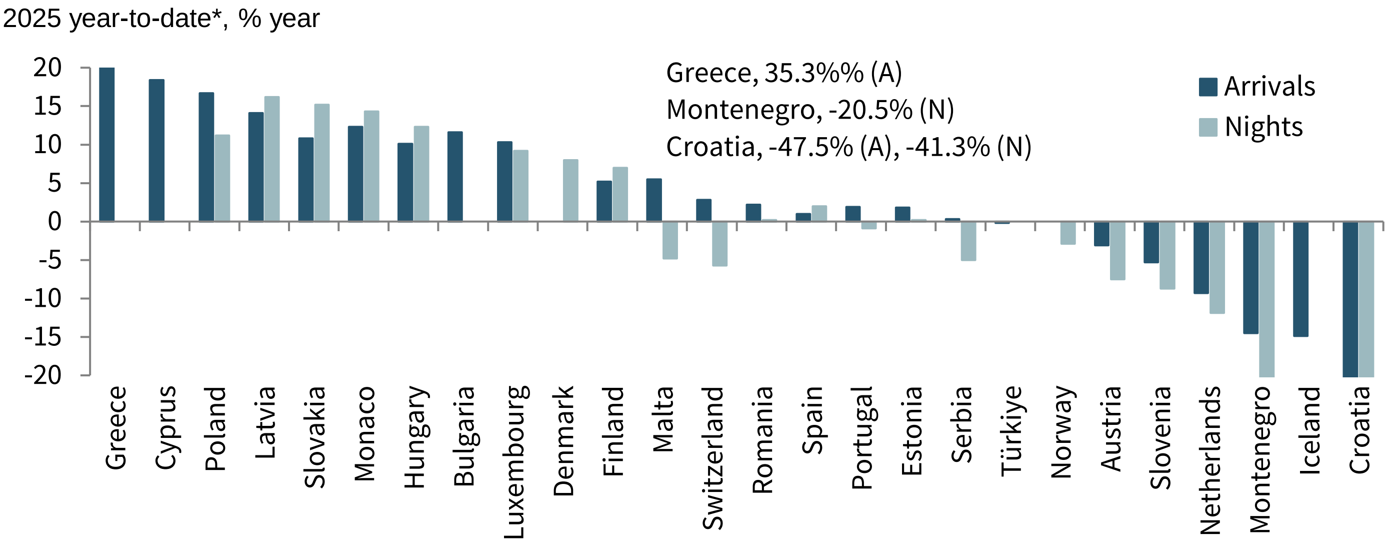
Key intra-European source markets

For most of the European source markets, the best performing destinations in early 2025 have been those offering value for money, or some Central and Eastern European countries which have previously been viewed as too close to the war in Ukraine for comfort. These destinations have experienced some degree of rebound relative to the early months of 2024. However, these rebounds are from historically low visitation numbers since the war in Ukraine seemingly delayed the recovery from the pandemic in these destinations.

Cost concerns have seen Croatia experience severe falls relative to 2024 from many source markets. This reflects the price impacts following Croatia's accession to the Eurozone in 2023. Relatively expensive destinations such as Monaco and Iceland have followed suit. Some destinations which are seen as especially good value for money – such as Romania – have benefitted.

Winter destinations have experienced more rapid growth than many other destinations, but value for money is an important driver here as well. Some traditional summer destinations have also performed well in some cases helped by the cool-cations trend and investment by destinations to diversify tourism products.

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



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

Greece and Cyprus benefited from the greatest growth in visitor arrivals from Germany in the early months of 2025. German arrivals to Greece were up 35.3% compared to the same months in 2024; those to Cyprus were up 18.4%. This may follow the cool-cations trend, but in both cases, winter months represent low volumes compared to the summer peak. This is also the case for Montenegro, which has seen one of the steepest declines relative to 2024 – but is still up when compared to pre-pandemic levels. Türkiye has fared less well in terms of German visitation in the first few months of 2025, with a small decline of -0.2% relative to 2024.

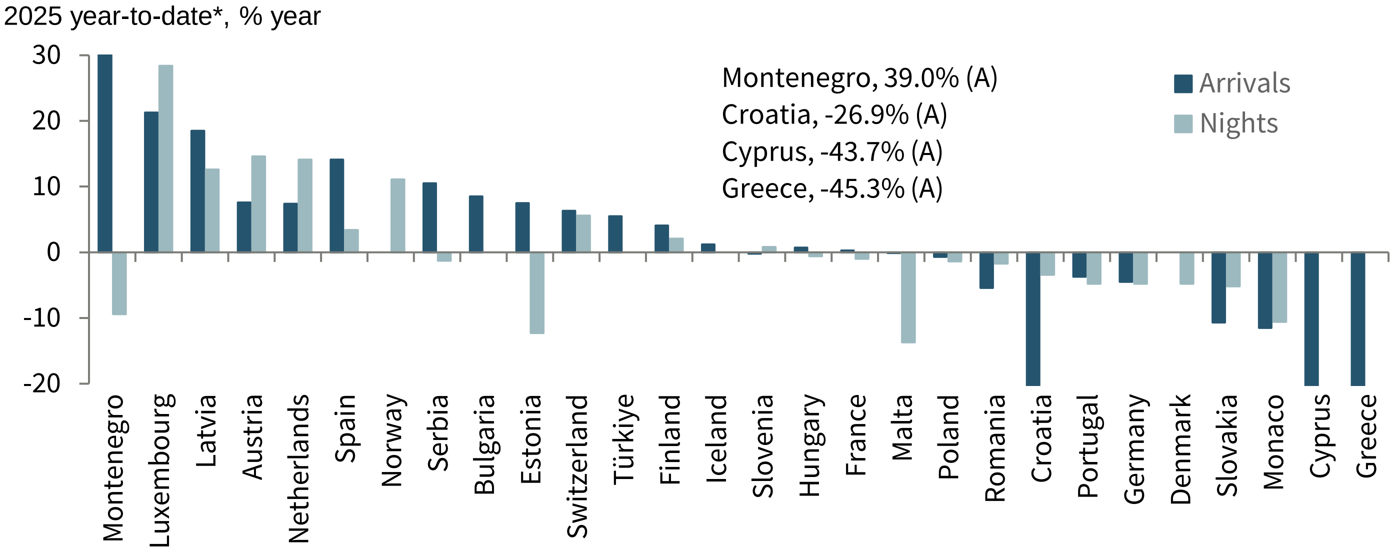
Destination countries which suffered especially badly in 2024 on account of their perceived proximity to the war in Ukraine, such as Poland, Latvia, Slovakia and Hungary, have also demonstrated a strong rebound – albeit from subdued levels – in the early months of 2025.

A higher volume of early bookings for German holidays is encouraging for Southern and Mediterranean destinations going further into the year. However, the steep decline in German visits to Croatia may reflect increased cost concerns. Recent data indicates that prices are rising at a faster rate in Croatia than other comparable destinations within Europe, and this is resulting in fewer stays and reduced spending from key source markets, including Germany.

Demand was also present for winter-tourism destinations, including Bulgaria (11.6%), reporting arrivals which were also comfortably above 2019 levels. Travel to Finland and Switzerland also rose in early 2025. Although for the latter the growth in arrivals was not matched by nights, which may indicate a wider fall in length of stay and could indicate some more cost-conscious travellers. Even in winter destinations where nights were down on 2024 levels – such as Norway – there was relative growth when compared to pre-pandemic levels. Nights spent in Norway were up 57.9% when compared with the same months in 2019, but the more modest recent activity may also reflect increased focus on value for money.

Eight reporting destination countries registered no increase in either of the metrics. This included some of Germany's immediate neighbours– Austria and the Netherlands – but largely includes some of the more expensive European destinations.

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



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

There was a broadly even split between reporting destinations registering growth on 2024 levels and those reporting declines from France. The two strongest performing destinations were Montenegro and Luxembourg – both relatively small destinations in tourism terms. Montenegro is especially volatile in the winter months. Austria and the Netherlands also started the year very strongly. Nights in Austria were up 14.6% and those in the Netherlands, up 14.1%.

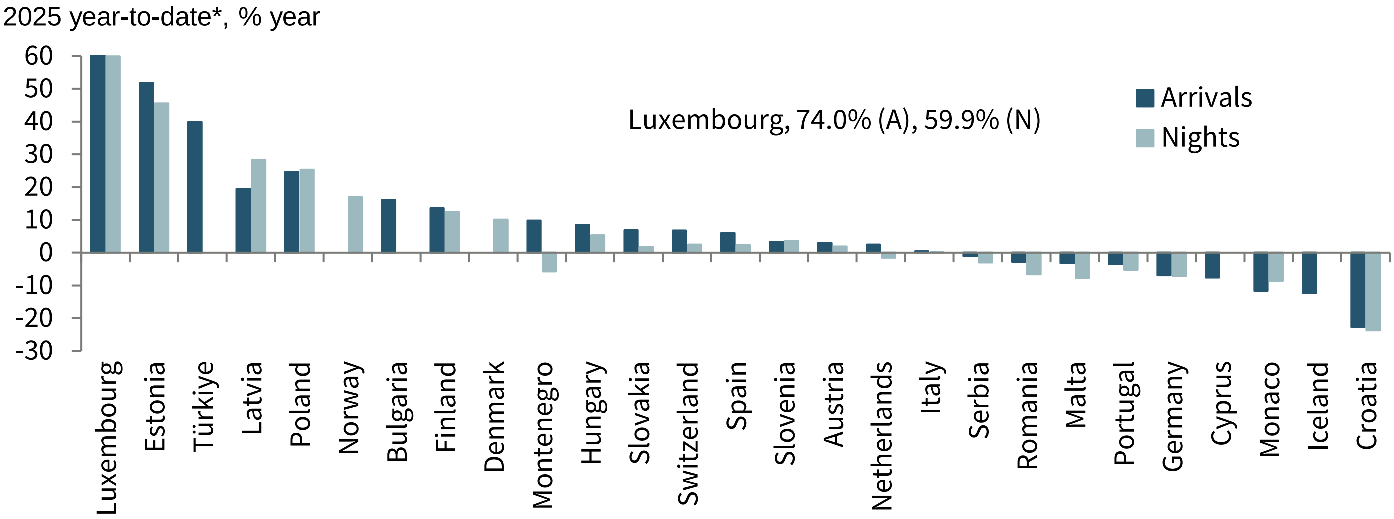
Arrivals to Spain also started the year on a strong note, as 14.1% more French tourists sought out winter sun than in 2024. Although they were the second largest source market for Spain in early 2025, on average tourists typically opted for shorter stays, with nights growing at a slower 3.4%.

In contrast to travel from Cyprus and Greece registered the steepest declines from France relative to last year – with falls in arrivals greater than 40%. These destinations are also volatile in data terms during the winter months since arrivals are far lower than in the peak summer period.

Visits to Croatia also registered a steep fall, down 26.9%, likely due to cost concerns, but with volatility in these off-season months. There was some increase in length of stay by French visitors as nights only fell 3.4%. But Croatia is a relatively small destination for French tourists, so any changes come from a smaller base.

There is a risk of disruptions in French arrivals to nearby destinations in the coming months, with a number of possible rail strikes pencilled in to take place between April and June.

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



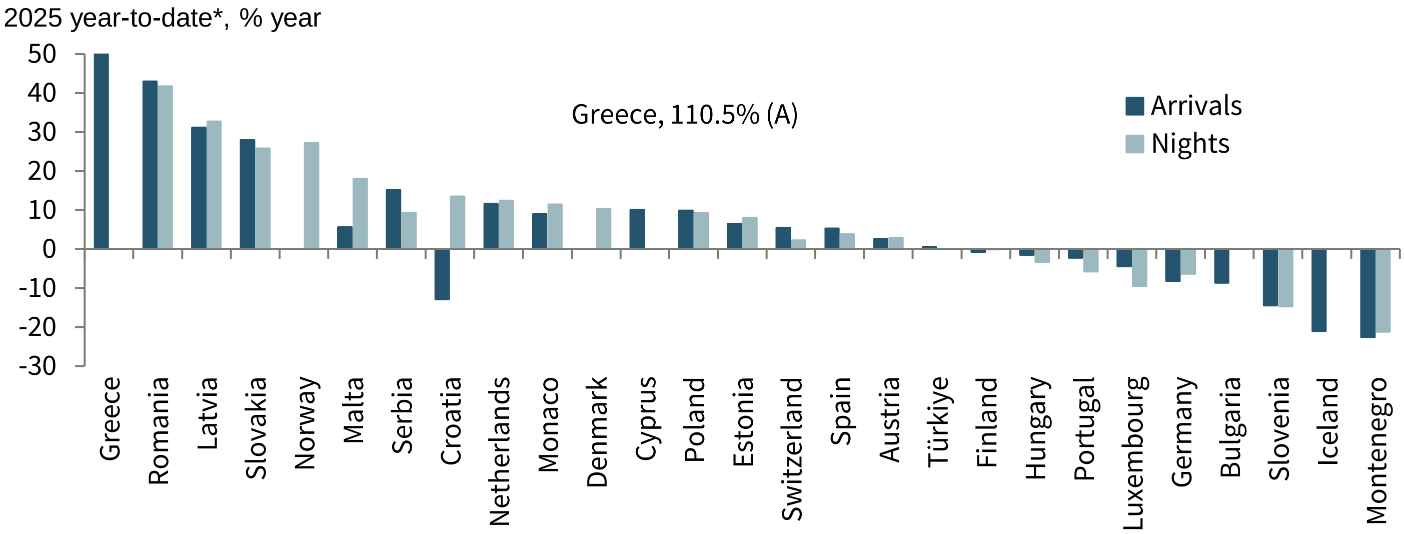
Source: TourMIS* *date varies (Jan-Mar) by destination

Several reporting destinations have registered exceptional growth in the first few months of the year from Italy. Luxembourg has seen an increase in Italian visits of 74% while Türkiye has also been popular over the winter with Italian visits up 39.9%, as value-for-money is again a key emerging trend for 2025. Some winter holiday destinations have also fared well from Italy when compared with 2024, including both Bulgaria and Norway.

Finland continues to emerge as a fast-growing but smaller destination for Italian tourists and experienced the benefits from increased marketing and investment in air connectivity, with both arrivals and nights growing upwards of 13.6% on last year. A solid winter performance by Finland has likely been supported by an increase in seasonal flights provided by Iberia and Icelandair. But growth will possibly soften relative to other destinations as the winter season comes to an end. The steepest fall in Italian arrivals has been in Croatia, with a fall of 22.7%.

Amongst the larger destinations, Germany is notable for having had fewer Italian visits, with arrivals down 6.9% on last year. Other expensive destinations, such as Monaco and Iceland, are also experiencing a drop in Italian tourists. Additional flights by a number of low-cost carriers including Wizz Air and Ryanair are scheduled to start in April and should help to facilitate additional arrivals to both Poland and Croatia. But disruptions to air travel during the Easter period have the potential to temporarily dampen outbound trips from Italy to a number of countries.

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



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

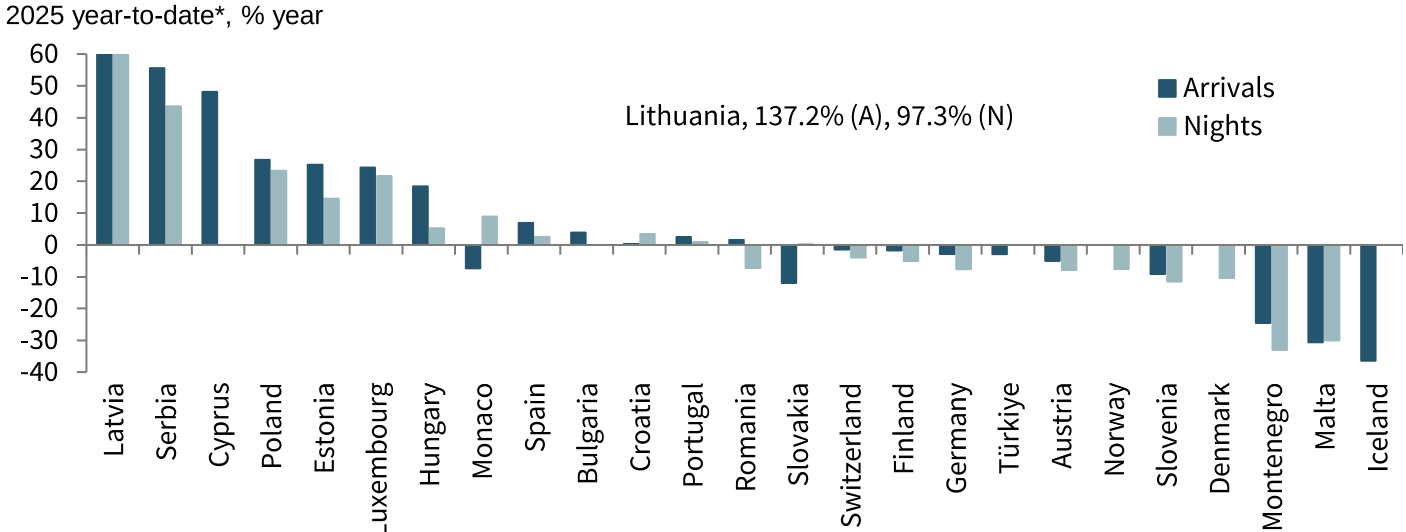
The picture for travel from the UK has significantly improved in early 2025 as 18 out of 27 reporting destinations saw growth in at least one of the metrics relative to the same months last year. Greece was exceptional in its performance, with the number of British visitors more than doubling relative to 2024. Many countries in Central and Eastern Europe also performed well, especially Romania, Latvia and Slovakia. Even Croatia saw an increase in nights, while dropping 12.9% in terms of arrivals.

Some large tourist destinations which rely heavily on British visitors, including Spain, saw limited growth in percentage terms in early-2025, but due to the size of the market this equated to a significant boost in visitor numbers. In 2024, there were 18.4 million British visits to Spain, making it the country's single largest source market. This continued rise in winter visits to the likes of Spain and Greece may reflect growing signs that travel, not just from the UK, is [increasing outside of traditional summer months] and there could be various reasons for this including better deals, to escape excessive heat during the summer months and to avoid overcrowding while still enjoying the comparatively warmer climate.

The single steepest drop in British visitors when compared to the same months in 2024 was Montenegro, down 22.6% on last year in terms of visits, although this is a small market, and data can be very volatile during these off-season months. There were also more significant tourist destinations, such as Germany, which registered a fall in British visits (down 8.2% on 2024).

Romania reported a solid rise in British tourists, and although this comes from a low base, the destination is gaining increased visibility as a tourism hub through [marketing efforts] across the UK. This may have a positive impact on the sentiment for travel elsewhere in the immediate region. Visits to Romania from the UK were up 43% on the same months in 2024. Travel to other destinations in Central and Eastern Europe also rose on average with some likely improvements in perceptions of safety, but they still have a way to go to achieve pre-pandemic levels of British tourists. For example, Slovakia and Slovenia have seen very different trends over the past year, but both are still lagging in recovery to pre-pandemic levels with arrivals down 10.2% and 40.5% on 2019 respectively.

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



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

Travel performance from the Netherlands remains very mixed across destinations in early 2025 with some very rapid growth reported as well as large declines. However, more destinations registered declines on 2024 levels than growth.

Destinations reporting the strongest growth across either arrivals or nights, including Latvia, Serbia, Cyprus, Poland, Estonia and Luxembourg represent just a small share of total outbound trips made by Dutch tourists. Luxembourg is growing in popularity due to its geographical proximity with arrivals standing at 24.3% above 2024 levels and nights at 21.6% ahead.

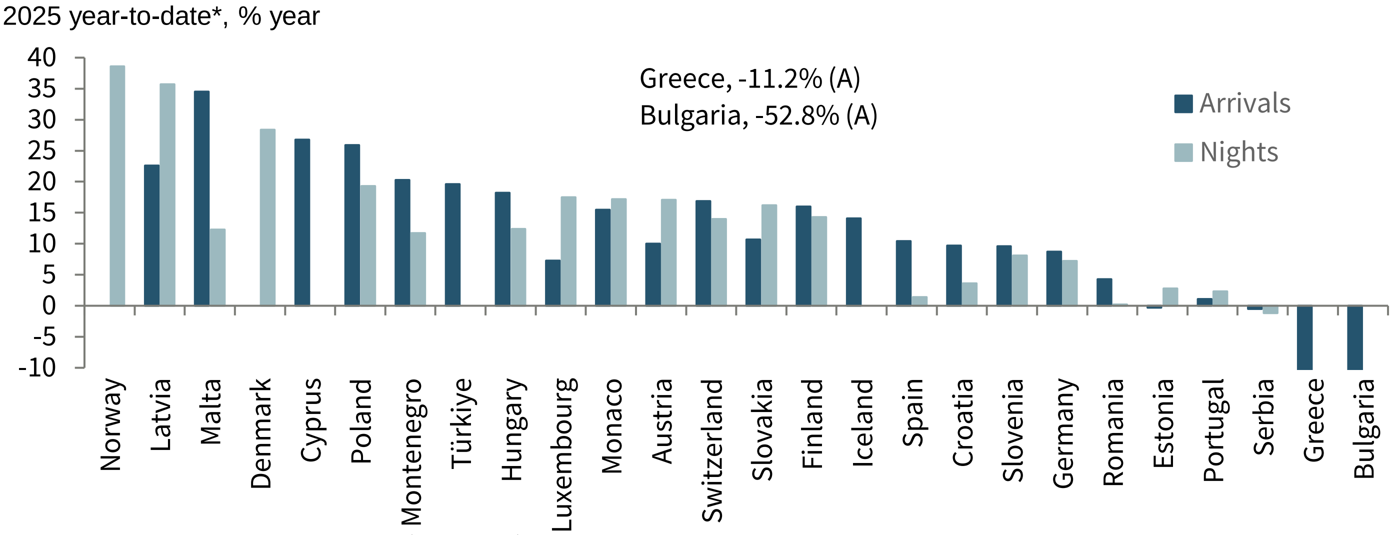
The Netherlands is the only major European source market with higher travel volumes to Germany than in the same period in 2019, but this is not reflected in the relative performance of the first few months of 2025 relative to 2024. Dutch arrivals are currently 4.8% higher than in 2019 and, although nights are not yet recovered, they are within touching distance at just 5.4% below. If economic conditions worsen for households in the Netherlands, Germany could benefit further due to proximity and relative affordability.

Elsewhere, year-on-year growth in both arrivals and nights to Spain, the other largest destination for Dutch tourists, is continuing to rise at a solid pace of 6.9% and 2.6% on 2024 levels respectively, building on its already established recovery from the pandemic.

The new Nightjet train operating between the Netherlands and Austria from May should provide an alternative and more sustainable way to travel across the region and challenge the decline in Dutch visits to Austria registered in the first few months of 2025.

Non-European source markets

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



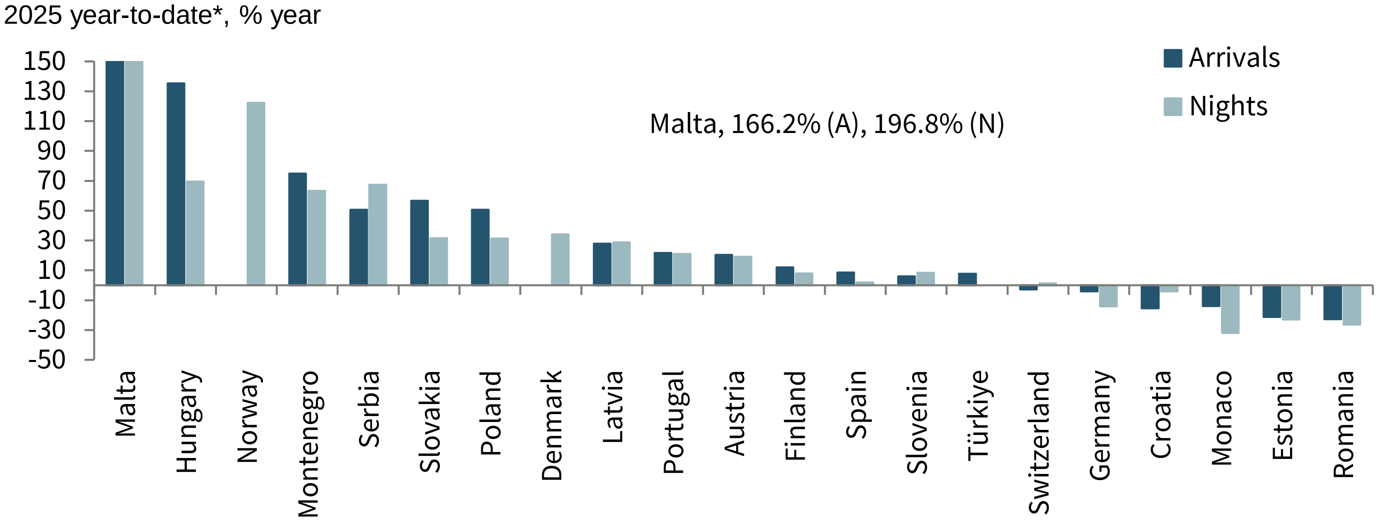
Source: TourMIS* *date varies (Jan-Mar) by destination

More than 80% of reporting destinations experienced arrivals and/or nights growth from the US relative to 2024 levels in the same period, and that broad percentage is reflected relative to 2019 as well. Norway has been the destination of choice for American tourists looking for specific winter tourism offerings including the Northern Lights this year. The number of nights in the country is up 38.6% on last year's levels. Although Norway has grown faster than many other larger destinations, its ranking will likely settle into a more average position as the year progresses.

Among Mediterranean destinations, Malta and Cyprus had the strongest start to 2025. The recent strength of the US dollar has meant that Malta now sees US visitors as its 'high spenders' – although that may well be affected by changes in exchange rates in 2025. Rising costs in Cyprus are also expected to affect American visits in 2025. Türkiye also had a solid start to 2025, with arrivals 19.6% ahead of 2024. Travel volumes are poised to increase even more during this year, as Turkish airlines are set to increase the volume of transatlantic flights, in particular during the summer.

Spain and Germany are two of the most popular destinations for US tourists, but the recovery in Germany continues to lag. Part of this could be put down to connectivity. Whereas there has been an increase in connectivity between Spain and various locations in the US and Canada, German flight connectivity has been diminished by strike action in early 2025. This gap has the potential to widen during the summer months as Iberia will increase flight capacity from Spain to the US by 14% on 2024. However, there is a risk that planned rises in flight capacity or routes may be somewhat pared back due to heightened global uncertainty following US policy announcements in recent months.

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



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

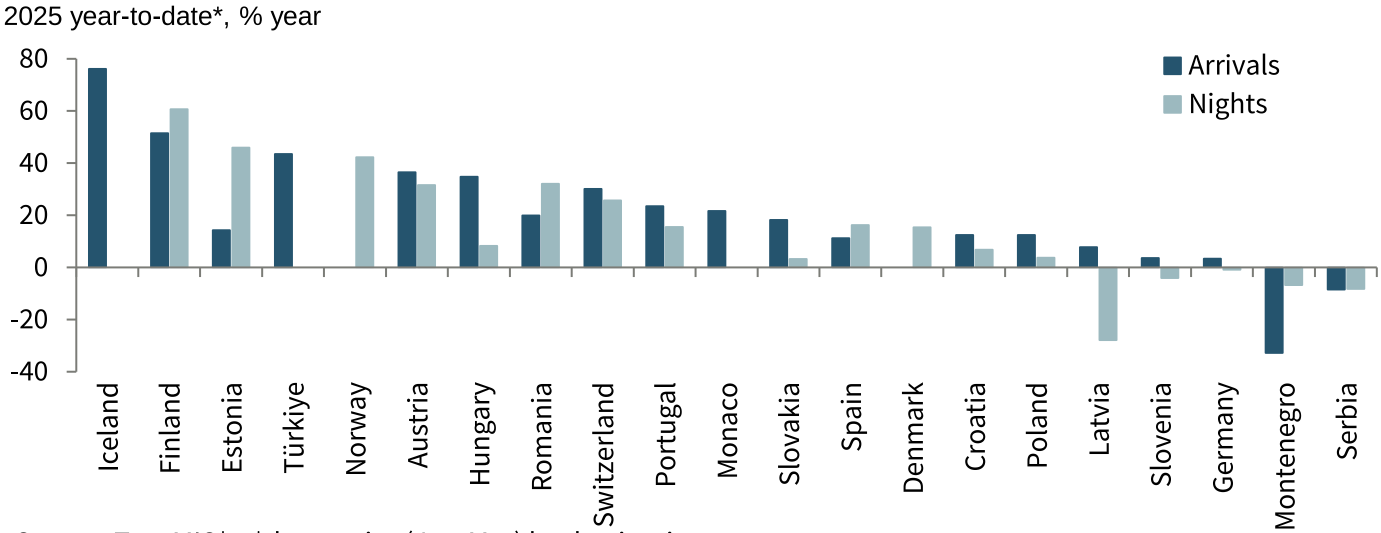
The Chinese New Year saw a strong improvement in travel to Europe, with a marked improvement across many destinations compared to last quarter's report.

Malta saw the strongest increase in both visits and nights from China, with a 166.2% increase in Chinese visits and even stronger growth in nights, albeit from a small base. This is despite the fact that, at present, even under strengthening tourism relations, there are no direct flights between China and Valetta.

Nights spent by Chinese tourists in Norway have far exceeded 2019 levels with growth of 110.1% relative to the pre-pandemic period and 122.3% growth relative to last year. Its appeal as a winter destination has risen due to greater visibility of the Northern Lights and, more recently, it has become one of the top 20 destinations for Chinese tourists. Strong demand for trips to Norway and Hungary have been supported by increased travel over Chinese New Year while flight connectivity has also improved.

Spain has been actively trying to boost tourism with China, building on the FITUR 2025 event hosted in Madrid in January, which likely attracted a considerable number of attendees and participants from China. However, not all of the growth can be attributed to this as Spain also hosted this event in 2019, but the level of attendance at this year's event was significantly higher than in 2019.

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



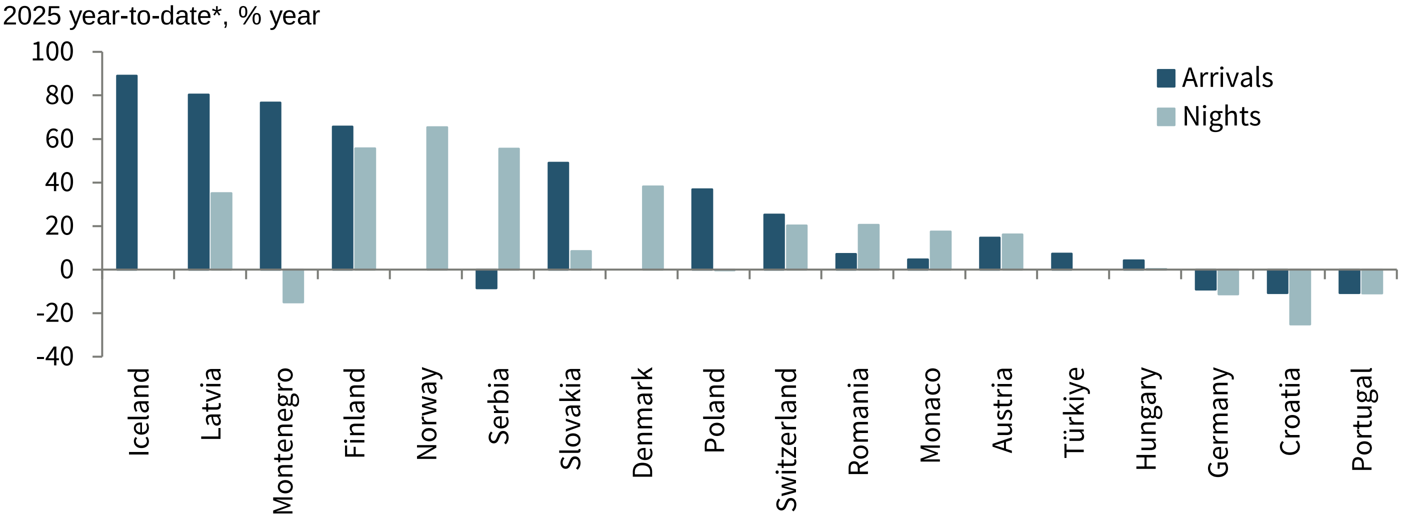
Source: TourMIS* *date varies (Jan-Mar) by destination

Nearly every reporting destination country saw growth in at least one metric from Japan relative to the same month in 2024. The far north of Europe has seen the most marked growth over the past 12 months with Iceland and Finland topping the rankings for Japanese visitors. [Finnair](#) has added more direct flights to Tokyo and has brought back flights to Nagoya. There are currently no direct flights between Iceland and Japan and this rapid growth in 2024 is being served by travel via other hubs, but this is from low base volumes. Improvement was reported for Norway, suggesting winter tourism provided a boost to the region. But this pace of growth is unlikely to be sustained as the year progresses into peak season with higher base volumes for comparison.

Japanese travel to Switzerland has continued to rise in early 2025, on top of significant prior increases, and has the potential to continue improving as the year goes on with the addition of a new direct route from All Nippon Airways between Tokyo and Zurich. The airline also plans to expand its network in Türkiye further boosting tourist arrivals. Türkiye continues to attract a rising number of tourists from Japan and is also benefitting from increased air capacity on direct routes.

Serbia and Montenegro have seen the steepest falls in 2025 relative to the same period last year – both accounting for a relatively small number of visits in volume terms.

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



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

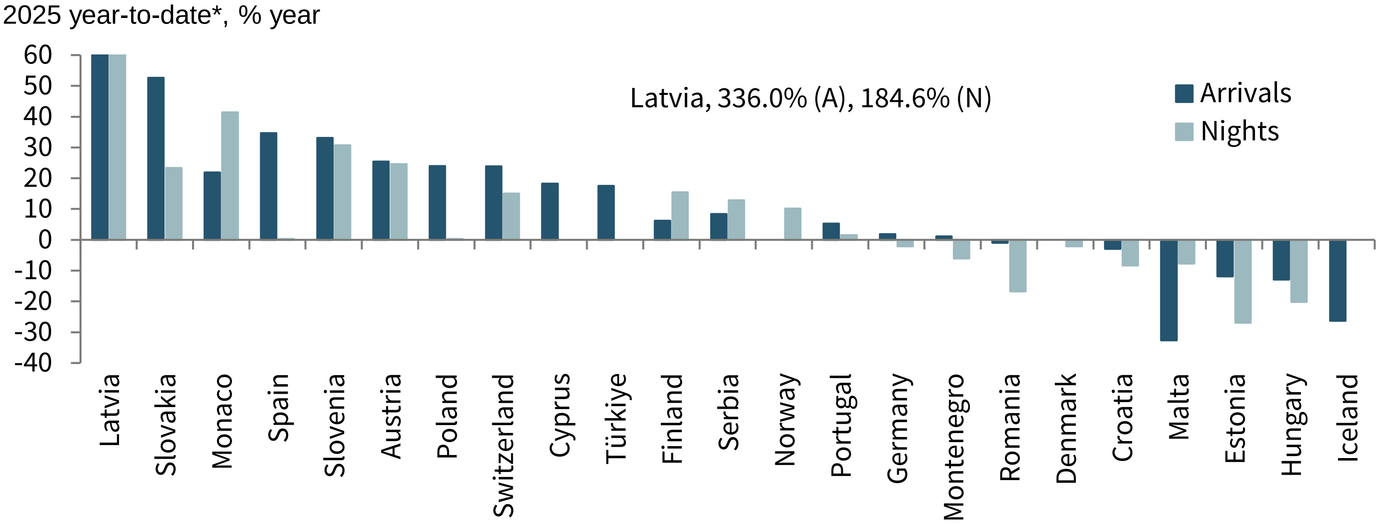
Travel from India to Europe grew rapidly at the start of the year, with all but three reporting destination seeing arrivals or nights ahead of 2024 levels.

The strongest performer overall was Iceland, which saw an increase of arrivals of 89%. There are currently no direct flights from India to Iceland but the latter benefits from being part of the Schengen area. It is important to appreciate that this is growth on a small base though; in 2024 there were only around 26,000 Indian visits to Iceland. Latvia, Montenegro and Finland – all of which also saw strong growth relative to 2024 – are also small destinations for Indian visitors. Finland's arrivals and nights were also significantly higher than pre-pandemic levels. The increase of the Gen-Z population where the majority are categorised within a middle income household is a potential factor driving the general improvement in tourism from India. This also explains some changes in travel preferences and suggests that growth to these smaller destinations may continue.

Switzerland saw relatively strong growth of 25.2% in Indian arrivals compared to last year. Switzerland is marketing itself as a year-round destination, not just to India but to the Asia/Pacific region as a whole. More frequent flights between Delhi and Zurich could further support the recovery through the summer.

Air India is increasing frequencies on some other routes – with a particular focus on the UK and Austria, as well as Switzerland. The three exceptions to growth from India are Germany, Croatia and Portugal. However, visa applications for Germany from India have increased.

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



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

Around two thirds of reporting countries have seen growth in Canadian visits in one or more tourism metrics since the early months of 2024. At the top end, these include a number of smaller destinations which have suffered in recent years from being perceived as being close to the war in Ukraine – such as Latvia (where visits are up 336% on last year) and Slovakia (up 52.6%).

Larger tourism destinations, such as Spain, have also seen notable growth. Visits to Spain from Canada are up 34.7% on last year. Other key destinations, such as Austria and Switzerland, also exhibited strong growth.

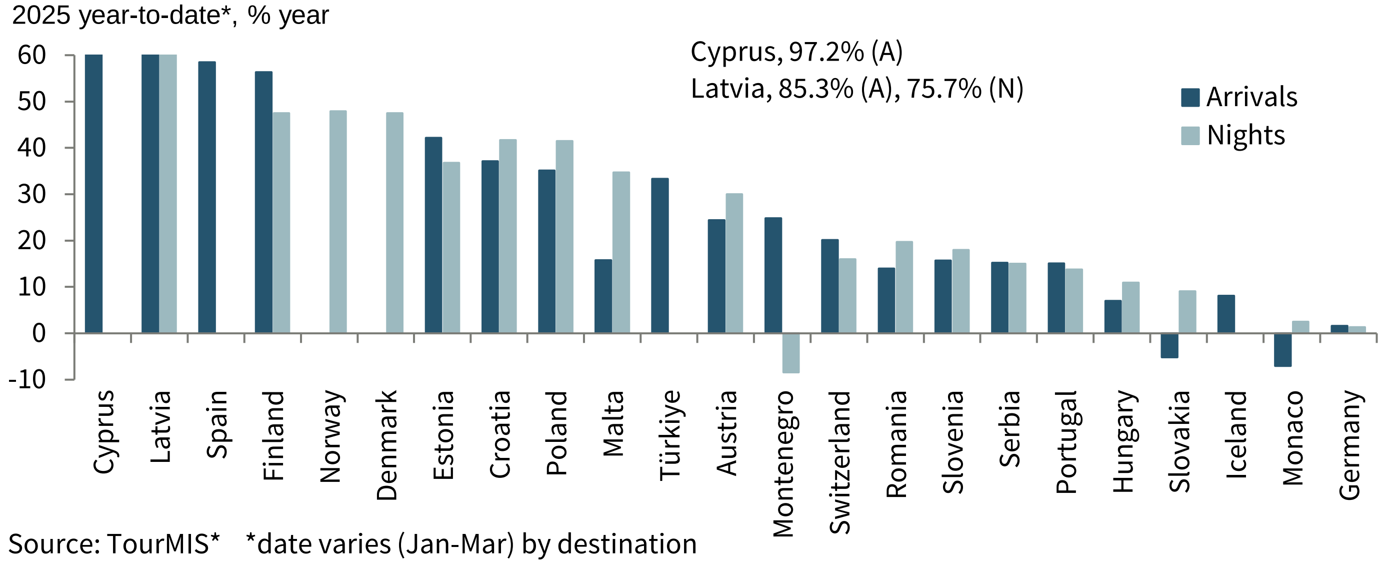
Portugal continues to increase its share of Canadian tourists, although momentum was not especially strong in the early months of this year. Additional flight capacity between the two countries is being added in time for the summer months in response to the longer-term demand trend and suggests that growth will probably recover later this year. Specific new flight capacity is being added by Air Canada between Montreal and Porto as well as an increase in the frequency of flights between Lisbon and Toronto.

A similar rise in flights between Canada and Nice could support continued demand in Monaco, although this is a small market, so triple digit growth does not represent a significant increase in arrivals or nights relative to other countries.

One reporting destination which appears to have made a poor start to the year is Malta with visits from Canada down 32.6%. Malta had an especially positive performance from Canada in 2024 with visits increasing by around 23% on 2023. Data are also often volatile during these off-season months.

In spite of the overall bright picture, there is a risk that slower economic growth and a possible recession may make long-haul travel to these destinations less affordable than they were last year, potentially leading to less and/or shorter transatlantic trips. It could also result in a review of current flight schedules among airlines, even for those who are set to increase transatlantic flights in the next few months.

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



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

All reporting destinations recorded growth in at least one metric for arrivals from Australia. Monaco, Slovakia and Montenegro posted a decline in one of the metrics with growth in the other.

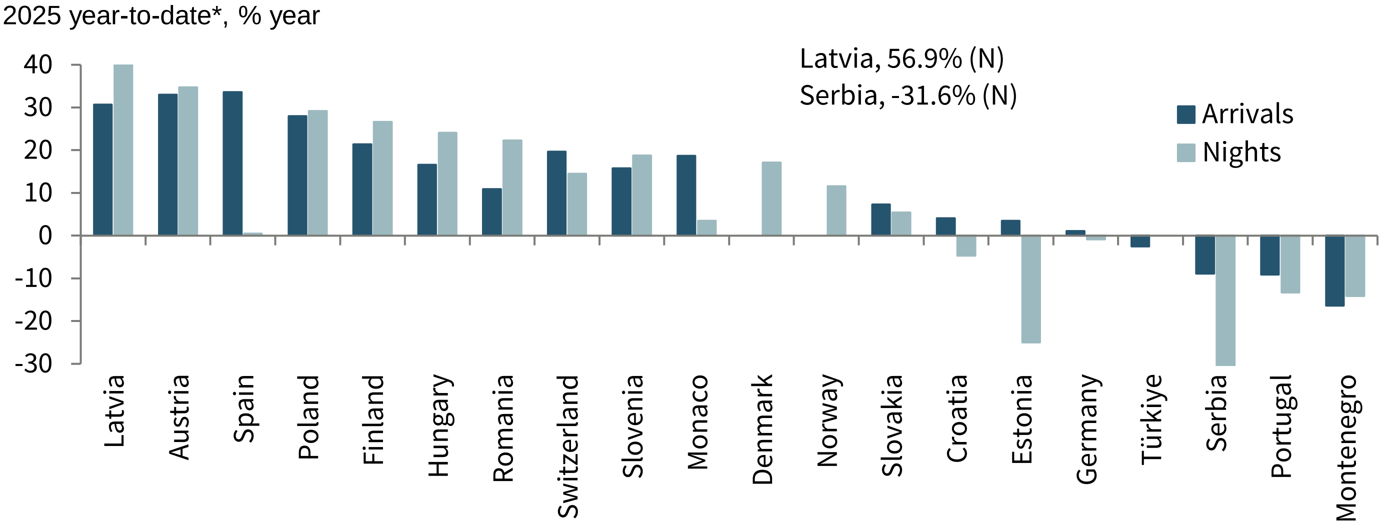
Australian tourists continue to favour Southern Mediterranean destinations this year to date, with arrivals to reporting countries such as Cyprus and Spain up strongly compared to the same months last year. Cyprus has seen growth in Australian arrivals of 97.2%; Spain, 58.5%.

Nordic destinations have performed well over the winter months, especially Finland with a comparable rise in both arrivals (56.3%) and nights (47.5%). While Norway (47.9%) and Denmark (47.5%) are also both reporting significantly more nights spent by Australian tourists than a year ago. Increased travel capacity between these destinations and Australia are likely a contributing factor supporting the strong growth reported in recent months.

Malta has seen a 34.7% increase in nights from Australia supported by the resumption of flights from Doha by Qatar Airways to Valetta. Efforts by Air India to improve air connectivity between destinations in Eastern Europe and the Asia/Pacific region, including Australia, should improve travel times for Australian tourists. This could possibly make these smaller and less well-known destinations more attractive and easier to visit.

The rise in demand for several Central and Eastern European destinations, especially Estonia and Latvia, is evident with both starting the year with arrivals and nights ahead of where they were in 2024. Some of this could be attributed to some returning migrants visiting friends and relatives with over 9,000 Estonians now living in Australia.

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



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

The majority of reporting destinations reported growth in travel from Brazil with only four recording a decline in either visits or nights. Strong growth was most evident for Latvia, Austria and Spain, which all saw arrivals from Brazil up by in excess of 30% compared to the same months in 2024.

However, most of the destinations reporting significant growth do not represent a large share of total visits to Europe. For example, around 2,700 Brazilian trips were made to Latvia in 2024, and if the current pace of growth continues, it would imply only 800 additional visits this year.

Finland is a more significant destination for Brazilians and a continuation of the current rate of growth from 2024 indicates around an additional 5,000 visits from Brazil.

Switzerland is a good example of an emerging destination that has become more significant over the last few years. Consistent marketing efforts across multiple platforms is expected to maintain the upward trend in arrivals and nights spent by tourists from Brazil.

Among the more popular destinations for Brazilian tourists, Germany is still to fully recover to pre-pandemic levels, and it has seen little change in outlook since the opening months of 2024 with arrivals slightly up but nights marginally down.

8. 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.*

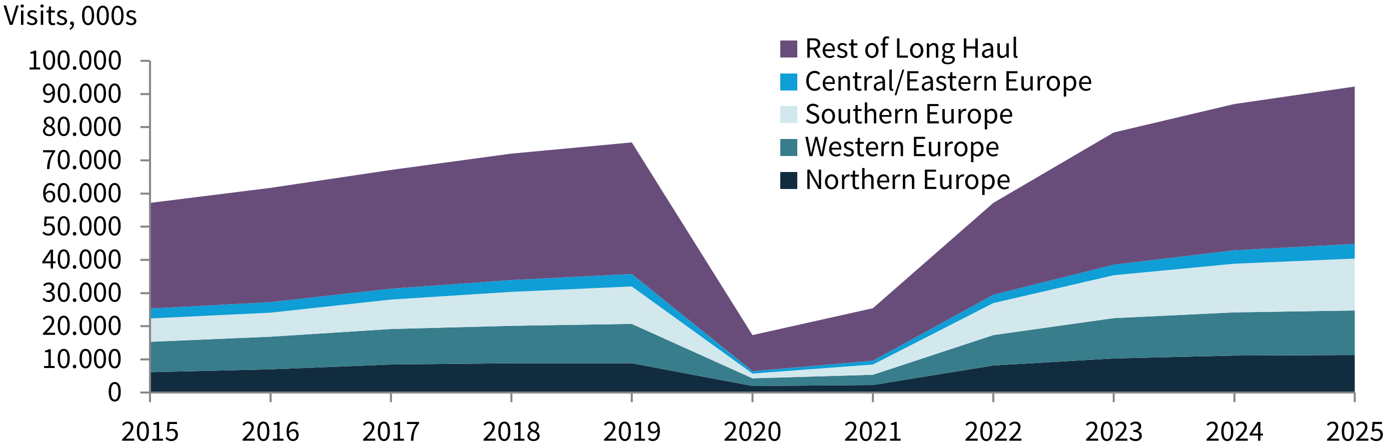
United States market share summary

	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	**138,903**	**-**	**4.7%**	**25.9%**	**-**	**9.1%**	**-**
Long haul	87,013	62.6%	5.3%	29.2%	64.3%	15.4%	59.2%
Short haul	51,890	37.4%	3.8%	20.4%	35.7%	-0.1%	40.8%
Travel to Europe	**42,885**	**30.9%**	**4.0%**	**21.4%**	**29.8%**	**20.0%**	**28.1%**
European Union	5,886	4.2%	46.5%	574.8%	22.7%	-74.2%	17.9%
Northern Europe	11,141	8.0%	1.9%	10.1%	7.0%	25.9%	6.9%
Western Europe	13,034	9.4%	3.7%	19.7%	8.9%	10.3%	9.3%
Southern Europe	14,694	10.6%	4.3%	23.2%	10.3%	30.1%	8.9%
Central/Eastern Europe	4,016	2.9%	8.8%	52.1%	3.5%	6.0%	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

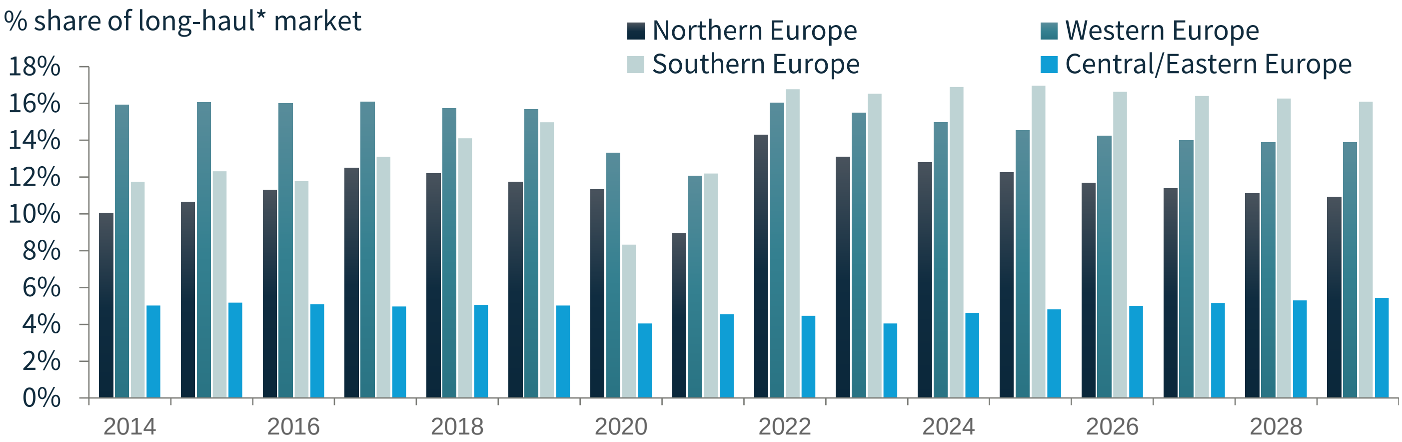
Source: Tourism Economics

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

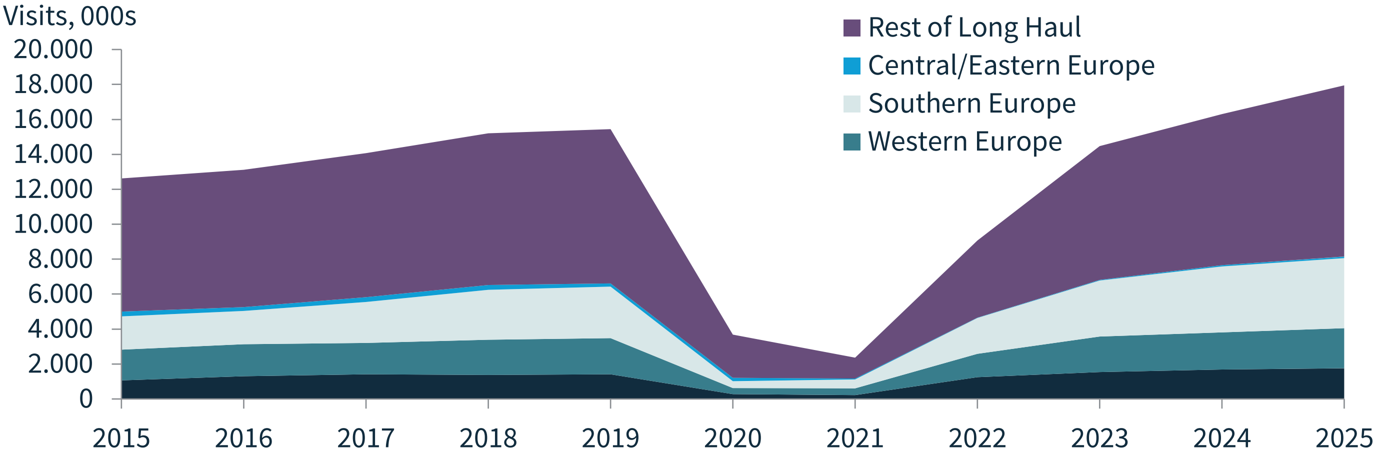
Canada market share summary

	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	**39,059**	**-**	**2.4%**	**12.8%**	**-**	**1.5%**	**-**
Long haul	16,295	41.7%	5.3%	29.3%	47.8%	5.5%	40.2%
Short haul	22,764	58.3%	0.2%	0.9%	52.2%	-1.1%	59.8%
Travel to Europe	**7,660**	**19.6%**	**2.6%**	**13.9%**	**19.8%**	**15.8%**	**17.2%**
European Union	999	2.6%	50.8%	679.6%	17.7%	-78.7%	12.2%
Northern Europe	1,690	4.3%	2.2%	11.5%	4.3%	19.9%	3.7%
Western Europe	2,125	5.4%	2.4%	12.7%	5.4%	2.3%	5.4%
Southern Europe	3,761	9.6%	2.7%	14.4%	9.8%	28.1%	7.6%
Central/Eastern Europe	83	0.2%	11.5%	72.7%	0.3%	-57.0%	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

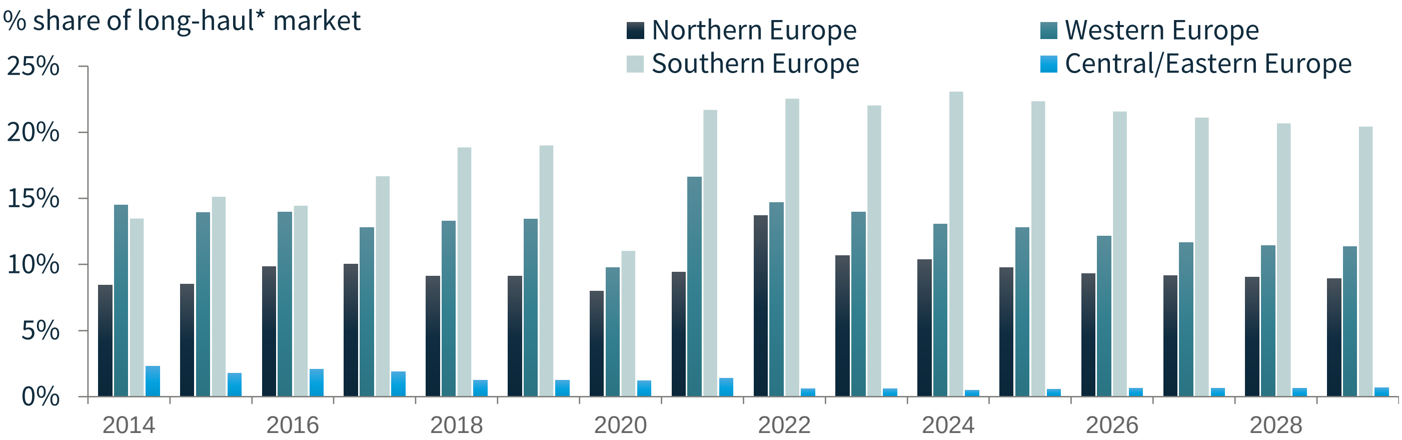
Source: Tourism Economics

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

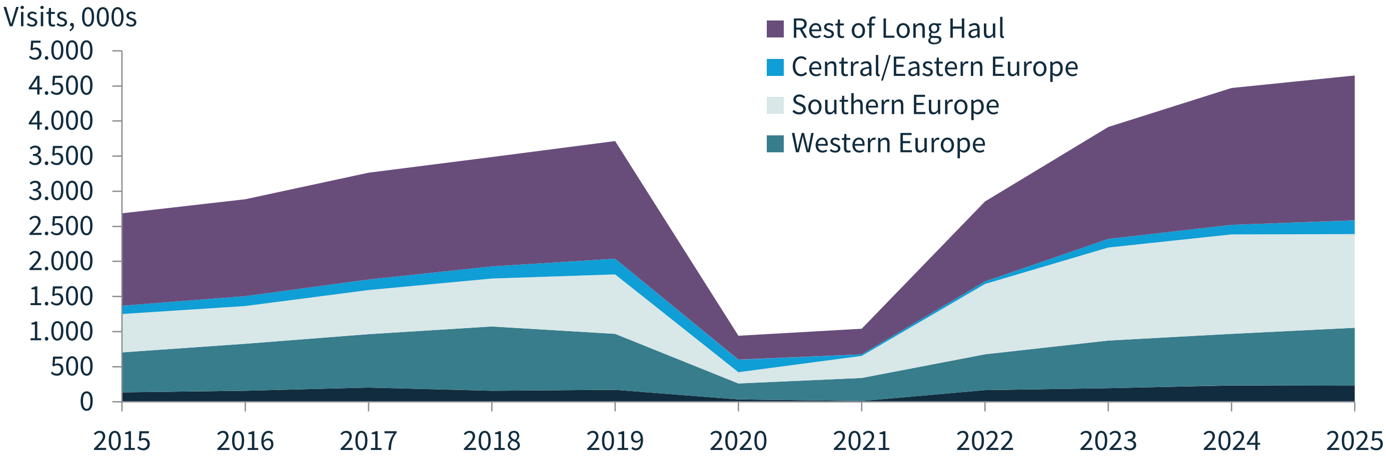
Mexico market share summary

	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	**21,913**	**-**	**2.7%**	**14.3%**	**-**	**-2.5%**	**-**
Long haul	4,528	20.7%	3.2%	16.9%	21.1%	23.5%	16.3%
Short haul	17,385	79.3%	2.6%	13.6%	78.9%	-7.6%	83.7%
Travel to Europe	**2,580**	**11.8%**	**1.6%**	**8.5%**	**11.2%**	**29.4%**	**8.9%**
European Union	416	1.9%	40.7%	452.3%	9.2%	-67.6%	5.7%
Northern Europe	233	1.1%	0.9%	4.5%	1.0%	34.7%	0.8%
Western Europe	735	3.4%	6.3%	35.7%	4.0%	-7.7%	3.5%
Southern Europe	1,414	6.5%	-0.9%	-4.6%	5.4%	67.4%	3.8%
Central/Eastern Europe	197	0.9%	1.0%	4.9%	0.8%	9.7%	0.8%

*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

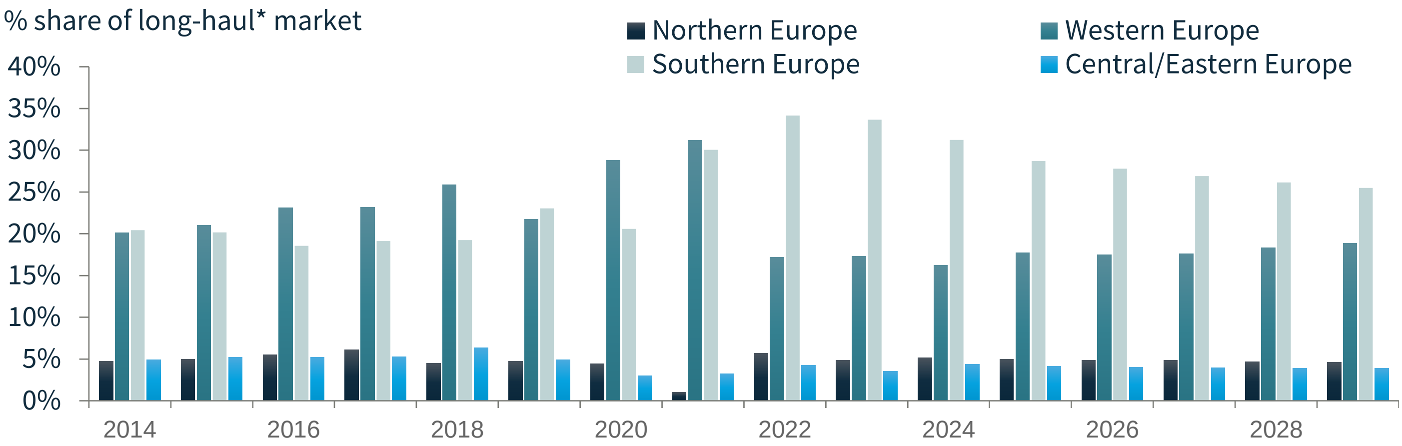
Source: Tourism Economics

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

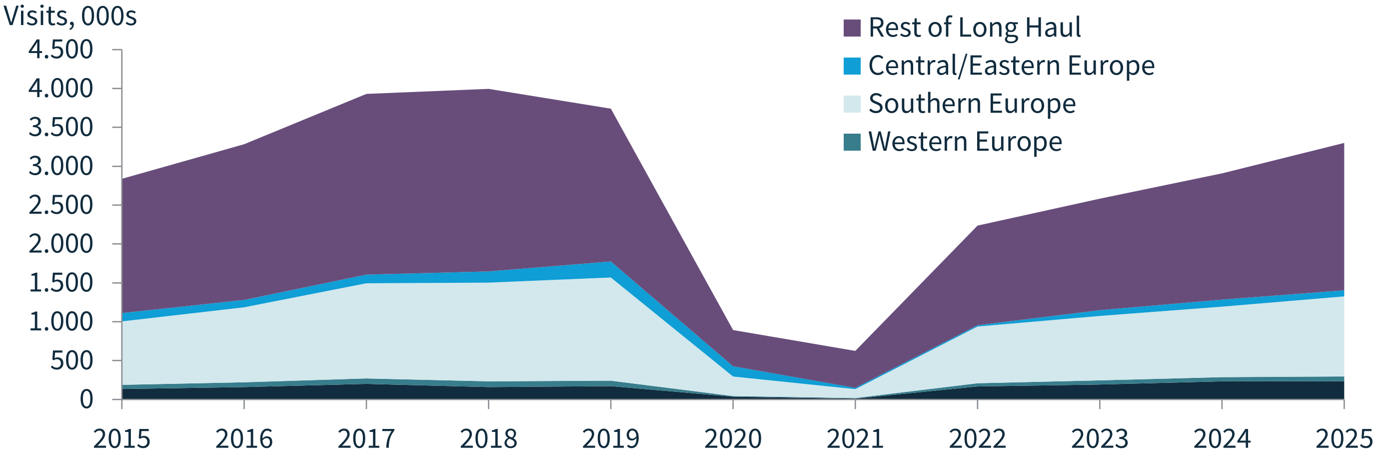
Argentina market share summary

	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	**9,967**	**-**	**6.7%**	**38.1%**	**-**	**-4.4%**	**-**
Long haul	2,798	28.1%	9.7%	59.2%	32.4%	-22.7%	34.7%
Short haul	7,169	71.9%	5.4%	29.9%	67.6%	5.4%	65.3%
Travel to Europe	**1,171**	**11.7%**	**9.2%**	**55.2%**	**13.2%**	**-29.2%**	**15.9%**
European Union	290	2.9%	31.7%	296.5%	8.4%	-69.0%	9.0%
Northern Europe	128	1.3%	7.5%	43.9%	1.3%	-0.1%	1.2%
Western Europe	54	0.5%	14.1%	93.0%	0.8%	-21.4%	0.7%
Southern Europe	908	9.1%	8.6%	51.2%	10.0%	-31.5%	12.7%
Central/Eastern Europe	80	0.8%	14.0%	92.2%	1.1%	-38.2%	1.2%

*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

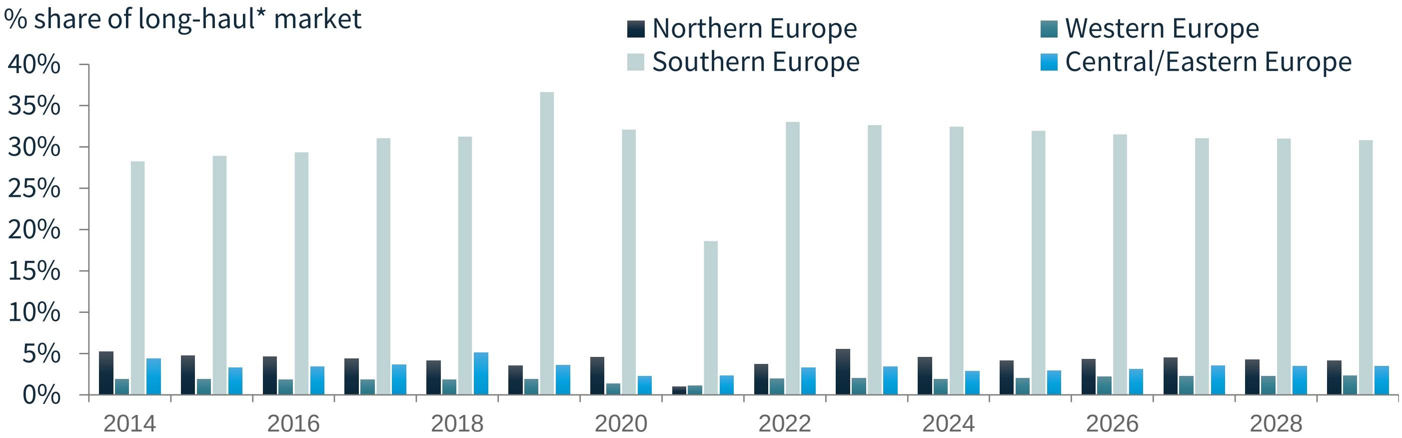
Source: Tourism Economics

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

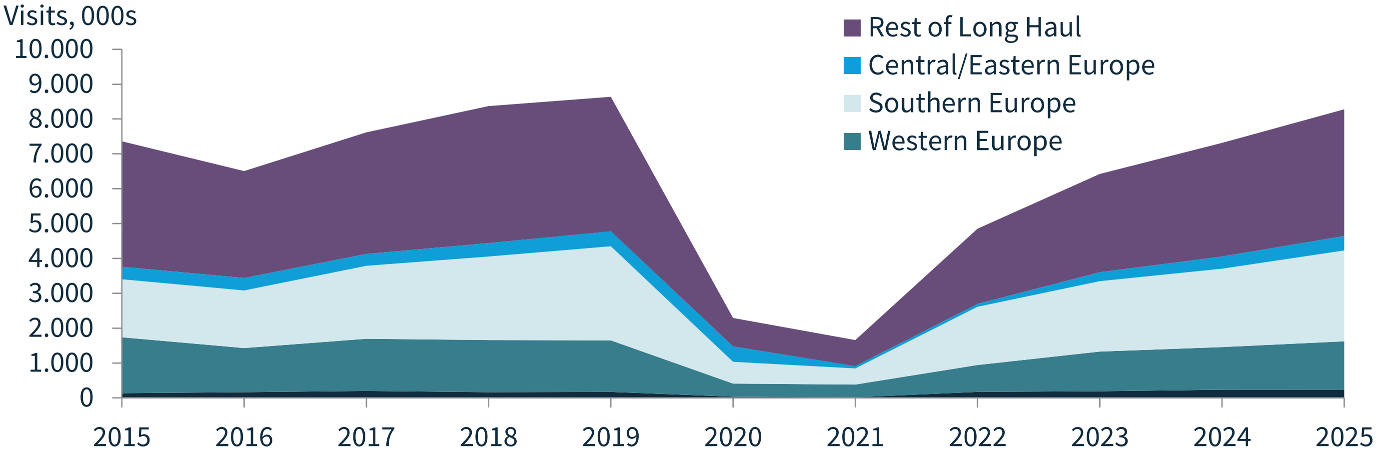
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	**10,996**	**-**	**6.8%**	**39.2%**	**-**	**-8.4%**	**-**
Long haul	7,530	68.5%	7.7%	44.7%	71.2%	-14.2%	73.1%
Short haul	3,466	31.5%	4.9%	27.2%	28.8%	7.1%	26.9%
Travel to Europe	**4,272**	**38.8%**	**7.9%**	**46.4%**	**40.8%**	**-13.2%**	**41.0%**
European Union	1,071	9.7%	31.8%	298.1%	27.8%	-70.0%	29.8%
Northern Europe	388	3.5%	1.3%	6.4%	2.7%	25.6%	2.6%
Western Europe	1,220	11.1%	8.4%	49.9%	11.9%	-17.6%	12.3%
Southern Europe	2,257	20.5%	8.7%	52.0%	22.4%	-16.1%	22.4%
Central/Eastern Europe	407	3.7%	7.4%	42.7%	3.8%	-7.8%	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

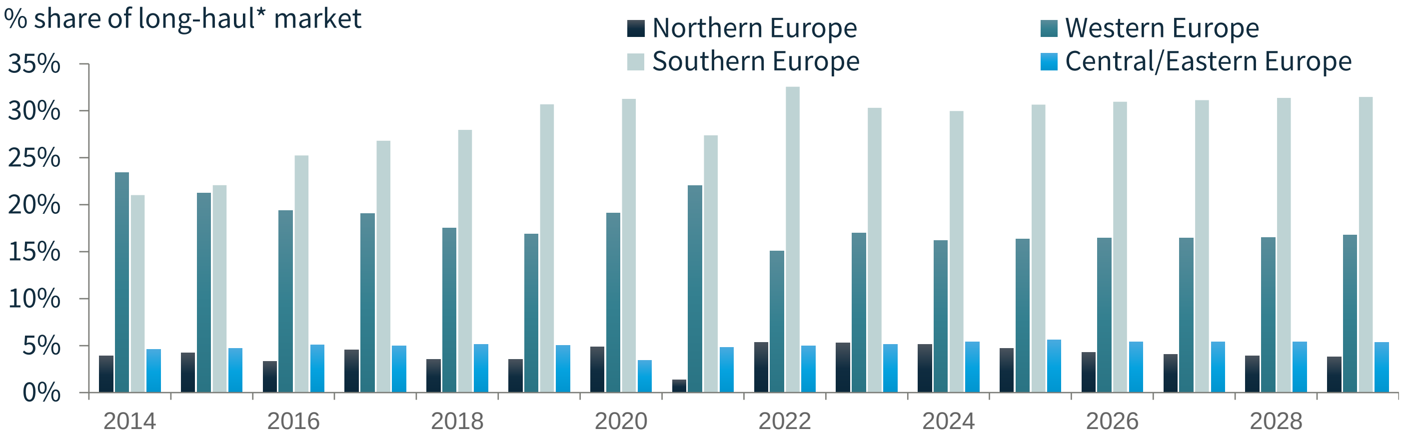
Source: Tourism Economics

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

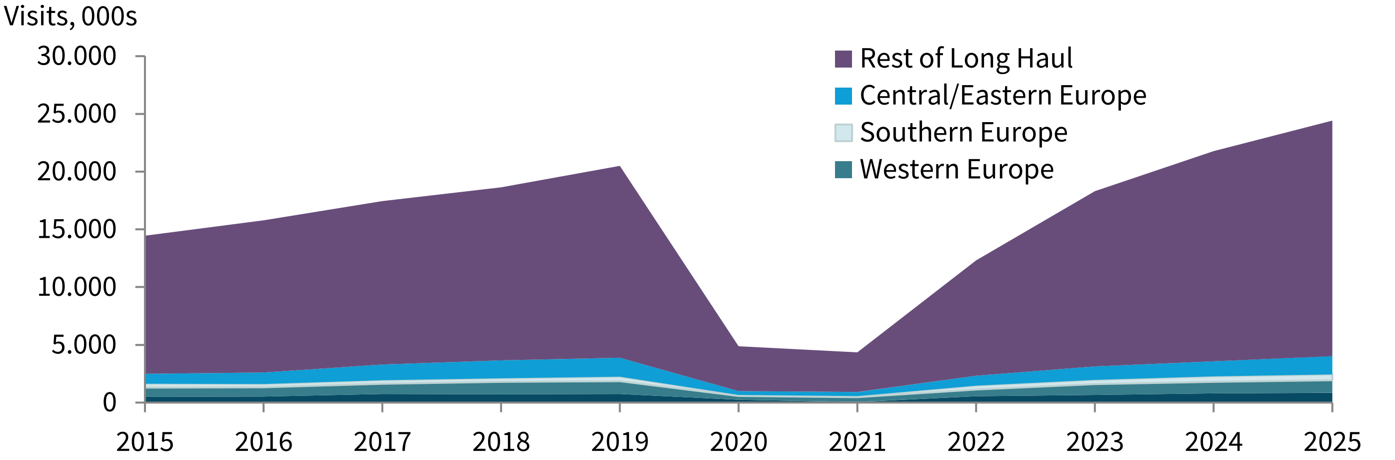
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	**22,956**	**-**	**9.4%**	**56.4%**	**-**	**6.1%**	**-**
Long haul	21,775	94.9%	9.6%	58.1%	95.9%	6.3%	94.7%
Short haul	1,181	5.1%	4.7%	26.1%	4.1%	3.4%	5.3%
Travel to Europe	**3,586**	**15.6%**	**8.3%**	**48.8%**	**14.9%**	**-7.3%**	**17.9%**
European Union	625	2.7%	25.2%	207.5%	5.4%	-52.4%	6.1%
Northern Europe	787	3.4%	6.2%	34.8%	3.0%	4.5%	3.5%
Western Europe	1,001	4.4%	5.8%	32.5%	3.7%	-9.8%	5.1%
Southern Europe	473	2.1%	6.0%	33.7%	1.8%	20.7%	1.8%
Central/Eastern Europe	1,325	5.8%	11.8%	74.8%	6.5%	-17.8%	7.5%

*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

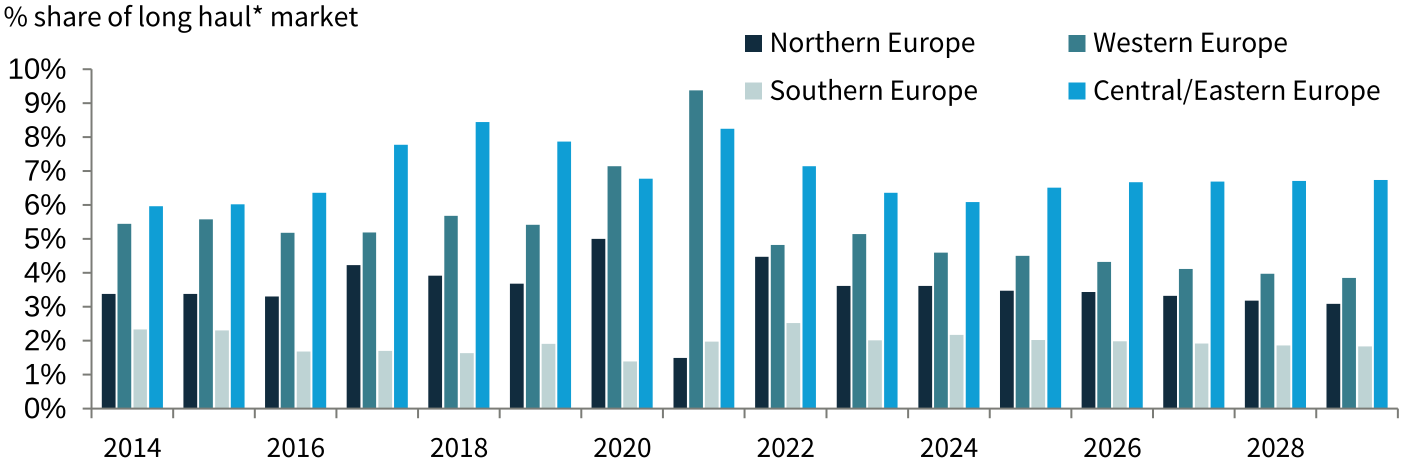
India long-haul* outbound travel



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

Source: Tourism Economics

Europe's share of Indian market



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

Source: Tourism Economics

China market share summary

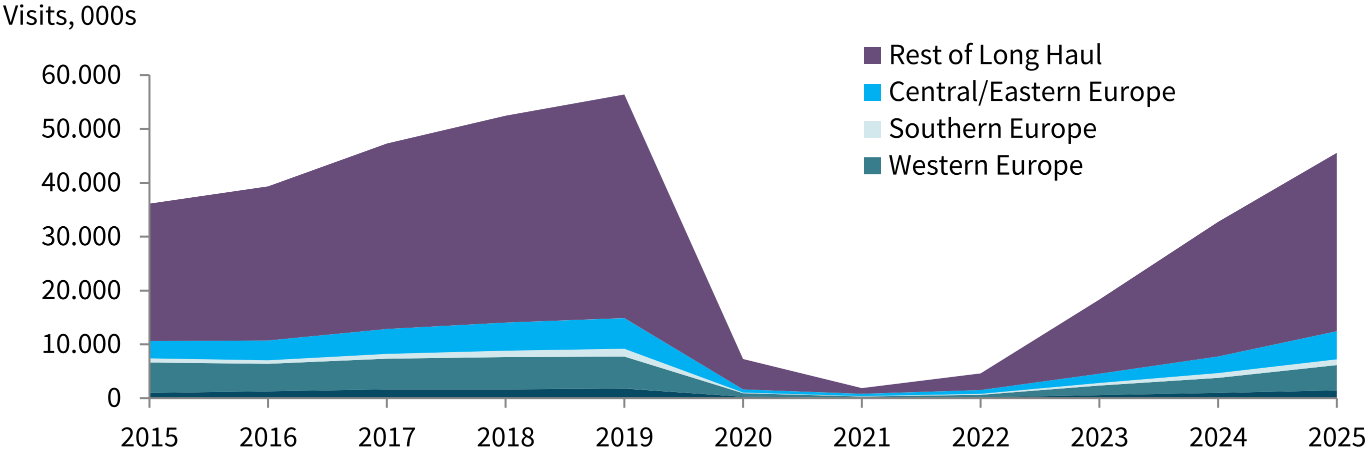
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	**71,239**	**-**	**16.0%**	**110.3%**	**-**	**-31.7%**	**-**
Long haul	32,755	46.0%	18.6%	134.2%	51.2%	-41.9%	54.1%
Short haul	38,484	54.0%	13.7%	90.0%	48.8%	-19.7%	45.9%
Travel to Europe	**7,719**	**10.8%**	**22.1%**	**171.7%**	**14.0%**	**-48.0%**	**14.2%**
European Union	1,032	1.4%	46.9%	584.6%	4.7%	-84.3%	6.3%
Northern Europe	966	1.4%	22.0%	170.6%	1.7%	-45.8%	1.7%
Western Europe	2,783	3.9%	23.5%	187.5%	5.3%	-53.2%	5.7%
Southern Europe	892	1.3%	13.5%	88.5%	1.1%	-38.0%	1.4%
Central/Eastern Europe	3,078	4.3%	23.0%	181.9%	5.8%	-45.9%	5.5%

*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

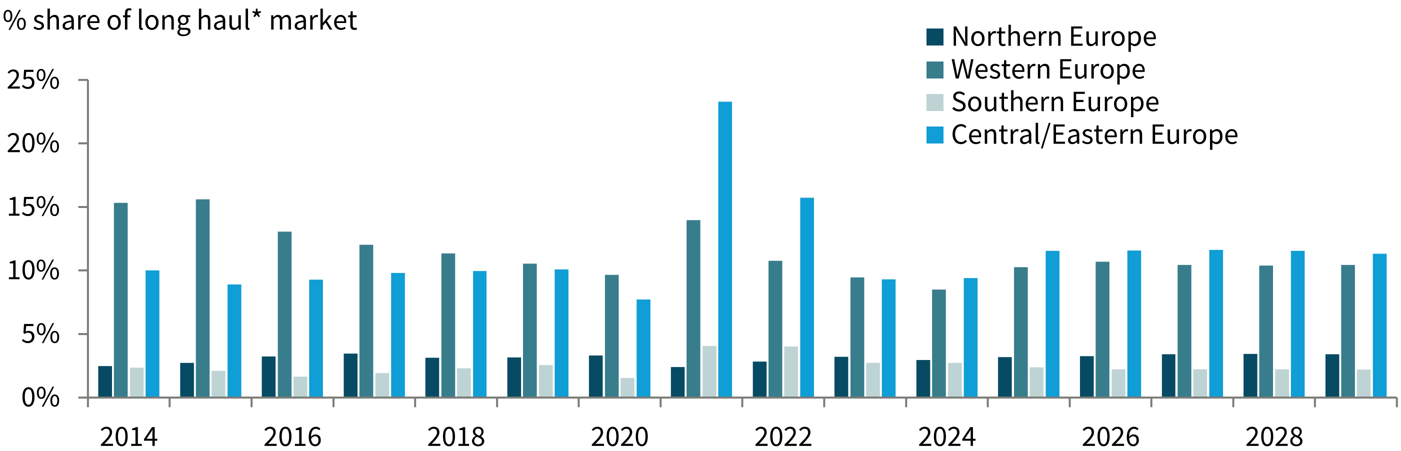
China long-haul* outbound travel



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

Source: Tourism Economics

Europe's share of Chinese market



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

Source: Tourism Economics

Japan market share summary

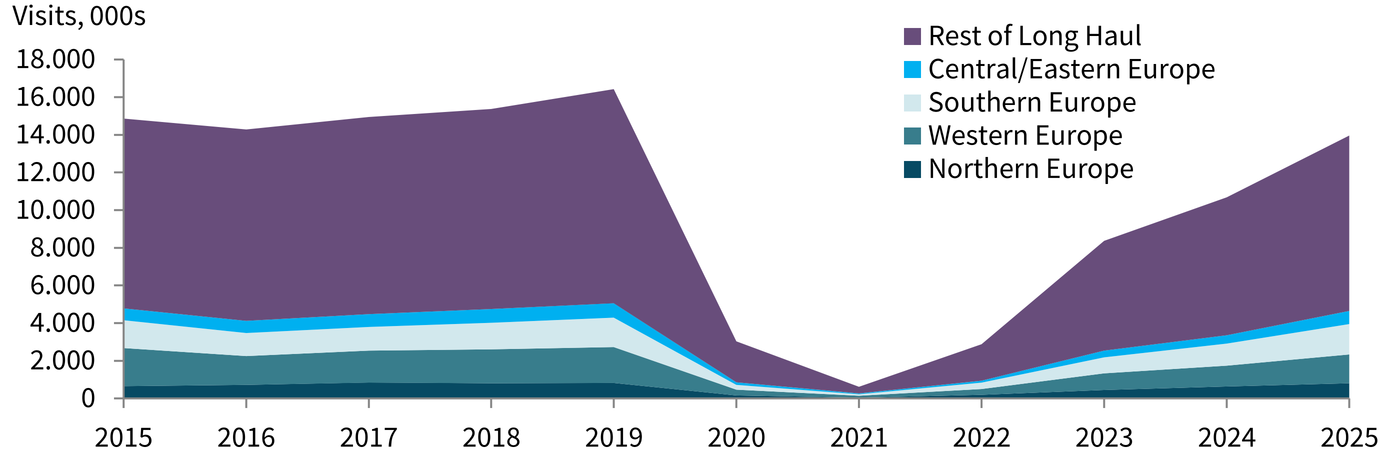
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	**17,705**	**-**	**14.0%**	**92.7%**	**-**	**-30.2%**	**-**
Long haul	10,677	60.3%	14.8%	99.3%	62.4%	-35.0%	64.8%
Short haul	7,028	39.7%	12.8%	82.7%	37.6%	-21.4%	35.2%
Travel to Europe	**3,360**	**19.0%**	**14.4%**	**96.2%**	**19.3%**	**-33.6%**	**19.9%**
European Union	766	4.3%	39.8%	434.2%	12.0%	-81.8%	16.6%
Northern Europe	637	3.6%	11.7%	73.8%	3.2%	-22.9%	3.3%
Western Europe	1,108	6.3%	16.0%	110.0%	6.8%	-41.8%	7.5%
Southern Europe	1,160	6.6%	12.3%	78.4%	6.1%	-25.4%	6.1%
Central/Eastern Europe	456	2.6%	19.0%	139.1%	3.2%	-41.2%	3.1%

*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

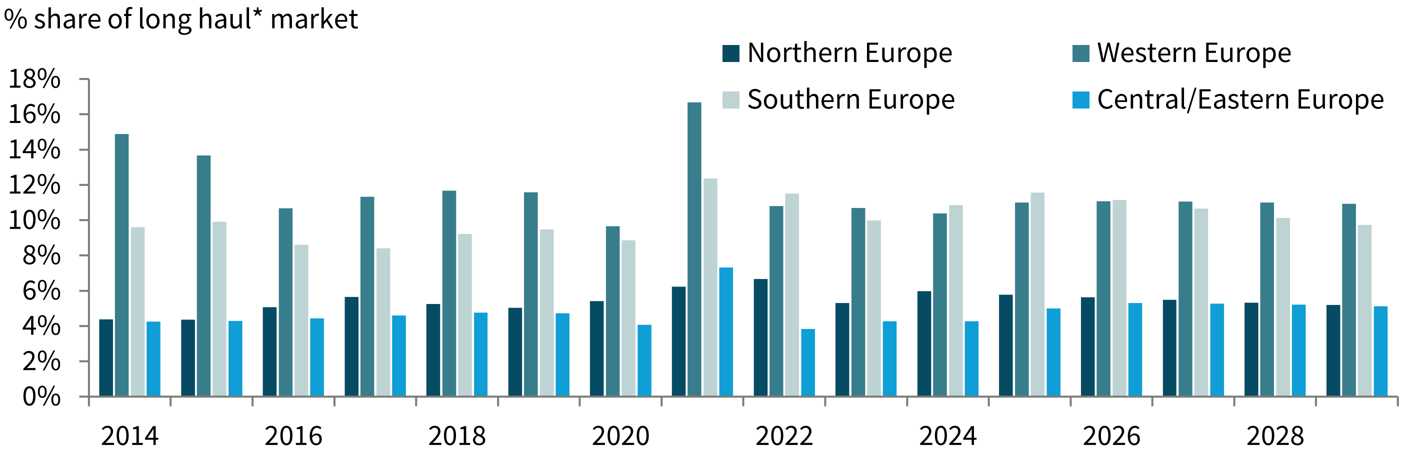
Japan long-haul* outbound travel



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

Source: Tourism Economics

Europe's share of Japanese market



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

Source: Tourism Economics

Australia market share summary

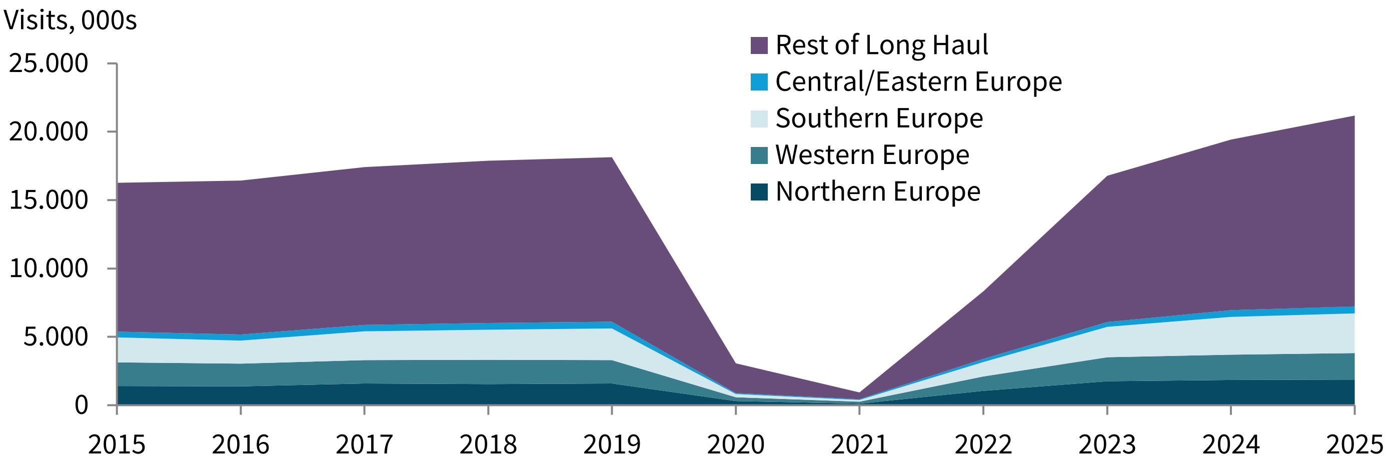
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	**20,232**	**-**	**6.7%**	**38.4%**	**-**	**7.6%**	**-**
Long haul	19,416	96.0%	6.6%	37.5%	95.3%	7.0%	96.5%
Short haul	816	4.0%	9.8%	59.9%	4.7%	22.7%	3.5%
Travel to Europe	**6,946**	**34.3%**	**3.8%**	**20.7%**	**30.0%**	**13.7%**	**32.5%**
European Union	835	4.1%	51.4%	694.4%	23.7%	-83.3%	26.5%
Northern Europe	1,848	9.1%	1.9%	9.7%	7.2%	16.9%	8.4%
Western Europe	1,851	9.1%	3.0%	15.9%	7.7%	7.3%	9.2%
Southern Europe	2,757	13.6%	5.4%	30.1%	12.8%	19.7%	12.2%
Central/Eastern Europe	490	2.4%	5.0%	27.7%	2.2%	-1.7%	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

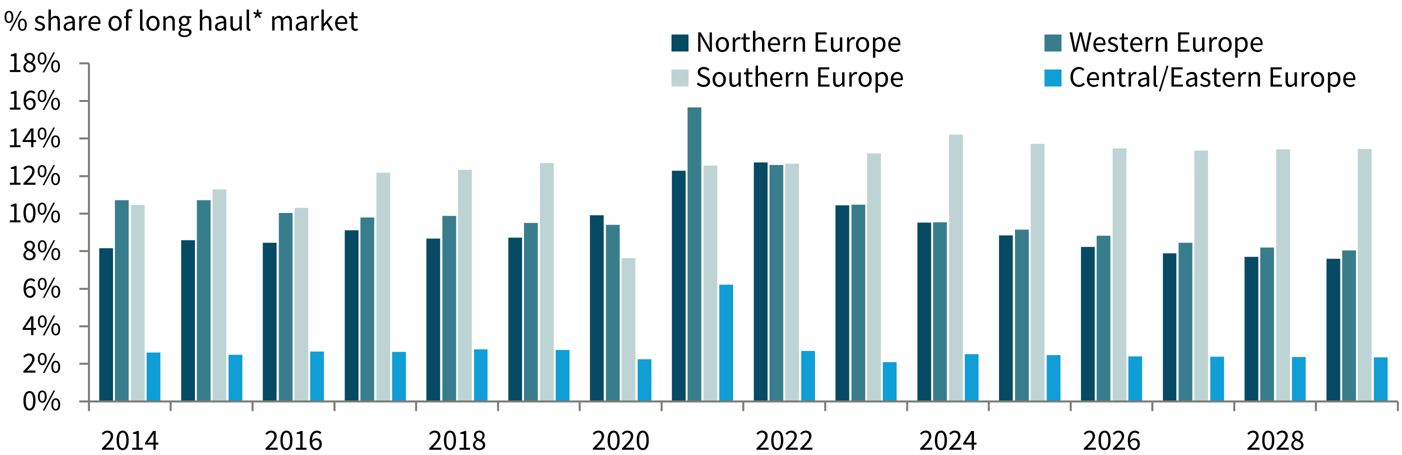
Australia long-haul* outbound travel



*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

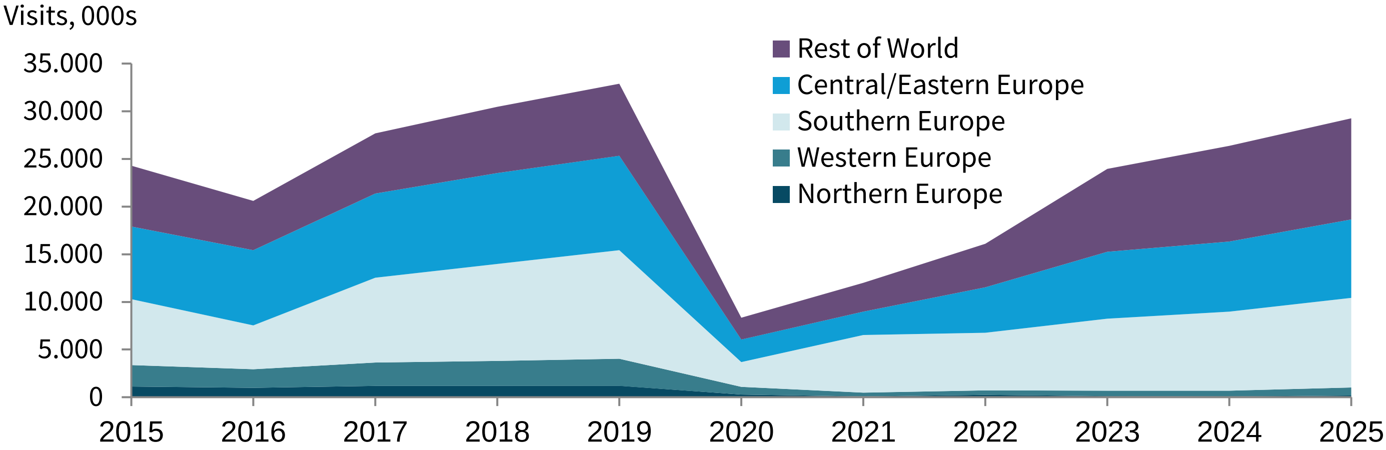
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	**26,377**	**-**	**9.6%**	**58.1%**	**-**	**-19.8%**	**-**
Long haul	10,041	38.1%	5.5%	30.6%	31.4%	33.0%	23.0%
Short haul	16,335	61.9%	11.8%	75.0%	68.6%	-35.5%	77.0%
Travel to Europe	**16,335**	**61.9%**	**11.8%**	**75.0%**	**68.6%**	**-35.5%**	**77.0%**
European Union	2,225	8.4%	6.3%	35.5%	7.2%	-74.3%	26.4%
Northern Europe	87	0.3%	57.1%	856.7%	2.0%	-92.8%	3.7%
Western Europe	610	2.3%	36.3%	371.1%	6.9%	-78.4%	8.6%
Southern Europe	8,279	31.4%	8.6%	51.0%	30.0%	-27.3%	34.6%
Central/Eastern Europe	7,360	27.9%	11.0%	68.3%	29.7%	-25.8%	30.1%

*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

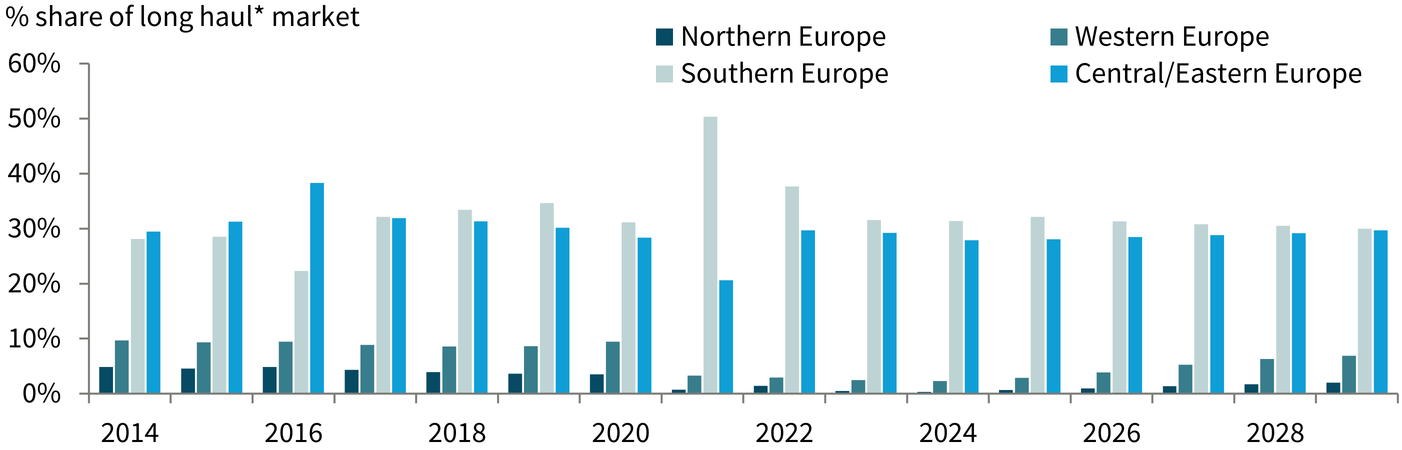
Russia long-haul* outbound travel



*Long haul defined as tourist arrivals to all destinations

Source: Tourism Economics

Europe's share of Russian market



*Long haul defined as tourist arrivals to all destinations

Source: Tourism Economics

United Arab Emirates market share summary

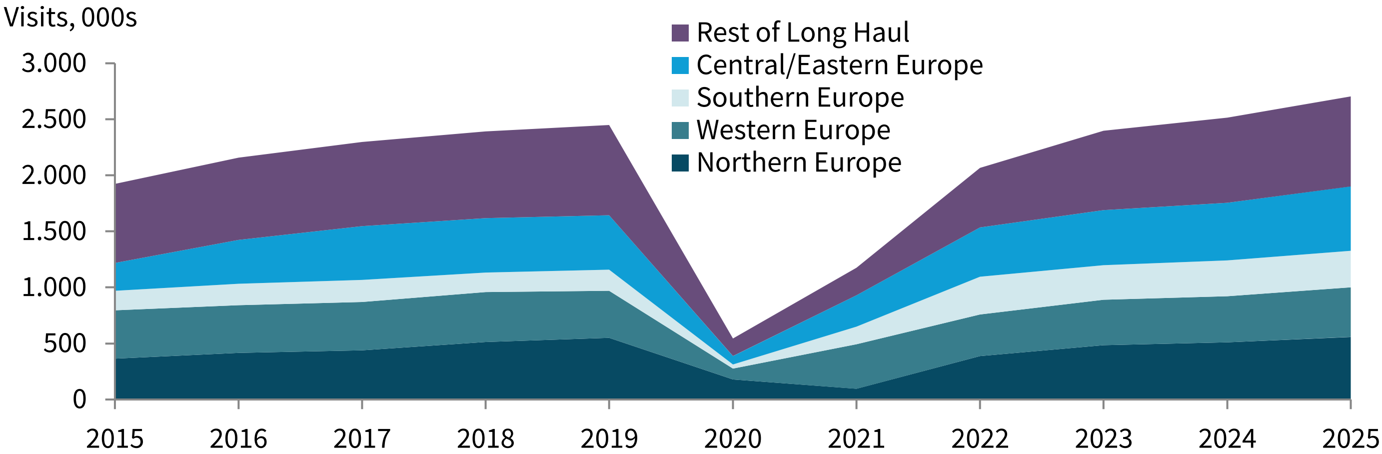
	2024		Growth (2024-29)			Growth (2019-24)	
	000s	Share**	Annual average	Cumulative growth*	Share 2029**	Cumulative growth*	Share 2019**
Total outbound travel	**4,798**	-	**8.1%**	**47.5%**	-	**27.3%**	-
Long haul	2,516	52.4%	4.8%	26.5%	44.9%	2.7%	65.0%
Short haul	2,282	47.6%	11.3%	70.7%	55.1%	73.1%	35.0%
Travel to Europe	**1,755**	**36.6%**	**4.0%**	**21.7%**	**30.2%**	**6.7%**	**43.6%**
European Union	296	6.2%	30.9%	284.5%	16.1%	-64.1%	21.9%
Northern Europe	511	10.7%	4.7%	25.7%	9.1%	-7.1%	14.6%
Western Europe	411	8.6%	4.7%	25.8%	7.3%	-2.3%	11.2%
Southern Europe	318	6.6%	2.1%	10.7%	5.0%	70.6%	5.0%
Central/Eastern Europe	514	10.7%	3.9%	21.3%	8.8%	5.7%	12.9%

*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

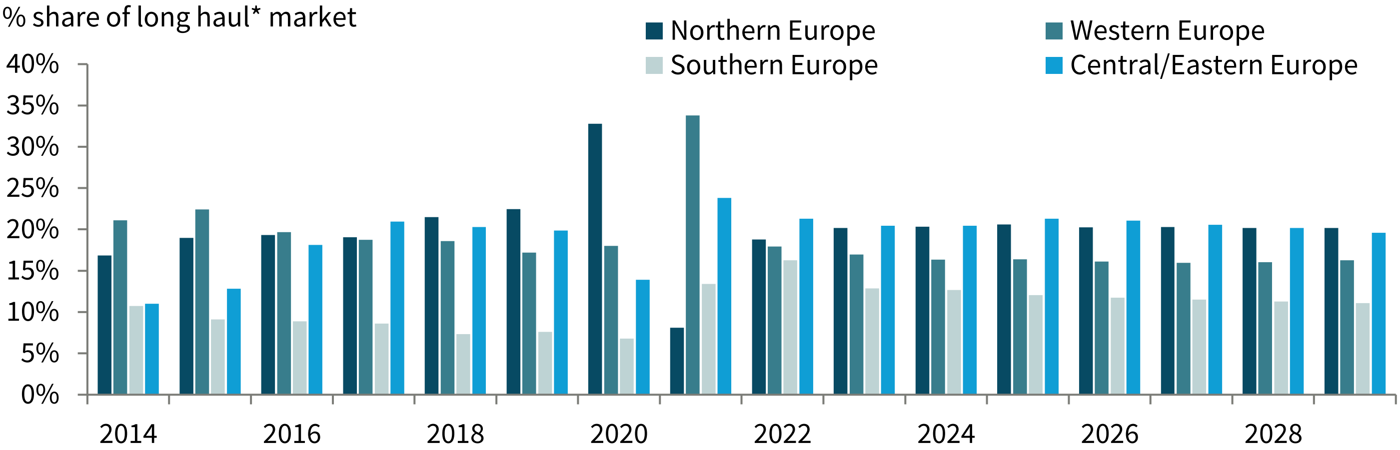
United Arab Emirates long-haul* outbound travel



*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

9. 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

Global GDP is expected to grow at a slower pace of 2.6% this year, reflecting a downgrade across both advanced and emerging economies. Uncertainty is rife with ongoing discussions of world trade due to blanket tariffs imposed by the US government. There is continued evidence that these trade policies are taking a bigger toll than initially envisaged. The reciprocal tariffs, announced on April 2nd, were more aggressive than most extreme trade scenarios laid out post-election, yet again underlining the difficulty in determining odds of potential outcomes within the second Trump presidency. With a baseline tariff of 10% on all imports into the US, the implications of the tariff regime are being felt worldwide to a varying degree with 'worst offenders' including China, Vietnam and Japan experiencing higher burdens. But the worst for the world economy is not over with the recent announcement, as the full repercussions of foreign retaliation are yet to materialise.There are signals that other products may be subject to tariffs at a later date, including pharmaceuticals.

Summary of Economic Outlook, % change*

	2024					2025				
Country	GDP	Consumer expenditure	Unemploy-ment**	Exchange rate***	Inflation	GDP	Consumer expenditure	Unemploy-ment**	Exchange rate***	Inflation
UK	0.9%	0.7%	4.4%	2.7%	2.5%	1.0%	1.2%	4.7%	2.1%	3.2%
France	1.1%	0.9%	7.2%	0.0%	2.0%	0.5%	1.4%	7.5%	0.0%	1.5%
Germany	-0.2%	0.3%	6.0%	0.0%	2.3%	0.0%	1.0%	6.2%	0.0%	2.1%
Netherlands	0.9%	0.9%	3.7%	0.0%	3.3%	1.3%	1.1%	3.8%	0.0%	2.9%
Italy	0.5%	0.4%	6.5%	0.0%	1.0%	0.4%	1.1%	6.3%	0.0%	2.1%
Spain	3.2%	2.9%	11.3%	0.0%	2.8%	2.6%	3.3%	10.6%	0.0%	2.5%
Russia	3.9%	6.4%	2.5%	-8.0%	8.4%	2.0%	2.5%	2.4%	1.4%	9.4%
US	2.8%	2.8%	4.0%	-0.1%	3.0%	2.0%	2.7%	4.2%	3.9%	3.0%
Canada	1.5%	2.4%	6.4%	-1.6%	2.4%	1.1%	1.8%	7.3%	-2.9%	3.4%
Brazil	2.9%	4.8%	6.8%	-7.4%	4.4%	1.2%	0.0%	6.8%	-1.7%	5.6%
China	5.0%	5.7%	3.8%	-1.7%	0.2%	4.6%	5.1%	3.4%	1.2%	0.4%
Japan	0.1%	0.0%	2.5%	-7.2%	2.7%	1.0%	0.9%	2.4%	3.4%	2.7%
India	6.7%	6.7%	8.0%	-1.4%	4.9%	6.7%	6.6%	8.1%	-1.4%	4.4%

Source: Tourism Economics based on GEM as of 19.03.2025

* 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

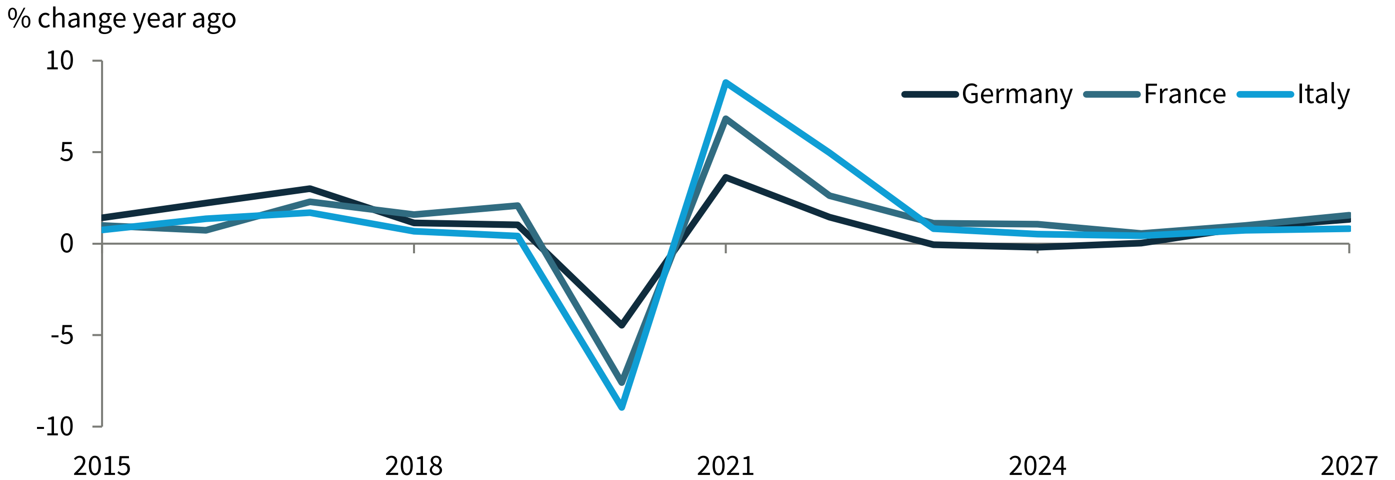
GDP Growth in the Eurozone in Q4/2024 rose by 0.2%, but this still represents a slowdown from 0.4% growth in Q3, which was aided by the Olympics in France. The labour market remained strong which should benefit demand and consumption, but uncertainty remains escalated. Combined with the extreme uncertainty surrounding trade and economic policy surrounding the Trump administration, these unknowns will continue to disrupt the economic market.

Economic data recently offered a small glimmer of hope for a steady recovery in the Eurozone economy, in the form of the economic sentiment tracker, which represents the general attitude of businesses and consumers. The latest reading showed a build-up of momentum in February, however, the improvement was not broad-based and only accounted for an increase in sentiment in the industrial sector.

Eurozone inflation is still set to gradually decrease, with headline inflation at 2.4% in February, 0.1ppt lower than the previous month. There was a significant drop in services inflation, supporting the view of a softer inflationary landscape within the region. Inflation is expected to settle at just over 2% this year, partially caused by tariffs, raising the cost of imported goods.

Political risk remains at the forefront for the Eurozone, with tensions surrounding immigration flaring up. Trade worries in terms of exposure to US tariffs continue to be a risk factor for Eurozone countries, with more than 20% of EU exports going to the US which is equivalent to the UK (13%) and China (8%) combined.

Economic performance in key Eurozone economies, real GDP



Source: Oxford Economics

United Kingdom

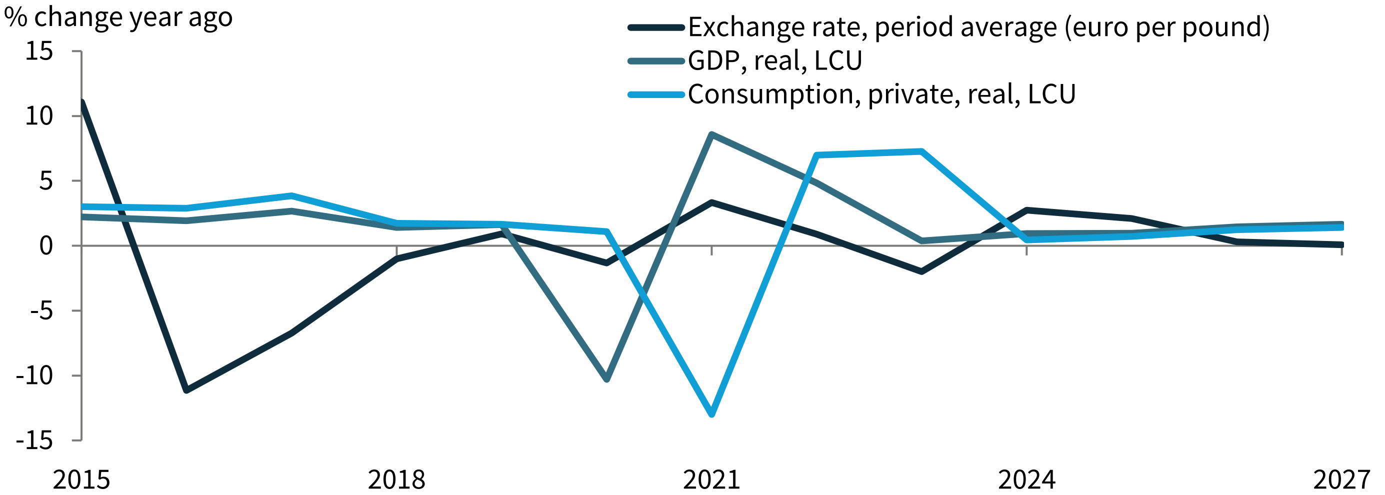
UK GDP achieved growth of just 0.1% on the quarter in Q4, with annual growth of just 1% expected for 2025. This is due to higher uncertainty around US tariff policy and its damaging impact on business confidence, global trade, and financial conditions.

On the consumer side, the outlook is also expected to be weaker this year as households face a temporary rise in inflation, due to higher National Insurance contributions, regulated price for utilities increases, higher oil prices and weaker Sterling, but they appear transitory looking forward

But the Bank of England is still expected to cut rates and a further 75bps decrease is on the cards, resulting in the rate settling at 3.75% by the end of 2025. But this is not sufficient to fully offset the impact of higher prices this year, as mortgage rates remain considerably high for many households.

Key risks for the UK include further fiscal tightening and there is a high probability that borrowing will overshoot and the decision by the Chancellor will have to be re-analysed, with the announcement of further tax hikes highly likely. This combined with the announcement of UK defence spending increases before 2027 will necessitate the need to re-think the UK's current fiscal policy approach.

United Kingdom economic outlook



Source: Oxford Economics

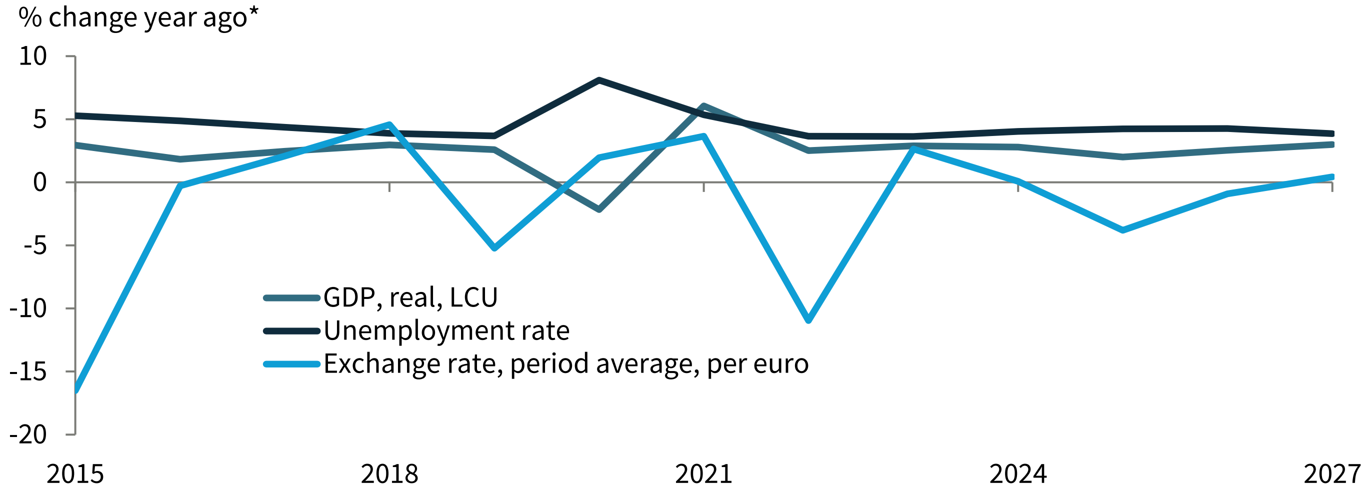
United States

The US economy grew just over 0.5% in Q4 compared to Q3. However, the outlook for this year has softened, with GDP set to expand by just 2%, down 0.4ppts on last quarter, reflecting the less-than-optimal start to the year. Despite the softer outlook, looking ahead, a combination of a solid labour market and a decent nominal wage should support growth in disposable income and be a key driver for growth and spending. Consumer spending will be under pressure from not just elevated prices, but also higher unemployment with the large reduction in federal employment a contributing factor. The consequential turbulence of the stock market following the tariff announcements may further damage consumer spending through a loss in household net wealth more than previously expected.

Trade policy is continuing to generate increased uncertainty for the US. With President Trump's most recent blanket tariff imposition, the likelihood for a US recession has heightened. The probability of recession which was already up from 20% to 30% due to threat to the economy, declining sentiment and falling stock prices can logically only be expected to worsen unless the tariffs are walked-back. This will also have a knock-on impact on the business sector as uncertainty is set to directly impact investment and sentiment especially when combined with the concerns of a recession.

The Federal Reserve is expected to delay adjusting monetary policy rates to determine how the tariffs, fiscal and immigration policy are impacting. The outlook for inflation remains flat at 3% in 2025 as the attention alternates away from inflation to employment policy.

United States economic outlook



Source: Oxford Economics *Unemployment rate is absolute

Japan

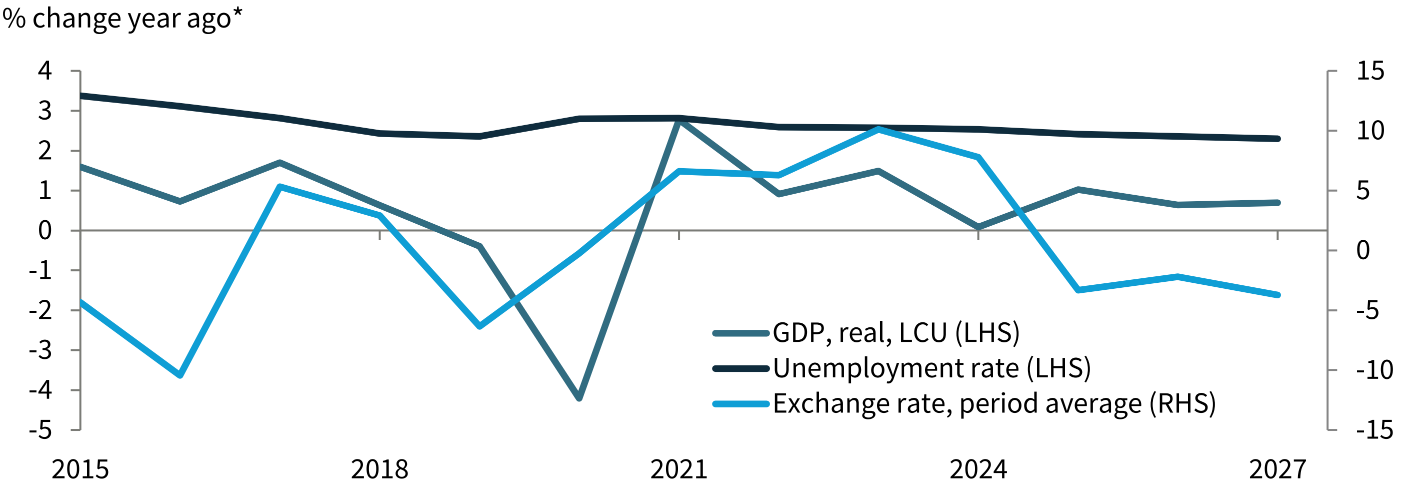
Japanese GDP growth in Q4 was downgraded by 0.1ppt, after rising 0.4% in Q3, following a decrease in inventory investment and consumption, meanwhile business investment was trending upward. GDP is expected to grow at a softer rate of 1% in 2025. Global trade policy has heighted economic uncertainty with the recent imposition of 24% tariffs on Japanese imports, however talks are ongoing between Trump and Japanese officials to mitigate the crisis.

On the household side, the consumption activity index declined by 1.3% q/q in January, a further decline on December, while inflation rose by 1.1% in Q4 when comparing to Q3, with core CPI growing 2.4% y/y in December, unchanged from November. This rise stems from high food prices, particularly rice. It is possible however that the dip consumer spending was reactive given seasonal adjustment in inbound tourism purchases, weak non-durable goods purchasing amid high food prices which are all limiting consumption momentum.

Real wages for the Japanese rose 0.3% y/y in December, following a 0.5% increase in November, since real wages are seeing a trend of recovery. Although headwinds of real wages have been curbed by inflation, expectations of further hikes are likely especially amid labour union Rengo reporting members were seeking a pay rise higher than last year. This should help support a pick-up in consumer spending towards the second half of the year.

Despite the yen trending higher in recent months amid weak US indicators, including bearish consumer inflations sentiment as well speculation of BoJ bank rate hike, the currency is expected to depreciate and remain weak throughout 2025.

Japan economic outlook



Source: Oxford Economics *Unemployment rate is absolute

Emerging Markets

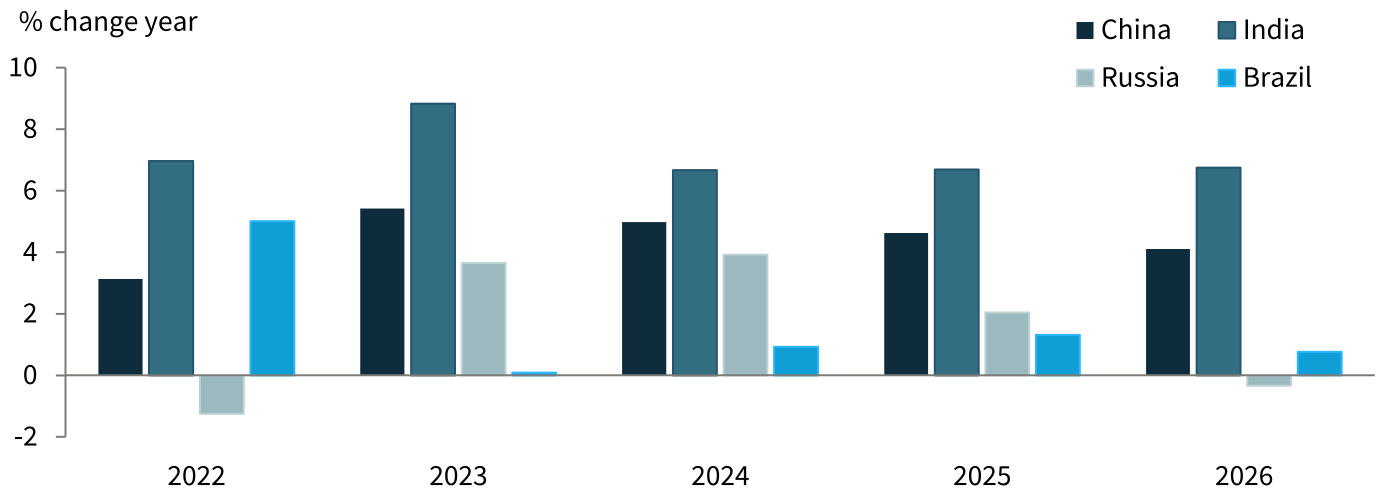
Despite a strong GDP outturn for China in Q4 2024, the outlook for this year has been downgraded to 4.6%, making a slowdown of 0.4ppt on last year. This downgrade only starts to indicate what ongoing market uncertainty regarding tariffs and tensions with the US can do to Chinese growth and there is a clear downside risk for the economy, especially if the 34% tariff introduced is not walked back by President Trump. The ongoing tensions give rise to fears of a deepened trade war between the two global economies and rivals which could slash China's GDP growth by 0.5ppts over the next 3 years.

Following a weak Q3, India's economic growth bounced back in Q4 2024. Real GDP grew 6.2% on the year in Q4. Despite this, the momentum of growth was still amongst the weakest in the past two years. Private consumption in Q4, aided by the agricultural sector, grew on a weak previous quarter. Headline inflation has continued to drop in recent months, stemming from a drop in food prices, offsetting a rise in core inflation. Looking ahead, inflation for the year is expected to round off at 4.4%, a 0.5ppt drop from 2024, which should support continued growth in both economic and consumer activity.

A sharp contraction in GDP for Brazil in December led to a slowdown of 0.5% q/q in Q4 and brought forward the expectation of an economic slowdown, with GDP set to expand to 1.2% this year, down from 1.7% on 2024. Demand, which was solid in 2024, is now cooling and momentum is slowing at a gradual pace. Inflation is expected to remain elevated in the short term, driven by food price rises, although is expected to converge with the Central Bank's target in the forecast period. The speed at which it converges will depend on sticky services inflation curtailing momentum.

There was some strong monthly year-end data in Russia, which contributed to economic growth in the final quarter upgraded by 0.3ppts on Q3. GDP growth in Q4 was driven by December data rising through industrial production and construction, following several months of near-zero growth. CPI inflation estimates for 2025 have been raised to 9.4%, a 1% increase on 2024, inflation is sticky as sanctions on Russia translate into a volatile exchange rate. The exchange rate expectations are volatile depending on the likelihood of a peace deal with Ukraine, potentially solicited by the US but the relationship between Russia-US is ambiguous bringing uncertainty.

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 (GNTO)
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)

Appendix 4

Tariffs incorporated in the latest forecasts from Tourism Economics

Tariffed countries	Additional US tariffs assumed in the baseline	Retaliation measures assumed
US / China	Additional blanket tariffs of 10% imposed on Chinese exports from March. This brings the effective tariff rate up to around 30%.	China has again only partially retaliated with tariff increases focussed mainly on agricultural products and commodities and further non-tariff measures.
US / Canada	Targeted tariffs of 25% - exemptions on the auto sector are assumed, and 10% tariffs on energy products. Our forecasts assume that tariffs fall back close to their pre-hike levels in mid-2026 as the US, Canada and Mexico agree a new trade deal.	Targeted tariffs of 25% on 43% of goods imported from the US, including metals, on top of measures announced in March.
US / Mexico	Similar to Canada, Mexico faces tariffs of 25% on all sectors other than autos from April. These hikes are assumed to be largely reversed in mid-2026 when a new trade deal is agreed.	Mexico retaliates with 25% on US imports excluding food, transport and machinery.
US / EU	Tariffs raised to 10% assumed on all EU imports from April - unchanged from a month ago.	Immediate response to US shift with a response that is more targeted on specific sectors than the US, albeit a response that is proportionate in scale.
US / Japan	Targeted tariffs of 10% assumed on iron, steel, other basic metals, and autos. Hike phased in from Q3 2025 - unchanged from a month ago.	Targeted tariffs of 10% assumed on iron, steel, other basic metals, and autos, albeit with a small impact on the average tariff rate than the US measures. Hike phased in from Q3 2025.
US / South Korea	Targeted tariffs of 10% assumed on basic metals and autos. Hike phased in from Q3 2025 - unchanged from a month ago.	No tariff changes assumed
US / Vietnam	Targeted tariffs of 10% assumed on basic metals, autos, and solar panels. Hike phased in from Q3 2025 - unchanged from a month ago.	Targeted tariffs of 10% assumed on oil seeds, oleaginous fruits, medicinal plants, grains, straw, and fodder. Hike phased in from Q3 2025. Measures have a smaller impact on average tariff rate than those implemented by the US.

Source: Oxford Economics

Note: further tariff measures announced by Donald Trump on the 2nd of April have not been reflected in our baseline outlook. If fully implemented with retaliatory measures and not walked back via subsequent negotiations, these measures would further reduce global economic and travel growth beyond our downside scenario.