

ETOA

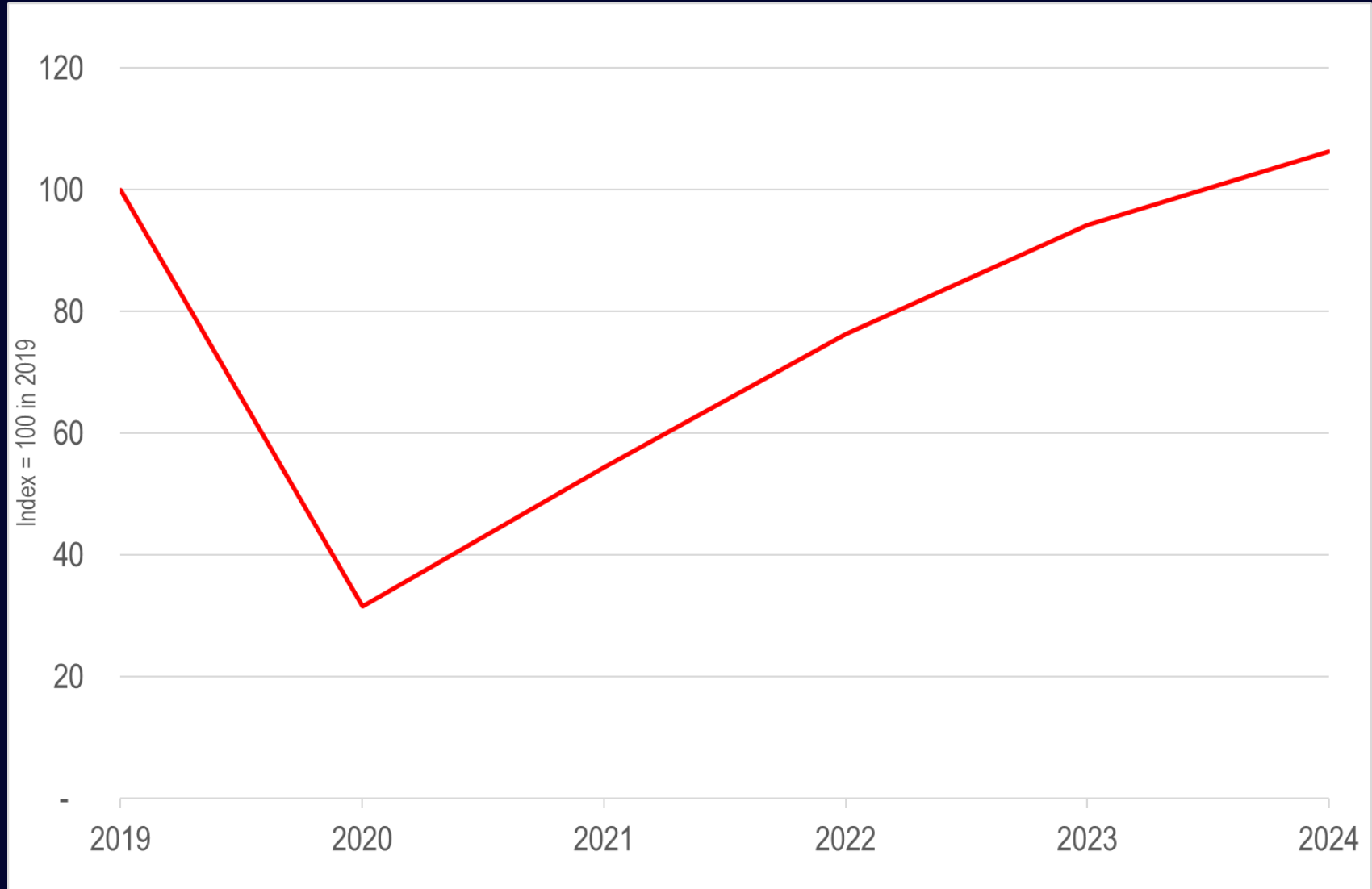
# USTOA Europe

June 2021

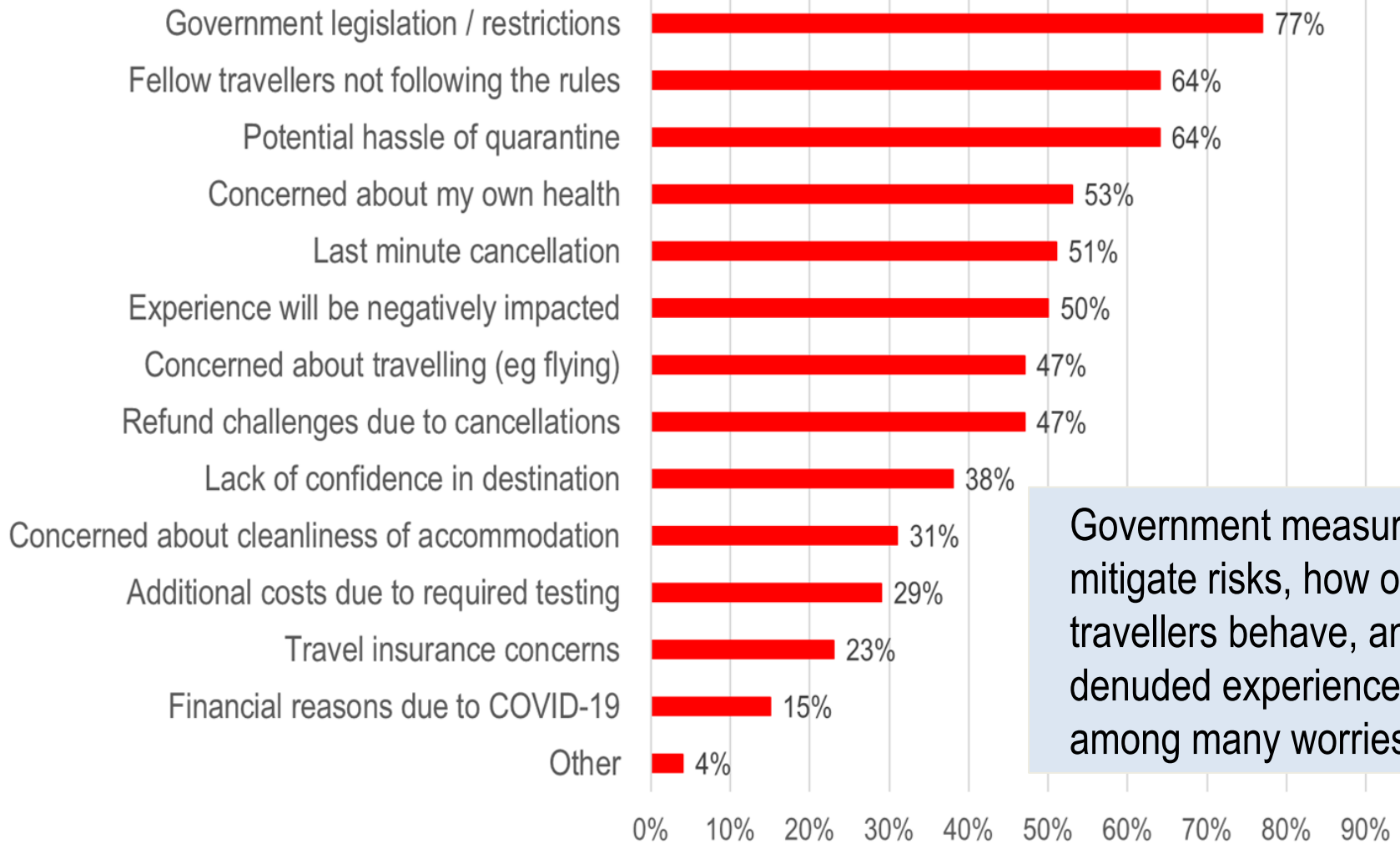




# Inbound to Europe forecast (Source: Tourism Economics)



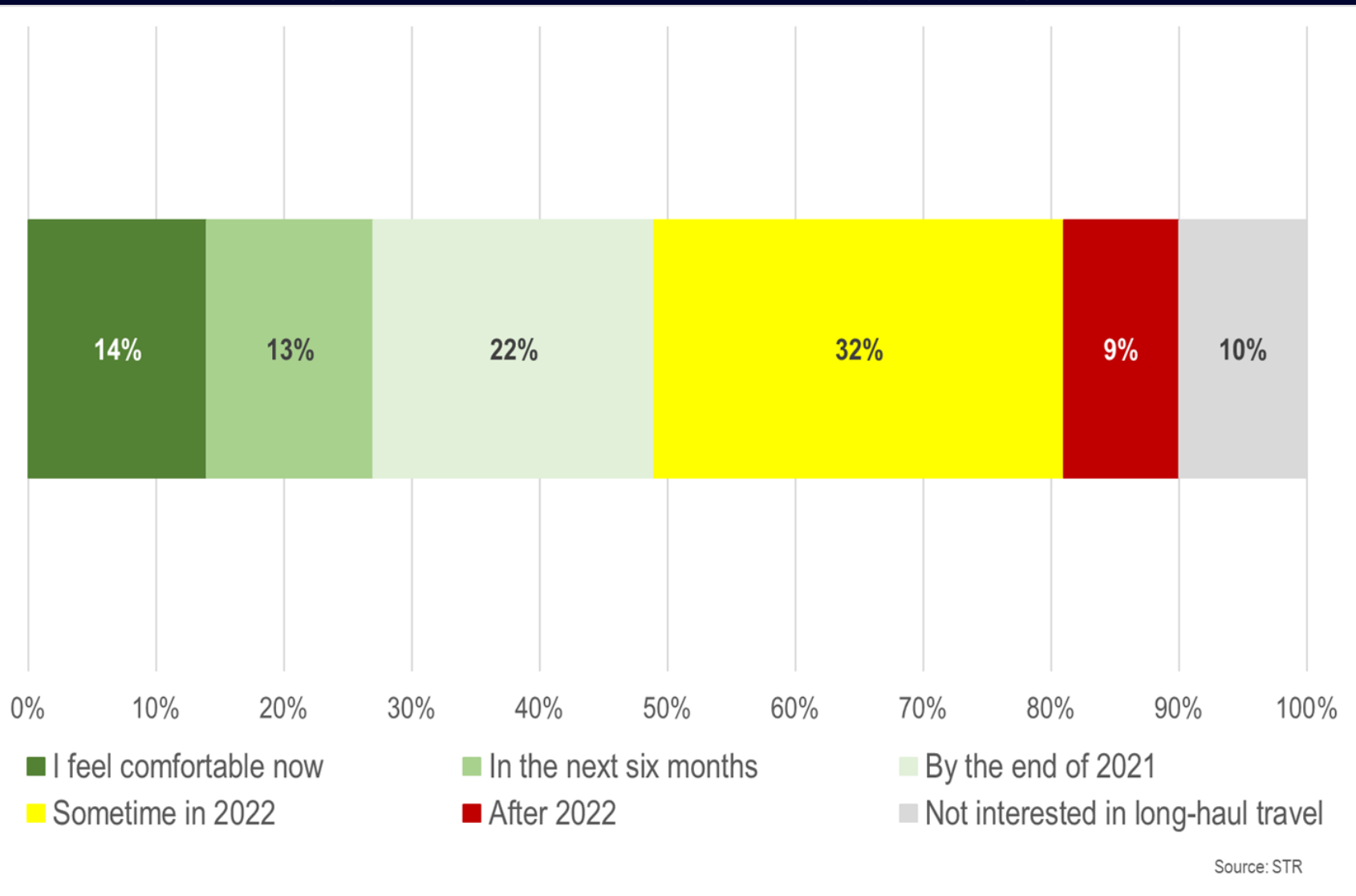
# What's concerning global travellers?



Government measures to mitigate risks, how other travellers behave, and a denuded experience are among many worries

Source: STR

# When will global travellers fly long-haul?



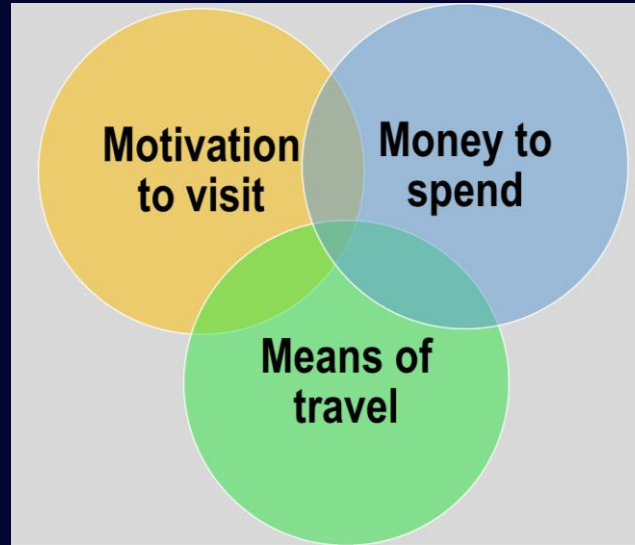
# Outlook: common themes

- Three or four years before tourism is back to where it was in 2019
- Domestic tourism will recover more quickly than international
- Leisure, especially VFR, will recover more quickly than business / events
- FIT will recover more quickly than Group Tours
- Increased interest in rural destinations, activities and experiences
- Accelerated digitalisation of travel

**Beware the risk of 'herd mentality' influencing projections**

# Prospects – a perspective

For most potential travellers motivation remains strong, but some behaviours may (perhaps temporarily) have changed



The young have taken a larger hit than the old, with the true economic fallout not yet fully apparent, but many have accumulated savings

At least for the foreseeable future (international) travel is going to be both costlier and clunkier than it was pre-pandemic

A “fourth M” – “Memories”. Risk that the supply-side will have been permanently scarred, thereby eroding visitor experience

# Fifth “M” – Magnificence

- 2021 represents an unmissable opportunity for travellers to Europe
  - Never to be repeated experience
    - Availability
    - Price
    - Lack of crowds
- Offsets Fourth “M”



# EU – opening up

- Push for harmonised rules across the EEA
- Double Vaccinated passengers “welcome” from July
  - But still problems
    - Variant concerns
    - Regional lockdowns
- Details
  - NTO websites
  - ETOA website

# UK

- Very volatile
- Was opening up - now closing
- May be subject to a US/UK Biden-Johnson agreement
  - Or may not.

# Brexit

UK now a big non-EU player in a protected environment

May draw fire onto other non-EU markets

- Technical immigration issues between UK and EU
- Regulatory problems
  - UK tour guides may be subjected to restrictions
    - New levels of scrutiny
- Taxation
  - German threat to impose VAT on all sales of German product

# City Fair 8<sup>th</sup> June 2021

## Poll of buyers

- move 1.5million clients into Europe

## V 2019

- 2021 – 30% (weighted) 20% (unweighted)
- 2022 - 72% (weighted) 60% (unweighted)

# 2022

- No issues with supply
- Restoration of air lift
- No “over tourism”
- Softer rates
- Huge pent-up demand

Fabulous time to be an intermediary selling Europe