EUROPEAN TOURISM - TRENDS & PROSPECTS

QUARTERLY REPORT - Q2/2017

EUROPEAN TRAVEL COMMISSION

EUROPEAN TOURISM IN 2017: TRENDS & PROSPECTS

Quarterly Report (Q2/2017)

A quarterly insights report produced for the Market Intelligence Group
of the **European Travel Commission (ETC)**
by **Tourism Economics (an Oxford Economics Company)**

Brussels, June 2017
ETC Market Intelligence Report

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European Tourism in 2017: Trends & Prospects (Q2/2017)

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Data sources: This report includes data from the TourMIS database (http://www.tourmis.info), STR Global, IATA, AEA and UNWTO.

Economic analysis and forecasts are provided by Tourism Economics and are for interpretation by users according to their needs.

Published and printed by the European Travel Commission
Rue du Marché aux Herbes, 61, 1000 Brussels, Belgium
Website: www.etc-corporate.org
Email: info@visiteurope.com

ISSN No: 2034-9297

This report was compiled and edited by:
Tourism Economics (an Oxford Economics Company)
on behalf of the ETC Market Intelligence Group

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FOREWORD

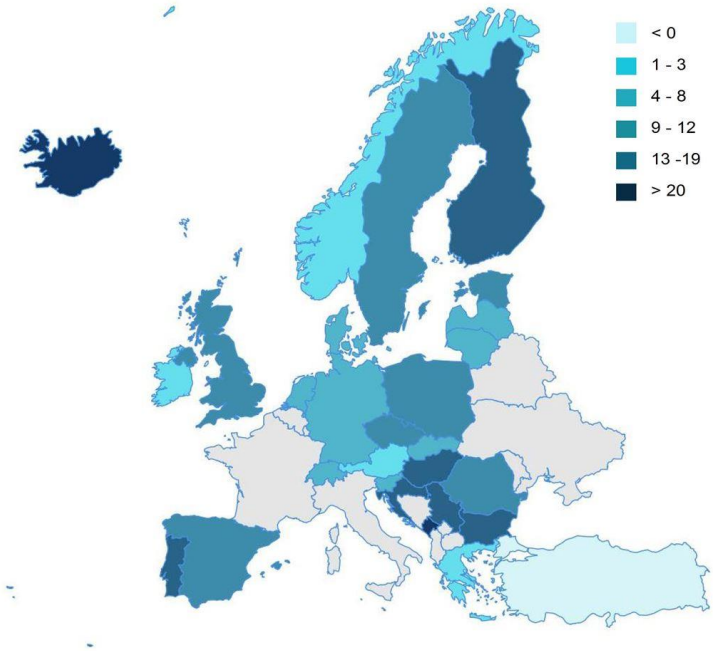
ENCOURAGING TRENDS SET THE SCENE FOR PEAK SUMMER MONTHS' PERFORMANCE

Early indicators point at another year of rapid growth for European tourism destinations. Although results are not yet indicative of the full-year performance, they are in line with the healthy trajectory seen earlier this year. Tourism demand from intra-regional markets remains crucial for future growth. However, perceptions of safety and security across Europe will continue to drive displaced travel and is likely to slow the rate of expansion in the region.

An overwhelming majority of European destinations reported growth in arrivals

An overwhelming majority of destinations reported growth in visitor arrivals with more than one in two enjoying a double-digit increase compared to the same period the year prior[1]. While, Iceland (+56%) has seen a tourist boom for seven consecutive years, measures to manage capacity are being considered in the light of accommodation and local infrastructure constraints. Growth momentum in the region also mirrors the efforts of destinations to reduce seasonality with outstanding results observed in Montenegro (+25%) and island destinations, Malta (+23%) and Cyprus (+18%).

Foreign visits to select destinations
2017 year-to-date*, % change year ago

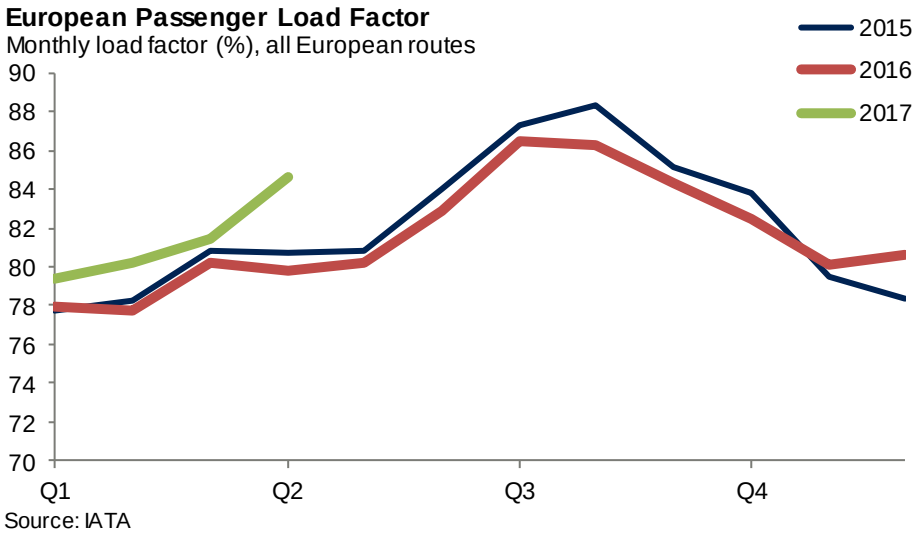


Source: TourMIS *date varies (Jan-May) by destination

[1] Year-to-date data reported by individual destinations varies between January and May.

Finland (+18%) and Bulgaria (+17%) also performed well. The former, which is celebrating 100 years of independence in 2017, saw an upsurge in the flow of Chinese visitors (+81%)[2] helped by improved flight connections and a strong media exposure in China, whereas the last was seen as a more affordable alternative for winter breaks. Portugal, Serbia and Croatia (all +15%) owe their success, among other factors, to improved air connectivity and strong marketing and promotion efforts. Westwards, in Switzerland, arrivals rose by a modest +5% maintaining its position as a traditional winter destination. Turkey's setback (-8%) however, will require significant efforts to restore the inflow of tourists in the near future due to the perceived safety and security concerns in the country.

European passenger traffic shows a robust start for the year to date and is expected to pick up from the slow performance registered in 2016. Revenue Passenger per Kilometre was up 8.8% the first quarter of the year while load factor saw an exceptional 84.6% peak flattered by the timing of Easter.



The accommodation sector also performed well across the majority of destinations, driving hotel revenues in the region. RevPar[3] growth was 3.9% supported by a 3.4% growth in occupancy and a modest 0.5% raise in ADR[4]. Despite positive industry indicators, caution must be exercised as ongoing safety and security challenges may redirect holidaymakers to other European destinations, having an impact in the overall travel demand.

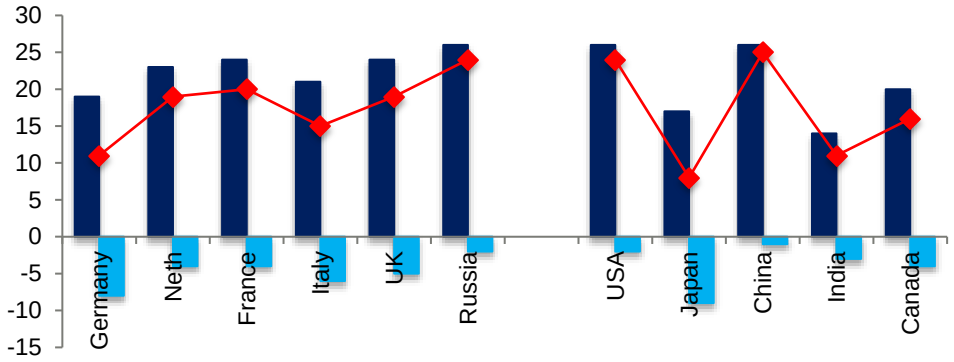
[2] TourMIS

[3] Revenue per Available Room

[4] Average Daily Rate

European source market summary

Destinations reporting growth in arrivals or nights by origin



Source : TourMIS, Tourism Economics

DEMAND FOR EUROPEAN DESTINATIONS REMAINS STRONG FUELLED BY INTRA-EUROPEAN TOURISM DEMAND

The economic picture in the Eurozone looks brighter, helped by a domestic demand expected to benefit from healthy employment rates and raising wages. Outbound flows from Europe's largest domestic source markets -Germany, France, Italy, UK- continue to drive intra-regional demand. Travellers from these markets seem to have changed traditional winter destinations (e.g. Austria or Switzerland) for more affordable options such as Bulgaria. Although the falling pound has made travel costs soar for UK travellers, growth in visitor arrivals from this market was solid. Both Balkan and Baltic destinations - Bulgaria (+26%), Croatia (+40%), Latvia (+23%), Montenegro and Poland (both +21%).

Optimism surrounds the Russian outbound travel market as the economy is expected to rebound alongside the projected recovery of the rouble, solid oil prices and higher wages which are likely to boost household consumption. All reporting destinations saw encouraging figures in Russian travel demand, though they still do not fully offset the large falls registered in 2015 and 2016. Volume from this market to Turkey is expected to surge as relations between both countries are improved. Strong growth in demand continues to come mainly from Europe's main long-haul source markets – US and China. In the US, the relative strength of the dollar, the accelerated economic growth and decreasing air fares have contributed to the strong performance of this market; US arrivals to Europe is projected to grow +6% per year on average through 2021. Travel flows from China and Japan to European destinations was weaker than overall outbound growth from those markets affected by perceptions of safety and security across the region. However, both markets are expected to have increased 16% and 10% respectively so far in 2017. Meanwhile, looking at demand from the Middle East, no major impacts are expected for European destinations year to date concerning travel disruption due to the blockade imposed on Qatar by its neighbours (Saudi Arabia, UAE, Egypt and Bahrain)[5].

[5] https://www.theguardian.com/world/2017/jun/06/qatar-panic-buying-as-shoppers-stockpile-food-due-to-saudi-blockade

CAPITALISING ON THE REGION'S VAST OFFERING IS KEY TO ENSURE SUSTAINED GROWTH

The beginning of 2017 saw significant turbulence in the world's premiere tourist destination: "Brexit", terrorism-related disruption, political volatility and uncertainties, etc. which have failed to dim the region's appeal. Europe continues to lure millions of international travellers (615 million international tourist arrivals in 2016[6]) confirming the tourism sector's resilience to safety and security shocks and geopolitical uncertainty. As seen from the Long-Haul Travel Sentiment Index[7], Europe's well-known destinations continue to have the potential to fuel the interest of long-haul travellers in 2017. *"Independently of a stable European domestic market, growth is also driven by long-haul source markets. Cheap oil prices, favourable currency exchanges, raising middle classes coupled with improved air connectivity and travel facilitation, are contributing significantly to the surge of outbound travel to Europe"*, said Eduardo Santander, Executive Director European Travel Commission (ETC).

Jennifer Iduh (ETC Executive Unit)
with the assistance of the ETC Market Intelligence Group

[6] UNWTO

[7] LHTSI: The Long-Haul Travel Sentiment Survey captures people's intention to travel abroad, their motivations and barriers to travel, as well as key characteristics of their trip

1. TOURISM PERFORMANCE SUMMARY 2017

Data for 2017 to date point to yet another good year for European tourism. The majority of European countries have posted year-to-date results for the first three or four months of the year with Cyprus and Croatia reporting up to May. Data indicate some strong growth during this period. Of the 30 countries, 28 have reported either arrivals or overnights growth and thirteen have reported double digit growth.

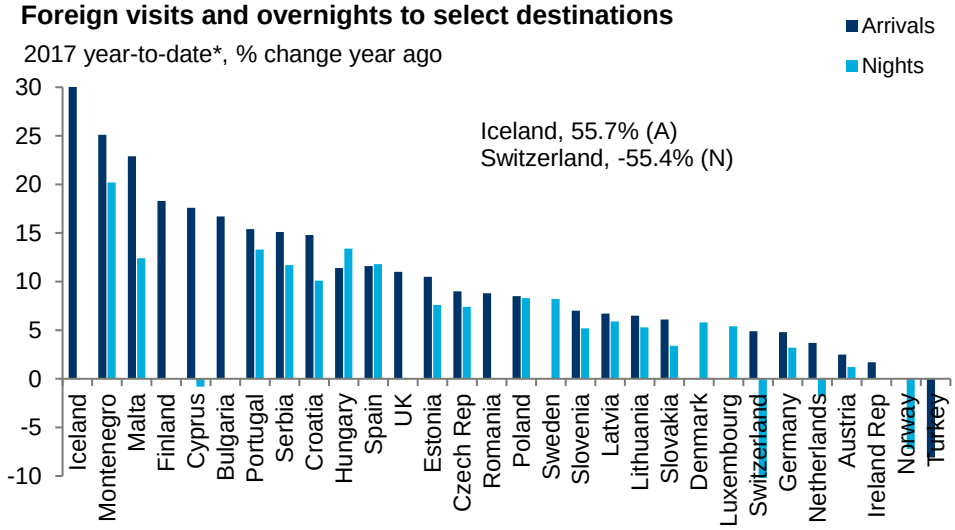
28

The number of European destinations reporting growth in 2017 to date

30 destinations have reported on tourism performance in 2017

Foreign visits and overnights to select destinations

2017 year-to-date*, % change year ago



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

Growth in Iceland shows no sign of slowing with growth of 55.7% in the first four months of 2017 compared to the same period in 2016. It has been the top performing European growth destination since 2012 and early indications for 2017 point to another year of rapid expansion. Growth has averaged over 25% per annum over the past five years and was 40% in 2016. However, a slowdown is still expected in the medium term as accommodation capacity and other tourism infrastructure constraints begin to bite.

Malta and Cyprus also enjoyed a strong start to the year with arrivals growth of 22.9% and 17.6% in the first months of the year. In both those cases, 2016 growth was in double-digit territory and this momentum has carried through into 2017. For destinations with a high dependency on peak summer demand, growth outside this period is indicative of a welcome reduction in seasonality. Growth in both destinations was broad-based in terms of source market mix.

Finland has so far enjoyed strong growth from a range of source markets, but there have been especially large increases in Chinese arrivals relative to the comparable period in 2016. A similarly large influx in Chinese visitors was also reported in Estonia and both destinations may be benefiting from an increase in tours from long-haul markets.

Switzerland reported a growing number of arrivals based on data to April, up 4.9% compared to the same period in 2016. However, these gains were

reportedly offset by substantial decline in the number of overnights - down 55.4%. This fall is not reflected in hotel occupancy data and may be due to a change in methodology for measurement. But relatively weak performance reflects why the Swiss National Bank desires a depreciation of what it considers a heavily overvalued Swiss franc which has hit labour-intensive sectors, such as tourism and consumer services.

Turkey started 2017 following the same downward spiral that began in 2015. Total arrivals data are only currently reported for the year to February and were 8.1% lower compared to the same period in 2016. Moderate growth is expected for the remainder of the year but a period of political stability and no terrorism activity will be required before recovery can truly begin.

Tourism Performance, 2016 Year-to-Date

	International Arrivals		International Nights	
Country	% ytd	to month	% ytd	to month
Austria	2.5	Jan-Apr	1.2	Jan-Apr
Bulgaria	16.7	Jan-Apr		
Croatia	14.8	Jan-May	10.1	Jan-May
Cyprus	17.6	Jan-May	-0.8	Jan-Mar
Czech Rep	9.0	Jan-Mar	7.4	Jan-Mar
Denmark			5.8	Jan-Apr
Estonia	10.5	Jan-Apr	7.6	Jan-Apr
Finland	18.3	Jan-Apr		
Germany	4.8	Jan-Apr	3.2	Jan-Apr
Hungary	11.4	Jan-Apr	13.4	Jan-Apr
Iceland	55.7	Jan-Apr		
Ireland Rep	1.7	Jan-Apr		
Latvia	6.7	Jan-Mar	5.9	Jan-Mar
Lithuania	6.5	Jan-Mar	5.3	Jan-Mar
Luxembourg			5.4	Jan-Apr
Malta	22.9	Jan-Apr	12.4	Jan-Apr
Montenegro	25.1	Jan-Apr	20.2	Jan-Apr
Netherlands	3.7	Jan-Mar	-1.8	Jan-Mar
Norway			-7.2	Jan-Apr
Poland	8.5	Jan-Mar	8.3	Jan-Mar
Portugal	15.4	Jan-Apr	13.3	Jan-Apr
Romania	8.8	Jan-Apr		
Serbia	15.1	Jan-Apr	11.7	Jan-Apr
Slovakia	6.1	Jan-Mar	3.4	Jan-Mar
Slovenia	7.0	Jan-Mar	5.2	Jan-Mar
Spain	11.6	Jan-Apr	11.8	Jan-Apr
Sweden			8.2	Jan-Apr
Switzerland	4.9	Jan-Apr	-55.4	Jan-Apr
Turkey	-8.1	Jan-Feb		
UK	11.0	Jan-Apr		

Source: TourMIS, http://www.tourmis.info; available data as of 30.1.2017

Measures used for nights and arrivals vary by country

See TourMIS for further data including absolute values

2. GLOBAL TOURISM FORECAST SUMMARY

Tourism Economics' global travel forecasts are shown on an inbound and outbound basis in the following table. These are the results of the Tourism Decision Metrics (TDM) 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.

TDM Visitor Growth Forecasts, % change year

	Inbound*					Outbound**				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
data/estimate/forecast ***	d	d	e	f	f	d	d	e	f	f
World	**4.1%**	**4.4%**	**3.6%**	**4.5%**	**4.6%**	**3.3%**	**4.1%**	**4.1%**	**4.1%**	**4.3%**
Americas	**8.6%**	**6.0%**	**4.3%**	**2.9%**	**3.7%**	**7.4%**	**5.2%**	**3.3%**	**3.3%**	**3.4%**
North America	9.7%	5.5%	4.0%	2.1%	2.8%	8.3%	4.5%	4.3%	3.9%	3.4%
Caribbean	5.3%	8.1%	4.0%	4.1%	4.7%	9.6%	15.6%	7.1%	5.6%	4.8%
Central & South America	6.9%	6.4%	5.4%	4.6%	5.9%	4.1%	7.0%	-0.5%	0.8%	3.4%
Europe	**1.8%**	**4.6%**	**1.6%**	**4.1%**	**4.0%**	**-0.3%**	**2.6%**	**3.0%**	**3.5%**	**3.8%**
ETC+4	4.1%	4.8%	2.0%	4.1%	3.8%	2.2%	4.4%	4.2%	3.3%	3.8%
EU	4.0%	5.2%	4.4%	4.1%	3.7%	1.9%	4.2%	4.4%	3.3%	3.7%
Non-EU	-6.1%	2.1%	-10.1%	4.3%	5.3%	-8.4%	-4.3%	-3.5%	4.4%	4.4%
Northern	5.1%	6.3%	6.6%	4.5%	2.6%	5.1%	7.5%	6.5%	0.5%	2.9%
Western	2.1%	3.4%	-1.0%	2.7%	3.8%	-1.3%	1.1%	2.6%	4.0%	3.8%
Southern/Mediterranean	7.1%	4.9%	1.2%	4.5%	4.6%	6.2%	7.6%	3.5%	4.1%	3.7%
Central/Eastern	-8.8%	5.2%	2.7%	5.2%	4.2%	-5.2%	-3.1%	-0.7%	5.5%	4.9%
- Central & Baltic	*-0.5%*	*7.4%*	*7.8%*	*5.4%*	*2.8%*	*5.2%*	*6.8%*	*6.5%*	*6.8%*	*5.4%*
Asia & the Pacific	**5.3%**	**5.6%**	**8.4%**	**5.8%**	**5.8%**	**6.6%**	**7.0%**	**7.4%**	**5.9%**	**5.7%**
North East	7.3%	4.3%	8.6%	5.2%	5.0%	8.3%	8.2%	7.3%	6.7%	5.9%
South East	2.9%	7.8%	8.1%	6.8%	7.3%	3.0%	4.9%	8.8%	5.4%	6.4%
South	9.8%	3.4%	11.5%	7.4%	6.2%	14.0%	9.1%	5.1%	6.1%	5.4%
Oceania	6.1%	7.2%	9.0%	5.3%	4.7%	3.9%	4.0%	5.5%	3.2%	4.4%
Africa	**2.7%**	**-5.1%**	**-1.3%**	**6.0%**	**6.0%**	**5.0%**	**2.5%**	**0.0%**	**4.0%**	**4.8%**
Mid East	**9.7%**	**2.2%**	**3.2%**	**5.1%**	**5.5%**	**9.6%**	**1.2%**	**2.8%**	**4.0%**	**5.2%**

* 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

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, FYR Macedonia, Greece, Italy, Malta, Montenegro, Portugal, Serbia, Slovenia, Spain, and Turkey;

Central/Eastern Europe is Armenia, Azerbaijan, Bulgaria, Czech Republic, Estonia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Poland, Romania, Russian Federation, Slovakia, and Ukraine;

Central & Baltic Europe *is Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and Slovakia;*

ETC+4 is all ETC members plus France, the Netherlands, Sweden, and the United Kingdom

Source: Tourism Economics

3. RECENT INDUSTRY PERFORMANCE

INDUSTRY PERFORMANCE REMAINS STRONG

- Passenger growth in 2017 has continued in line with the solid growth seen in 2016.
- A strong dollar continues to aid outbound growth from the Americas but growth is beginning to slow.
- Asian travel to Europe has been recovering following some safety concerns.
- Hotel occupancy has continued to rise in early 2017 in most European countries and across all European regions. However, Northern Europe has witnessed a fall in ADR and RevPAR.

3.1 AIR TRANSPORT

7.9%

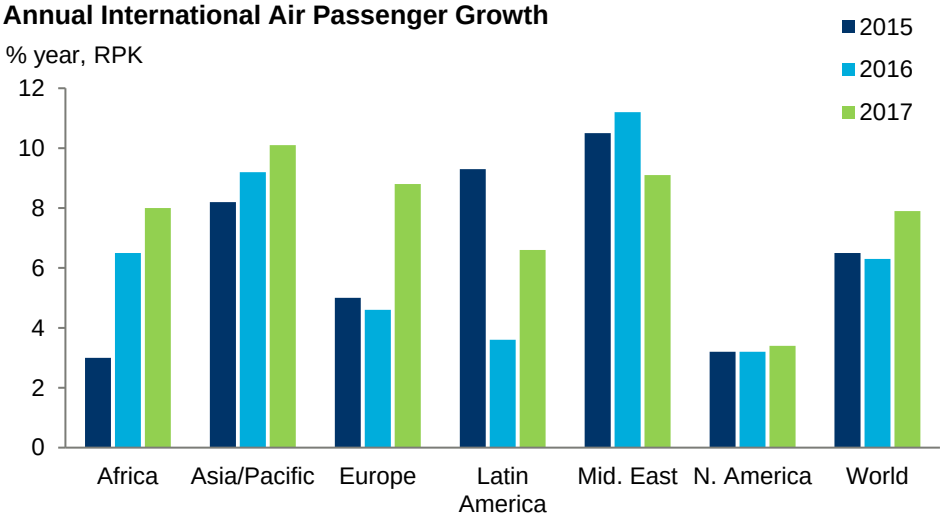
The rate of World RPK growth in 2017 to date

YTD growth based on data to April

Global RPKs grew by 7.9% so far this year compared to the same period in 2016. This is equivalent to growth of around 8.7% adjusting for the extra day in 2016 due to the leap year. This is comfortably above the average annual growth rate of the past 10 years (5.2%).

This higher demand was helped by a combination of a broad-based pick-up in global economic conditions alongside lower airfares as lower fuel prices continue to be passed onto travellers. Adjusting for inflation, the price of air travel in the first quarter of 2017 was around 10% lower than a year ago.

Annual International Air Passenger Growth

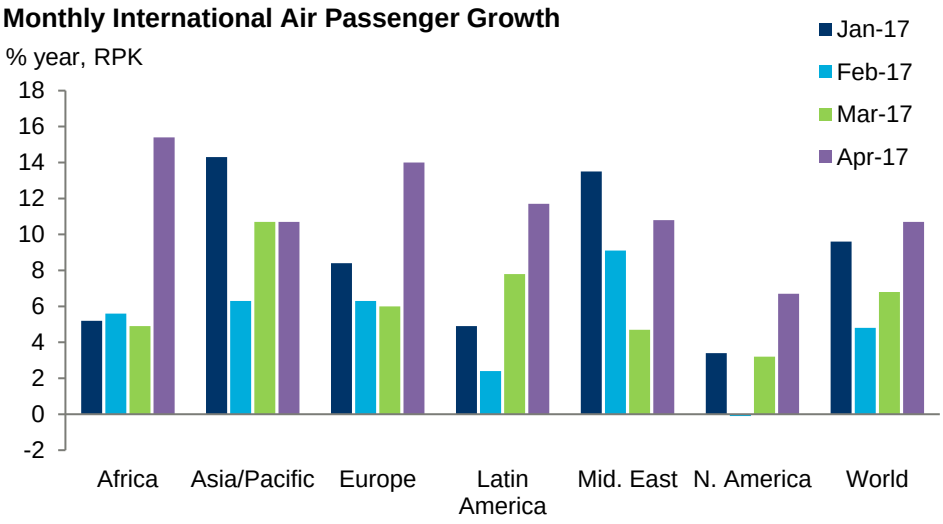


Source: IATA

Year-to-date RPK growth was strongest in Asia/Pacific based on data to April as air passenger demand to, from and within the region grew by 10.1%. Growth associated with the Chinese New Year holiday was especially strong in January but has since moderated. If RPK growth of this magnitude can be

maintained throughout the remainder of the year, 2017 would be the fastest growth year of the past decade, exceeding even the post-recession rebound in 2010.

Continued expansion in Asia/Pacific passenger demand will be facilitated by capacity growth. Both Indian and Chinese airlines have increased the number of airport-pairs they serve which has reduced journey times for passengers and stimulated demand alongside a reduction in fares. Traffic on Asia-Europe routes has continued to recover strongly, having been affected by terrorism-related disruption in early 2016.



Source: IATA

RPK growth has also been notable in the Middle East in early 2017 at 9.1%, although this is the slowest rate of growth the region has seen in five years. The Trump Administration's ban on personal electronic devices (PEDs), passed in the second half of March, may be having an impact on traffic along with some disruption from the proposed ban on inbound travel to the US which is likely to be affecting sentiment and demand.

Capacity growth within the Middle East has continued to outstrip demand and passenger load factor (PLF) hit its lowest value of the past decade in November 2016 and data for 2017 show PLF to have been lower than every other region with the exception of Africa.

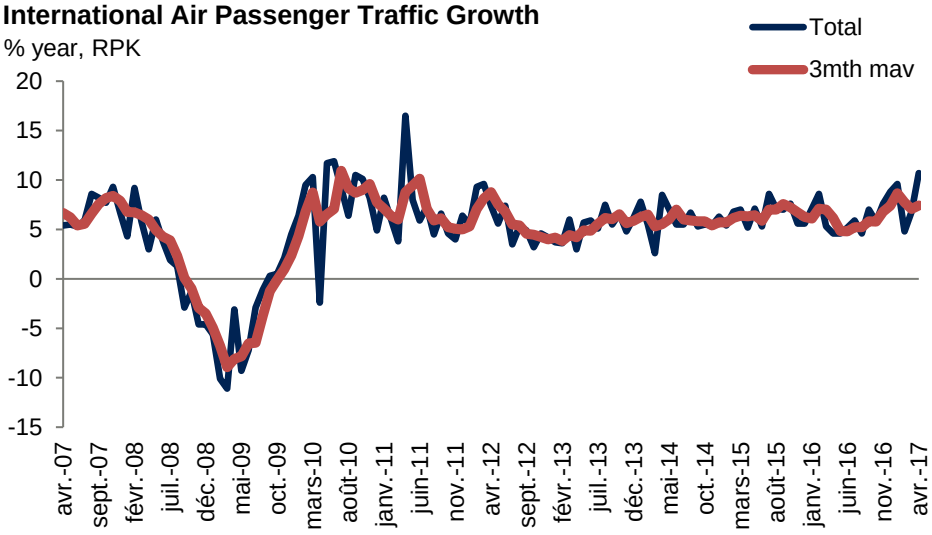
In Europe, RPK growth was 8.8% in the first four months of 2017. This follows a marked pick-up in growth in the second half of 2016. In April RPK growth was 14% higher than in 2016. However, this was largely due to the timing of Easter while safety concerns were seemingly on the wane with corresponding improvements in passenger growth. But the more recent spate of high-profile attacks in March through to June, may lead to further disruption and displacement within the region.

In Africa RPKs grew by 8% in April and there is little to suggest this will slow. It follows a recovery in the trend on the key market to and from Europe. Nevertheless, conditions in the region's two largest economies are diverging: business confidence in Nigeria has risen since late 2016 while political uncertainty remains heightened in South Africa.

In Latin America year-to-date RPK growth was 6.6% – lower than long run average growth going back to 2003. Recessions in Argentina, Brazil and Venezuela continue to offset demand growth elsewhere in the region and air demand is likely to remain sluggish (relative to the long run average) throughout 2017. Both business and leisure-related travel are suffering. In the case of Brazil, last summer's Olympic Games in Rio de Janeiro provided temporary respite, while recoveries in Venezuela and Argentina remain a distant prospect.

North American traffic grew by 3.4% in the first four months of the year, with a notable pick-up in April. This reflects a combination of the comparatively robust economic backdrop as well as the strength of the US dollar which continues to support outbound passenger demand.

International Air Passenger Traffic Growth

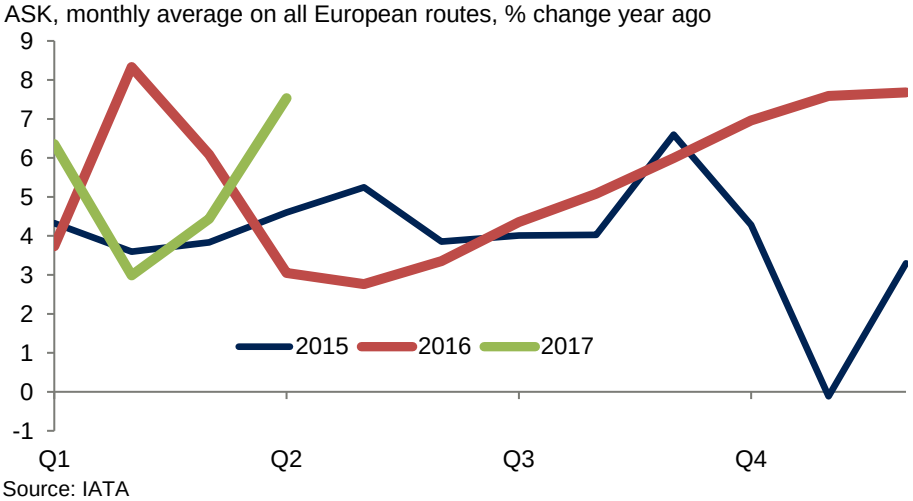


Source: IATA

Aviation capacity within Europe continued to rise in early 2017 as a continuation of growth in 2016 which will allow any further demand growth to be realised in 2017.

European Aviation Capacity

ASK, monthly average on all European routes, % change year ago



Source: IATA

85%

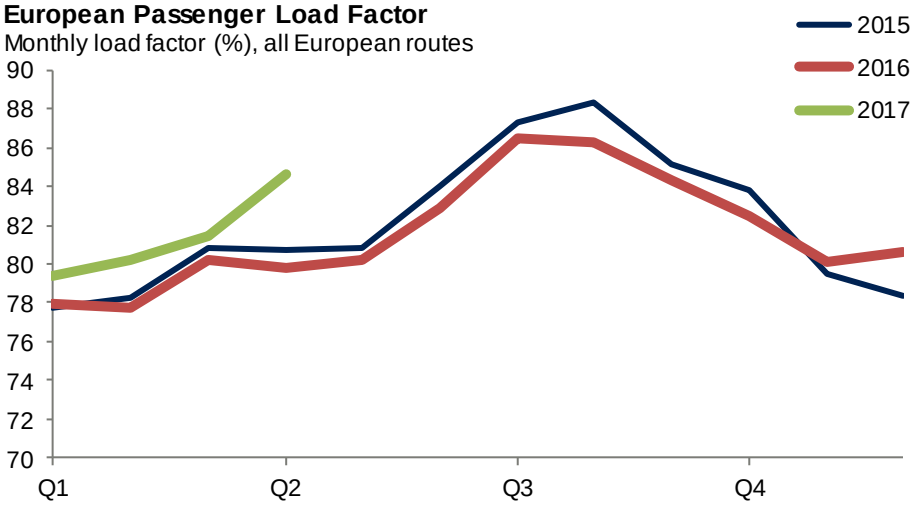
Peak of European airline passenger load factor in 2017 to date

Based on data to April

Airline load factors eased throughout 2016 compared with 2015 with a reduction throughout the year apart from in December when demand growth allowed an increase in load factor. Improvement continued in early 2017 with an average 81.4% compared to 78.9% in 2016 and 79.4% in 2015. Load factor in April was exceptionally high at 84.6% but this was primarily attributable to the timing of Easter.

European Passenger Load Factor

Monthly load factor (%), all European routes



Source: IATA

Recent data from IATA show that air travel on Asia-Europe routes has picked up in 2017 as a rebound from weak demand in 2016 related to fears regarding terrorist attacks as well as some slowdown in emerging markets. This was particularly true in the case of travel to France where around 40% fewer Japanese and 20% fewer Chinese arrivals were reported (not available through TourMIS). The impact on overall passenger numbers suggests potential tourists were not just being redirected to other European destinations but that there is an impact on overall demand.

Air travel on routes between North America and Europe has stagnated in 2017 to date partly due to some reduced travel from Europeans due to the stronger US dollar, but also due to the proposed implementation of some draconian immigration policies (and risk of trade barriers). This also offsets some faster growth in 2016 as United States outbound travel to Europe benefited from the relative strength of the dollar against key European currencies as well as favourable economic conditions in the United States.

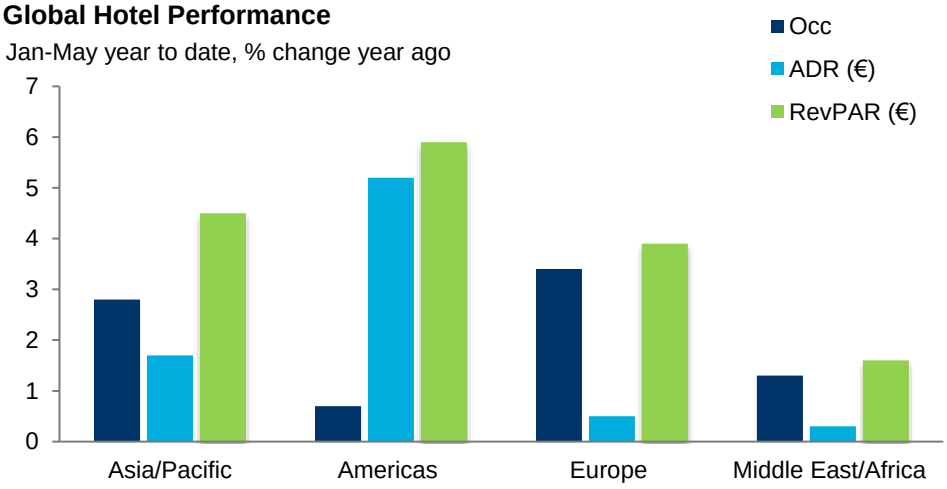
Passenger yields are bottoming out, driven by upward pressure both on fuel and non-fuel costs, as well as the stronger demand backdrop itself. With the large stimulus to demand from lower oil prices now seemingly behind us, the strength of the economic backdrop is likely to be the key driver of passenger demand in the near term. While business confidence indicators remain at levels consistent with solid economic growth, the upward trend in confidence looks to have paused, especially for the services sector.

3.2 ACCOMMODATION

Globally, accommodation performance has been positive so far in 2017 based on data to May. The poorest performing global region in terms of occupancy was the Americas (+0.7%). In spite of this, ADR was up 5.2% resulting in RevPAR growth of 5.9%.

Global Hotel Performance

Jan-May year to date, % change year ago



Source: STR Global

In Asia/Pacific occupancy was up 2.8% compared to the same period in 2016 which was achieved with a simultaneous increase of ADR in the region, at least when denominated in local currency. As a result, RevPAR grew by 4.5% in euro terms.

3.4%

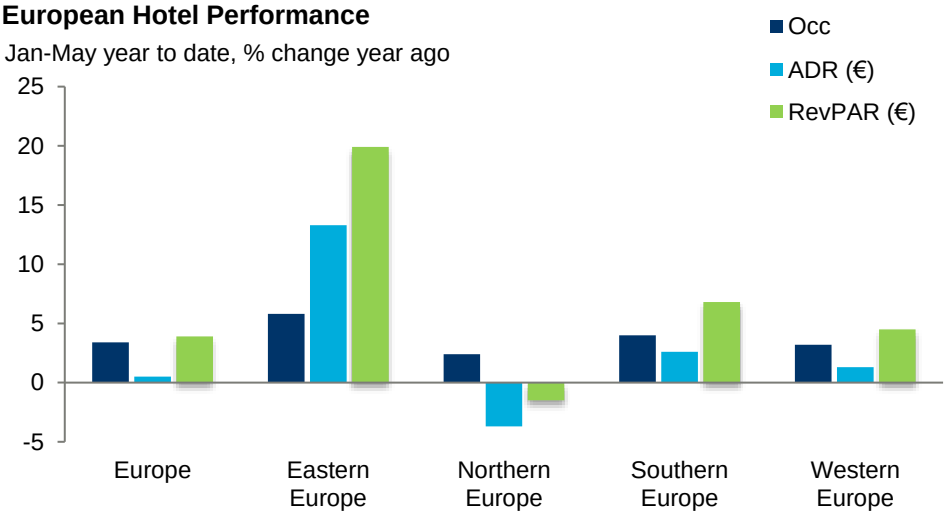
Occupancy growth across Europe in 2017

Based on data to May

Across Europe, accommodation performance was largely positive with RevPAR growth of 3.9% for the region as a whole comprised of occupancy growth of 3.4% while ADR rose just 0.5% (priced in euros). Occupancy performance lags the international arrivals growth due to some offsetting growth in supply and a further drag from domestic demand in some countries.

European Hotel Performance

Jan-May year to date, % change year ago



Source: STR Global

All sub-regions in Europe have experienced rising occupancy rates. Northern Europe was the only region to see a fall in ADR and subsequently also in RevPAR, dragging down the average for Europe as a whole.

UK performance had a large impact on the Northern European ADR fall of 3.7% compared to the comparable period in 2016 in euro terms. In local currency terms UK ADR continued to rise (by 4.7%) but fell 5.2% when denominated in euros thanks to continued movements in the exchange rate.

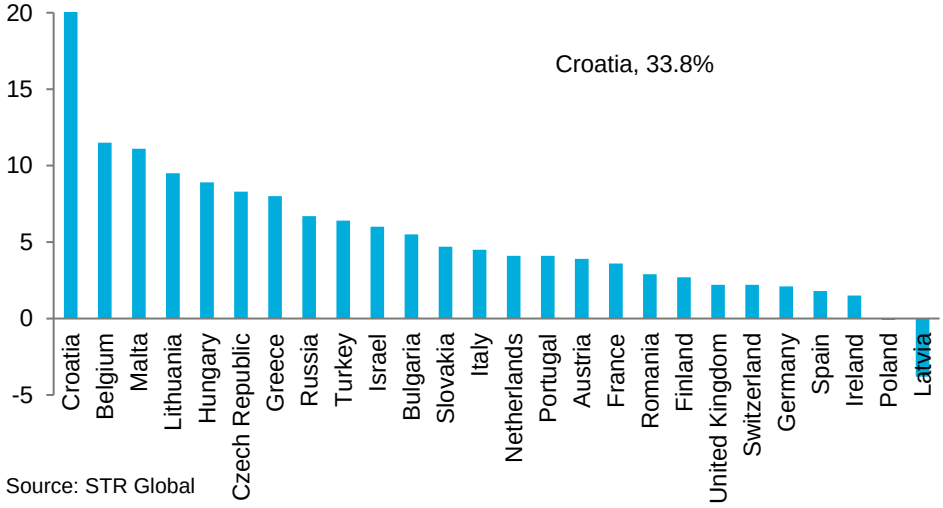
In Eastern Europe, occupancy rates grew by 5.8% while ADR was up 13.3%. RevPAR was therefore 19.9% higher in 2017 compared to 2016 based on data to May. Occupancy rates in several countries in the region continue to rebound from the lows of 2014 and 2015, with notable growth in Lithuania (9.5%) and Czech Republic (8.3%). Poland saw a slight drop in occupancy (0.1%) with a more significant fall of 3.8% in Latvia. Occupancy in Russia remains somewhat subdued at 54.3% despite growth of 6.7% since the comparable months of 2016. It will still be some time before pre-crisis levels are again achieved.

In Southern Europe, occupancy was up 4.0% and ADR was up 2.6% yielding RevPAR growth of 6.8%. Croatia was far and away the best performing country in the sub-region, and indeed across Europe as a whole (among countries reporting data to STR), for occupancy which was up 33.8%. However, this is a rebound from the very low occupancy in the first few months of 2016 and occupancy so far in 2017 is a mere 47.9%. Occupancy in Malta rose by 11.1% compared to the same months in 2016 and this was accompanied by a 20.7% increase in ADR, resulting in RevPAR growth of 34.1%.

Turkey has been the worst performing country in Europe in terms of RevPAR with ADR falling by 18.1% when denominated in euro but just 0.5% when denominated in lira. Occupancy has actually increased significantly, up 6.4%, as a partial rebound from earlier falls. However, terrorism and political instability mean price discounting has not been enough to win back lost inbound tourists and rates are still being cut in 2017. The increase in occupancy includes a large contribution from domestic demand and international demand remains low.

Hotel Occupancy Rates

Jan-May year to date, % change year ago

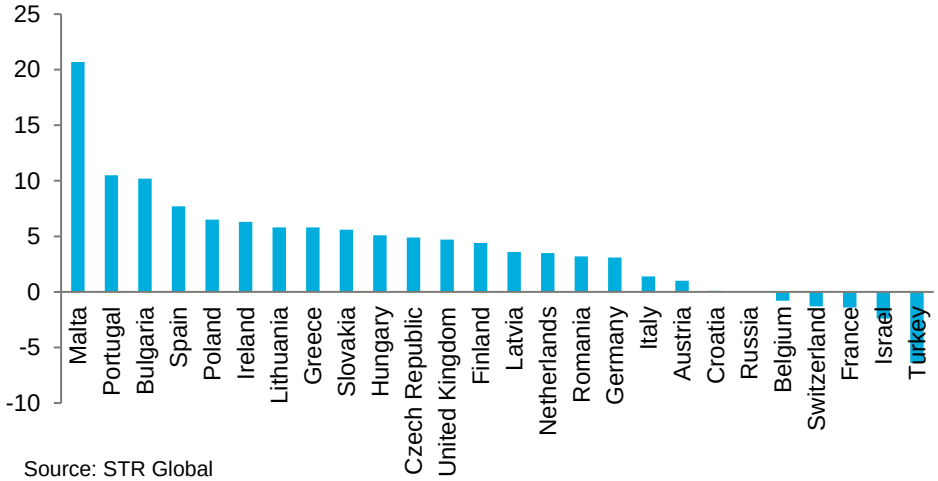


Source: STR Global

Performance in Western Europe was positive with occupancy growth of 3.2% in the first five months of 2017 compared to the period in 2016. Although there is growth in a number of Western European countries, performance remains affected by terrorism activity in both France and Belgium. Occupancy in both countries has risen, representing a relatively rapid recovery from terrorism related falls in 2016, but there is a reluctance to raise rates yet.

Hotel Average Daily Rate

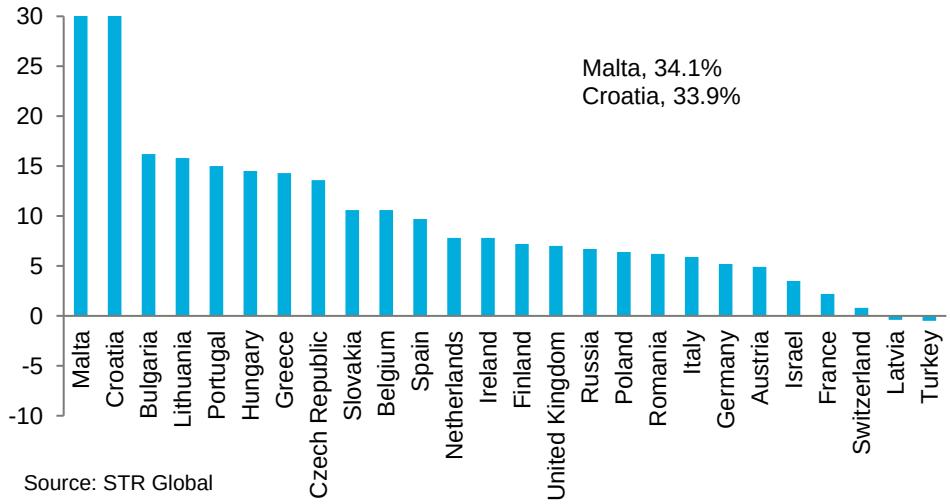
Jan-May year to date, local currency, % change year ago



Source: STR Global

Hotel Revenue Per Available Room

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



Source: STR Global

Hotel Performance 2017, Year-to-Date (Jan-May)

	Occupancy		ADR*		RevPAR*	
Country	% change year ago	YTD level (%)	% change year ago	YTD level (euro)	% change year ago	YTD level (euro)
Austria	3.9	67.8	1.0	99.4	4.9	67.4
Belgium	11.5	67.7	-0.8	102.5	10.6	69.3
Bulgaria	5.5	59.5	10.2	75.6	16.2	45.0
Croatia	33.8	47.9	0.1	87.8	33.9	42.1
Czech Republic	8.3	66.8	4.9	77.5	13.6	51.8
Finland	2.7	60.8	4.4	99.2	7.2	60.3
France	3.6	61.6	-1.4	121.4	2.2	74.8
Germany	2.1	68.1	3.1	101.8	5.2	69.3
Greece	8.0	64.6	5.8	96.9	14.3	62.7
Hungary	8.9	70.9	5.1	74.0	14.5	52.5
Ireland	1.5	73.2	6.3	119.4	7.8	87.3
Israel	6.0	66.5	-2.4	179.8	3.5	119.5
Italy	4.5	64.7	1.4	128.7	5.9	83.3
Latvia	-3.8	57.1	3.6	63.4	-0.4	36.2
Lithuania	9.5	61.4	5.8	58.8	15.8	36.1
Malta	11.1	69.8	20.7	124.1	34.1	86.7
Netherlands	4.1	70.0	3.5	116.9	7.8	81.9
Poland	-0.1	66.2	6.5	64.3	6.4	42.6
Portugal	4.1	62.8	10.5	90.1	15.0	56.6
Romania	2.9	66.7	3.2	69.0	6.2	46.0
Russia	6.7	54.3	0.0	80.3	6.7	43.6
Slovakia	4.7	61.0	5.6	65.0	10.6	39.6
Spain	1.8	71.4	7.7	104.8	9.7	74.8
Switzerland	2.2	61.6	-1.3	210.0	0.8	129.3
Turkey	6.4	55.4	-6.4	60.1	-0.5	33.3
United Kingdom	2.2	73.9	4.7	101.9	7.0	75.3

Source: STR Global

*ADR and RevPAR in local currency

Note: Includes all European markets for which STR collect data with a sufficient sample for reporting

4. SPECIAL FEATURE

POTENTIAL IMPACTS OF TERRORISM IN 2017

European tourism performance in 2016 was affected by safety and security concerns.

2016 saw a spate of terrorist attacks across a number of European cities with spillover impacts onto regional tourism performance due to heightened security concerns. A partial rebound was expected in 2017 as concerns eased following the usual pattern of recovery from disruptive events. However, more recent activity may undermine this recovery for destinations across the region.

The perceived risk to traveller safety is a crucial factor driving the overall impact on specific destinations and the wider region. Prior analysis showed that cities which were hit by multiple attacks and over a longer period of time were associated with a higher perceived risk and larger falls in travel. For example, Brussels suffered a larger fall in demand than Munich in 2016.

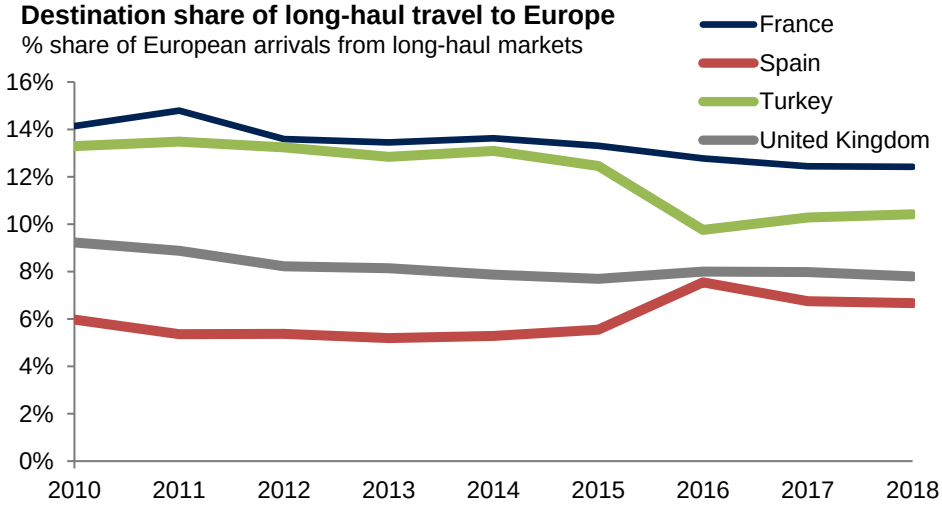
Perceived safety risks are not limited to just the affected cities as travel to other destinations within those countries were also affected in 2016. Wider impacts were felt across the region and some continued impact is expected in 2017.

For Europe as a whole, two distinct impacts have been evident on travel: displaced travel provides a benefit to some other destinations; while a proportion of potential travellers have avoided European destinations altogether.

Some unaffected destinations will continue to benefit from displaced travel.

Spain has apparently gained from recent events taking a greater share of European arrivals in 2016 with relatively strong arrivals growth. This is particularly evident for travel from long-haul markets which have been among the most erratic. France and Turkey typically account for a large proportion of travel to Europe from long-haul markets. Turkey's share of regional demand fell in 2016 while the proportion of this travel to Spain rose significantly.

Destination share of long-haul travel to Europe
% share of European arrivals from long-haul markets



Source: Tourism Economics' TDM database, UNWTO

Some unwinding of this is expected in 2017, with some fall in the share of travel to Spain offset by an increase in the share of travel to Turkey. However, a return to pre-2016 shares is not expected with some lingering concerns among

potential tourists. This is evident in data for the start of 2017 which show growth in travel to these markets, albeit not sufficient to fully offset prior falls.

Travel to the UK will also be impacted in 2017, following attacks in London and Manchester. However, the UK has been benefiting from increased demand due to higher affordability from the weaker pound and gained some share of European demand in 2016, which will partly offset a negative impact in 2017. The UK is also expected to follow the example of France with only a gradual loss of regional share, helped by a larger proportion of business travel which will remain more stable.

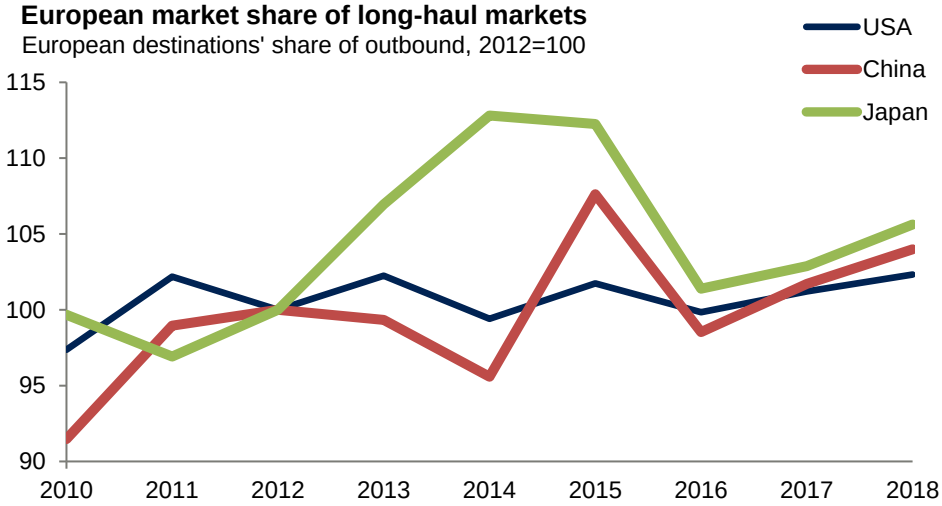
Europe has lost share of demand from long-haul markets, notably from Asian markets.

In addition to the internal displacement, Europe as a whole has suffered some overall loss in demand as a proportion of travellers avoided the region altogether. This is most notable from some long-haul Asian markets. European destinations lost share of both the Chinese and Japanese markets in 2016. Perceptions may be exacerbated by travel itineraries on tours covering multiple countries and a view of the region as a single entity.

The fall in the proportion of Japanese travel demand to Europe was especially sharp in 2016, and only a slow recovery is expected. By contrast the fall in the share of Chinese demand was not quite as sharp as in initial estimates, but there was still a noticeable loss of share. Some rebound in the share of travel heading to Europe from these markets is still expected in 2017, but this will be slower than in prior forecasts as some concerns will linger. This is consistent with the arrivals growth in early 2017, but also implies some slower growth later in the year.

European market share of long-haul markets

European destinations' share of outbound, 2012=100



Source: TDM, UNWTO

Travel from the US has remained more resilient, partly supported by increased affordability due to the strength of the US dollar. This may also be due to some greater familiarity with European destinations and an understanding of the true risks involved in travel.

European destinations need to ensure they project a clear image of the diverse destinations available and provide reassurances regarding safety to maximise recovery from the current low market share.

TRAVEL DISRUPTION DUE TO QATAR BLOCKADE

Impacts of the blockade will fall mainly on Qatar itself, but a swift resolution is currently expected.

Global travel in 2017 is also being disrupted by the blockade of travel to Qatar due to political tensions, including some small impact on travel to Europe. This will come through travel flows via the Gulf region, and particularly from Asian markets, adding to potential security concerns from terrorism.

The blockade affects all travel to Qatar by land, some regional air travel, and crucially limits the airspace available for flights to the country. The immediate consequence of this is that flights to, or via, Qatar involve longer travel times. A reduction in capacity may ultimately increase prices on these routes. Higher travel times and prices will both influence passenger demand.

The amount of European demand potentially affected by the blockade is relatively small as around one-fifth of travel from Asia to Europe is via hubs in the Gulf region, according to data from IATA. Within that, around 5% of travel from Asia to Europe comes via Qatar itself as a hub.

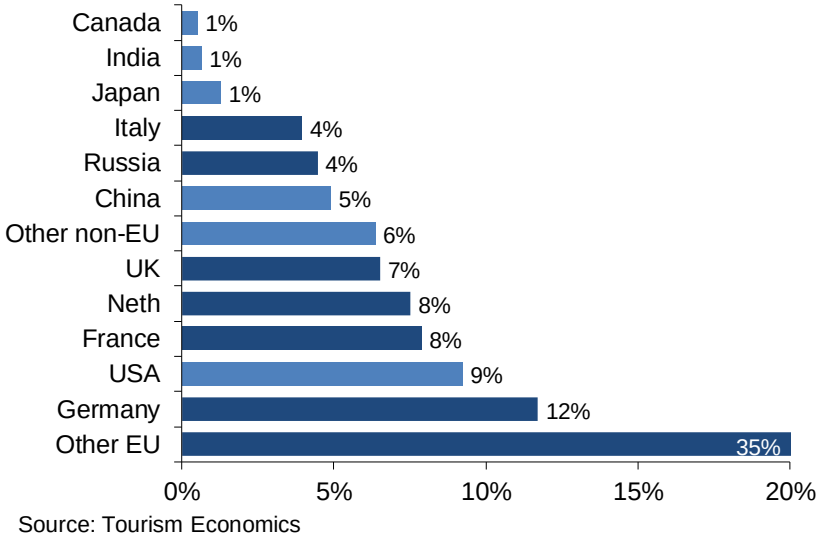
Asian travel to Europe via Qatar as a hub may be disrupted.

Any reduction in Asian travel to Europe via Qatar can be partly absorbed by increases on other routes, but some proportion will also be deferred or even cancelled. The duration of the blockade will affect the impact and a relatively swift resolution remains part of Tourism Economics' central outlook including minimal impact on hub operations, but some longer effects evident on travel within the Middle East region.

The travel volumes which are potentially affected are small, but events could undermine some of the expected growth from the largest Asian markets. Notably, China is expected to account for 5% of European arrivals growth in the coming years, with some further contribution from other emerging Asian markets. This is at risk, but intra-regional European travel remains crucial for future growth and should be unaffected.

Contributions to European growth by market

2016-20; expected share of arrivals growth for European destinations by source markets



Source: Tourism Economics

5. KEY SOURCE MARKET PERFORMANCE

GROWTH CONTINUES INTO 2017

- European travel demand continues to grow across the majority of destinations and from a range of source markets.
- Intra-European travel remains crucial for future growth.
- Recent spate of high-profile terror attacks in Europe a near-term concern.

Trends discussed in this section in some cases relate to the first five months of the year although actual coverage varies by destination. For the majority of countries April will be the latest available data point. Further detailed monthly data for origin and destination, including absolute values, can be obtained from TourMIS, http://tourmis.info.

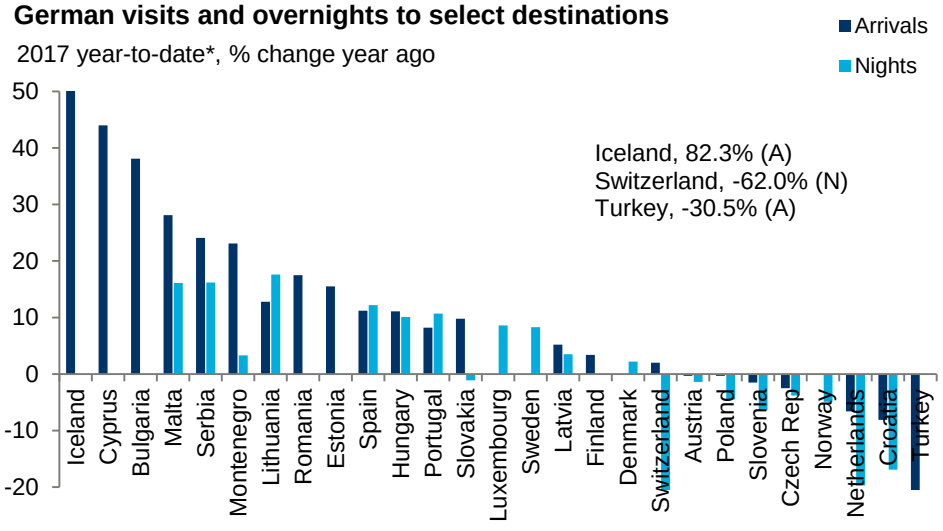
5.1 KEY INTRA-EUROPEAN MARKETS

16
out of 27 destinations reported arrivals growth from Germany pointing to continued intra-regional growth in 2017

Many European destination countries experienced strong growth in tourism from Germany. Iceland, Cyprus and Bulgaria all enjoyed arrivals growth in excess of 35%. In the case of Bulgaria, growth represented continuation of a pick-up which has been gathering steam since August 2016. As German arrivals typically account for 10% of all arrivals to Bulgaria growth of this magnitude represents a substantial number of new arrivals. It may be that they are opting for more affordable winter destinations at the expense of traditional destinations such as Austria and Switzerland. German arrivals and overnights to Austria and overnights to Switzerland are all lower in 2017 compared to the same months a year ago. There was a continued small fall in German arrivals in Turkey and, perhaps more surprisingly, in arrivals in Croatia.

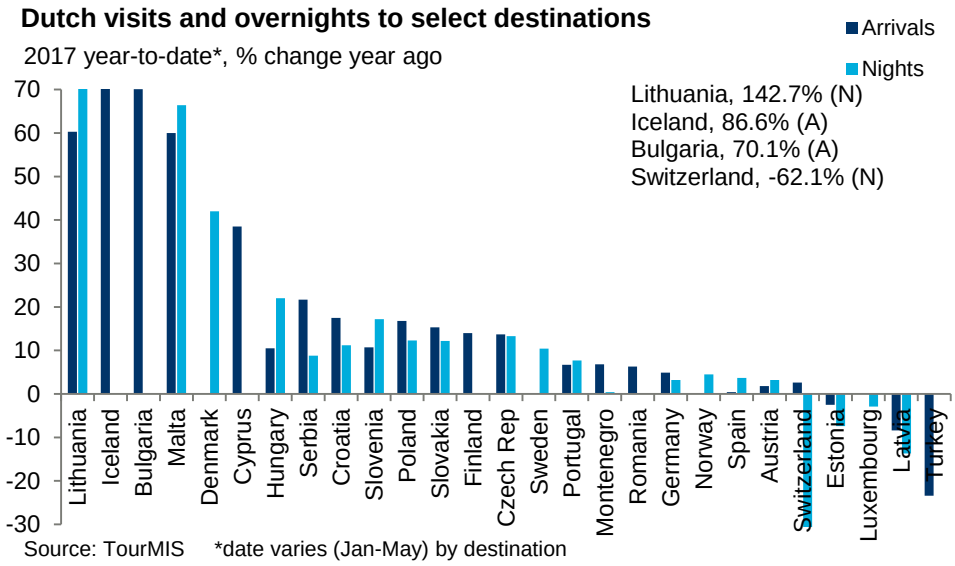
German visits and overnights to select destinations

2017 year-to-date*, % change year ago



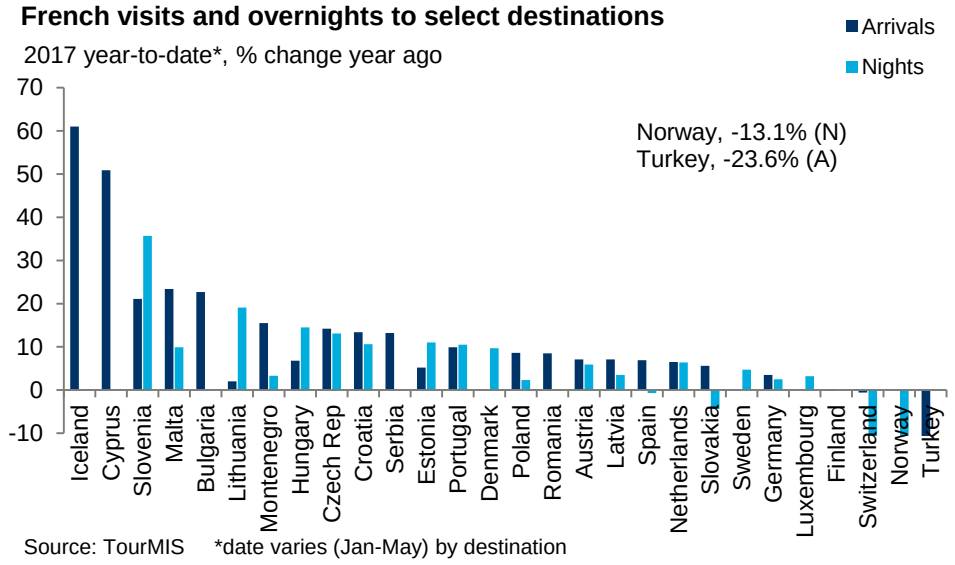
Source: TourMIS *date varies (Jan-May) by destination

Iceland enjoyed an 86.6% rise in Dutch arrivals in the first four months of 2017. However, in terms of overnights, Lithuania had the highest increase from Dutch travellers, up 142.7% based on data to March. This may have been driven by new air routes to Kaunas which began operations during this period. Malta saw 60% growth in arrivals and 66.4% growth in overnights in the first four months of 2017. Denmark also benefited from some handsome overnights growth from the Netherlands (+42%) based on data to April, as did Hungary (+22.0%).



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

The disruption from terrorist attacks continues to affect France as a destination but, importantly, not as a source market. French travel behaviour seems now to have normalised. Iceland and Cyprus both experienced arrivals growth in excess of 50% based on early 2017 data, and seven other destinations have reported double-digit arrivals growth. Switzerland continued to register contractions in both arrivals and nights from French tourists.



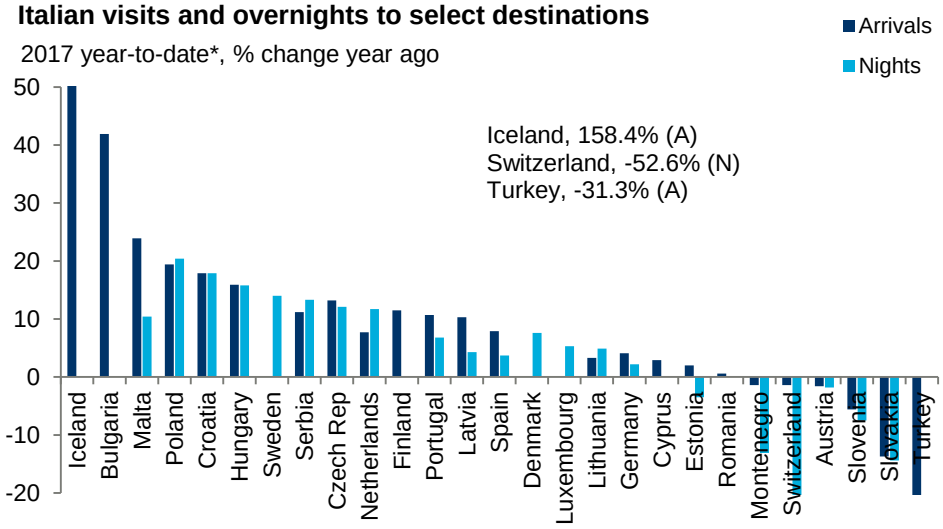
Source: TourMIS *date varies (Jan-May) by destination

Iceland was also the top growth destination from Italy according to early 2017 data. Although growth was based on some relatively small volumes, Italian arrivals to Iceland grew by 158.4% in the first four months of 2017 compared to

2016. Eleven countries enjoyed double-digit growth in arrivals. However, for only three of these destinations growth was in excess of 20%. Iceland aside, growth to Bulgaria was most notable at 41.9%. Travel to Austria and Switzerland fell but so too did visits to some competitor winter destinations such as Slovenia and Slovakia.

Italian visits and overnights to select destinations

2017 year-to-date*, % change year ago



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

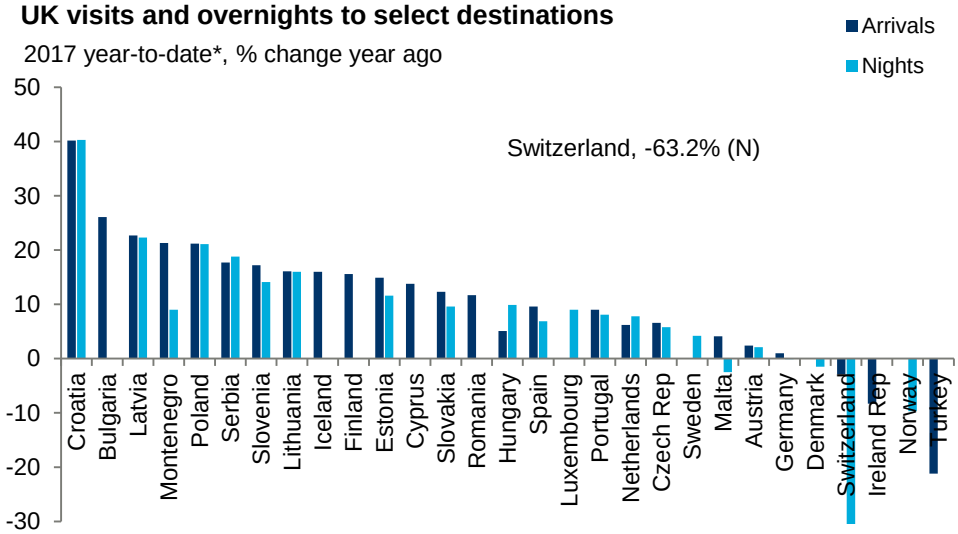
24 out of 29 reporting destinations have reported some form of growth from the UK so far in 2017. Fourteen destinations enjoyed arrivals growth in excess of 10%, with growth in five destinations in excess of 20%. Growth from the UK has largely continued despite a weaker pound which has made international travel more expensive. But effects may be more evident as 2017 progresses further since travel behaviour often lags price movements due to advanced bookings.

Arrivals and overnights from the UK to Croatia, the top growth market, were also up significantly (40.2% and 40.3% respectively, based on data to May). The growing number of flights between UK cities and a number of Croatian destinations has played a major role in this growth. Bulgaria, Latvia, Montenegro and Poland all saw arrivals growth in excess of 20%.

On the downside, Ireland has reported an 8.3% decline in the number of UK arrivals it welcomed in the first four months of the year compared to last. Given that UK arrivals account for roughly half of all arrivals to Ireland, this is a significant blow to Ireland's tourism economy in absolute terms.

UK visits and overnights to select destinations

2017 year-to-date*, % change year ago



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

26

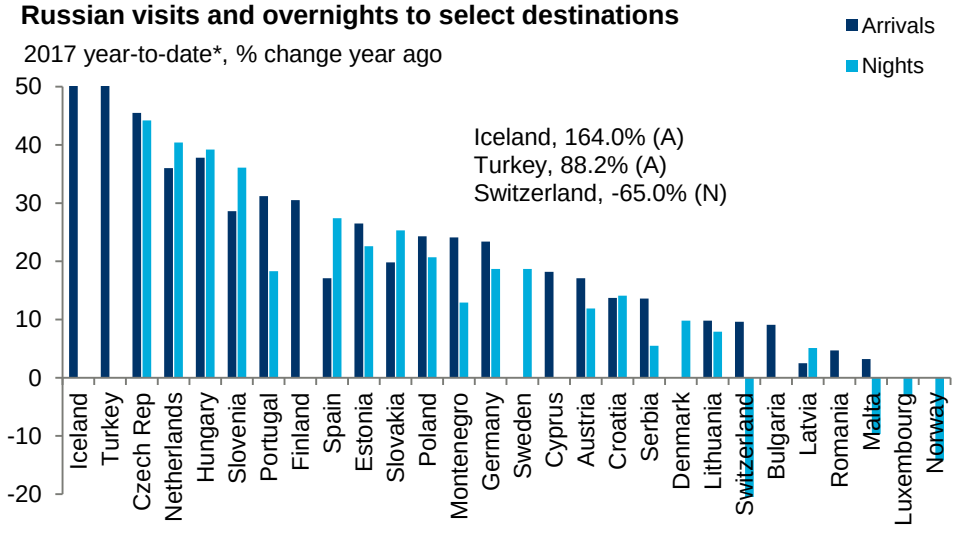
out of 28 destinations reported growth in arrivals or overnights from Russia.

Outbound travel from Russia should improve as 2017 progresses in line with the expected recovery of the rouble. This follows growth in year-to-date data which show that a majority of reporting destinations have experienced a rebound from the lower Russian demand to 2016. Iceland was the top growth destination, up 164.0% in the first four months of 2017, albeit from a relatively low volume.

Russian travel to Turkey continued to increase. This growth followed some mild improvement in the latter part of 2016 after Russia lifted travel restrictions on its citizens visiting Turkey and notable efforts have been made to restore relations between the two countries. Moscow hosted this year's 'Turkey Festival' in June in an attempt to woo Russian visitors back to Turkey. As with some other source markets, Russian arrivals to Switzerland increased compared to 2016 but overnights have plunged.

Russian visits and overnights to select destinations

2017 year-to-date*, % change year ago



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

26
out of 28 destinations reported growth from the United States

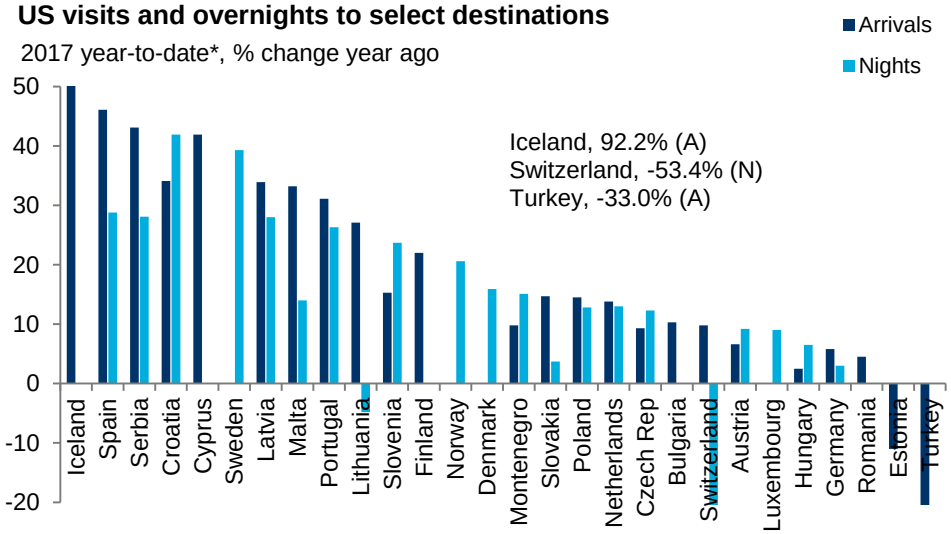
5.2 NON-EUROPEAN MARKETS

26 out of 28 reporting destinations enjoyed growth from the US in 2017 to date. Iceland remains the fastest growing destination for US travellers – up 92.2% based on data to April. Growth of this magnitude is very significant since arrivals from the US account for around 20% of the total for Iceland so it is not a case of a large percentage increase from a low base. Growth continues to be aided by Iceland's role as a hub for transatlantic travel as both Europeans and North Americans have been increasingly breaking up transatlantic trips with some nights in Iceland. This pace of growth is well ahead of the increase in transatlantic travel and Iceland is gaining share of this market, which will continue to be supported by further planned growth in scheduled seats on flights on these routes.

Spain welcomed 46.1% more arrivals from the US based on data to April compared to a year ago. US growth to Serbia was also substantial at 43.1% also based on data to April. Overnights growth to Sweden was also notable (+39.3%) but April's terror attack in Stockholm may see this growth peter out. Meanwhile, Turkey has continued to see lower arrivals from the US due to a combination of political unrest and recurrent terror attacks. Estonia has also experienced a fall in American arrivals compared to 2016.

US visits and overnights to select destinations

2017 year-to-date*, % change year ago

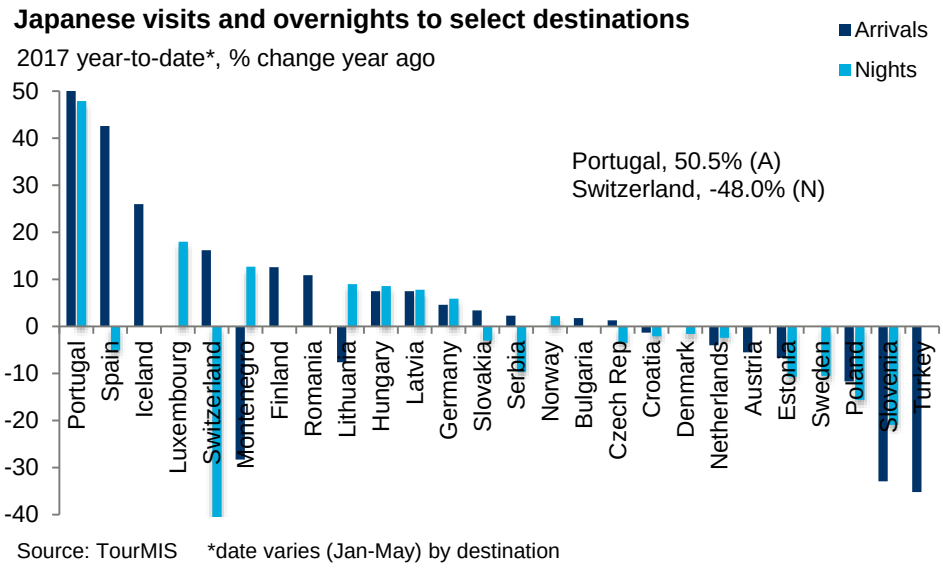


Source: TourMIS *date varies (Jan-May) by destination

Japan presents a far more mixed picture than other source markets consistent with recent sluggish growth. Strong growth in arrivals has been reported by Portugal, Spain and Iceland while significant falls are evident in some Eastern European countries including Turkey. This is in spite of some strengthening of the yen in 2016 through 2017, notably following the Brexit referendum and more recently amid geopolitical tensions, aiding affordability for Japanese travellers.

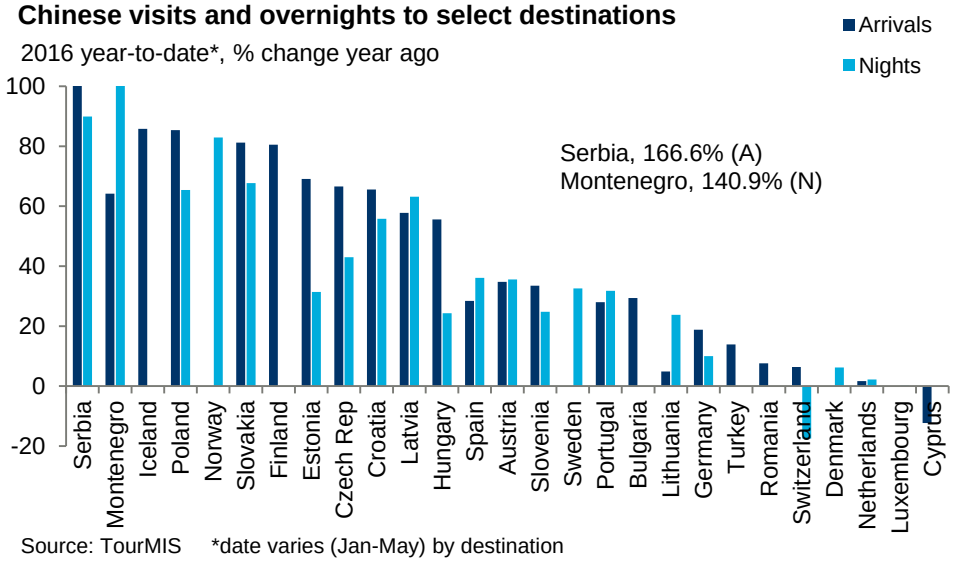
Growth has been notable in a number of destinations with six reporting double-digit growth (albeit from relatively low bases and with Portugal and Spain having the highest arrivals growth). The robust growth in travel to traditionally expensive Finland might have been viewed as an indication that price pressures are becoming less of a constraint on Japanese travellers. However, the very marked fall in nights in Switzerland (-48.0%) could also suggest that

some price pressures remain. It is also notable that whilst arrivals in Spain from Japan were up 42.6%, overnights still fell slightly.



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

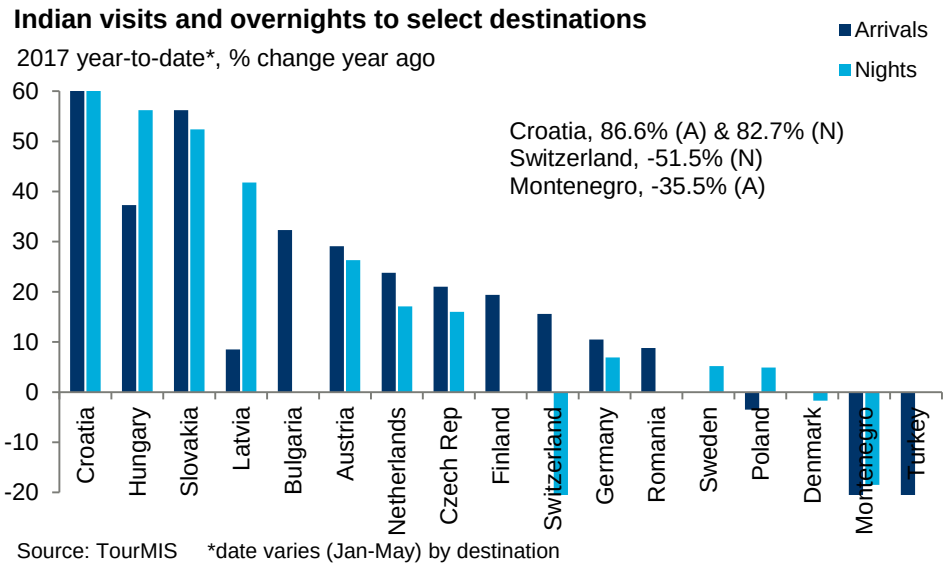
China has been a source of notable arrivals growth for many European destinations so far in 2017, with growth in all but two of 25 reporting destinations. Serbia was the top growth destination on an arrivals basis (+166.6%) whilst Montenegro was the top on an overnights basis (+140.9%). Iceland and Poland were also favoured by Chinese tourists in growth terms in the first months of 2017.



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

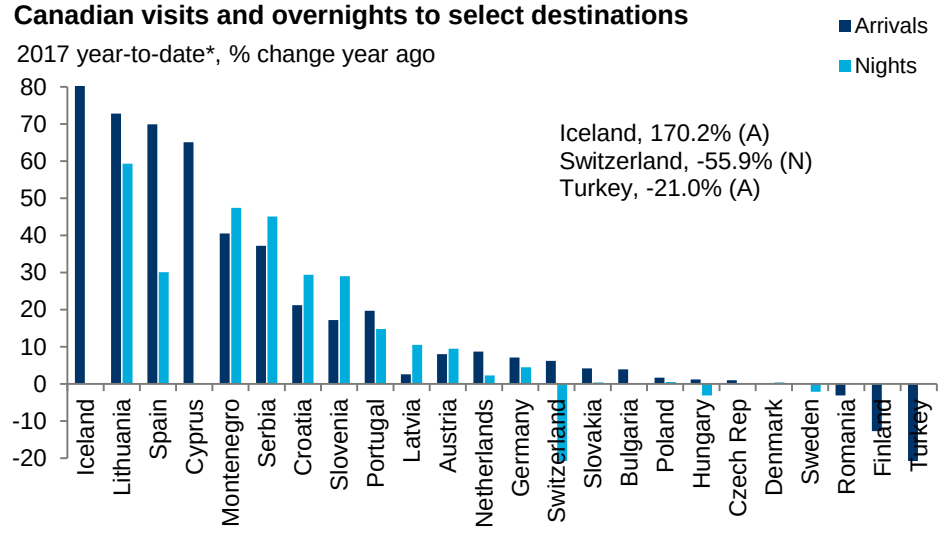
Based on data to May, Croatia was the most popular Indian growth destination with arrivals up by 86.6% and nights up 82.7%. Hungary and several other Central European countries, such as Slovakia, Austria and the Czech Republic (the last of these based only on data to March), also enjoyed significant growth and these may be benefiting jointly as part of multi-destination trips. This growth has been aided by a strong economic backdrop in India, evident in robust GDP growth, a positive consumer spending outlook, and a rising number of middle-income households. Although current volumes from India are still low

in absolute terms, over time the country will become increasingly more important as a source market for European destinations.



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

Many destinations have reported arrivals and overnights growth from Canada so far in 2017. Travel to Iceland remains particularly strong (170.2%) while travel to Lithuania was also notable with arrivals up 72.8%. Spain and Cyprus have also enjoyed some very positive arrivals growth (69.9% and 65.1% respectively) according to early 2017 data, albeit from lower volumes. Falls reported by Finland offset the extraordinary growth in January 2016 when it hosted the *Ice Hockey World Junior Championships* and is not a cause for concern.



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

6. ORIGIN MARKET SHARE ANALYSIS

METHODOLOGY

Based on the Tourism Decision Metrics (TDM) model, the following charts and analysis show Europe's evolving market position – in absolute and percentage terms – for selected source markets. 2015 values are, in most cases, year-to-date estimates based on the latest available data and are not final reported numbers.

Data in these charts and tables relate to reported arrivals in all destinations as a comparable measure of outbound travel for 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 11.9m departures to Europe while the sum of European arrivals from the US was 23.4m. 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, FYR Macedonia, Greece, Italy, Malta, Montenegro, Portugal, Serbia, Slovenia, Spain, and Turkey;

Central/Eastern Europe is Armenia, Azerbaijan, Bulgaria, Czech Republic, Estonia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Poland, Romania, Russian Federation, Slovakia, and Ukraine.

6.1 UNITED STATES

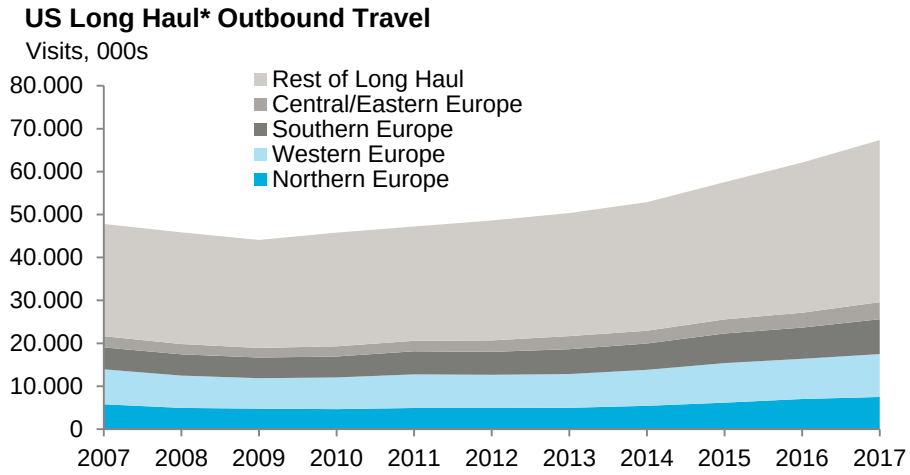
US Market Share Summary

	2016	Growth (2016-21)			Growth (2011-16)		
	Level	Share**	Annual average	Cumulative growth*	Share 2021**	Cumulative growth*	Share 2011**
Total outbound travel (000s)	104,439	-	5.5%	30.9%	-	35.0%	-
Long haul (000s)	62,117	59.5%	6.2%	35.0%	61.3%	31.6%	61.0%
Short haul (000s)	42,322	40.5%	4.5%	24.9%	38.7%	40.4%	39.0%
Travel to Europe (000s)	27,132	26.0%	6.0%	34.0%	26.6%	31.8%	26.6%
Northern Europe (000s)	7,026	6.7%	4.7%	26.0%	6.5%	42.5%	6.4%
Western Europe (000s)	9,356	9.0%	4.6%	25.2%	8.6%	19.4%	10.1%
Southern Europe (000s)	7,279	7.0%	7.4%	43.0%	7.6%	35.3%	7.0%
Central/Eastern Europe (000s	3,471	3.3%	9.2%	55.0%	3.9%	42.7%	3.1%

*Shows cumulative change over the relevant time period indicated

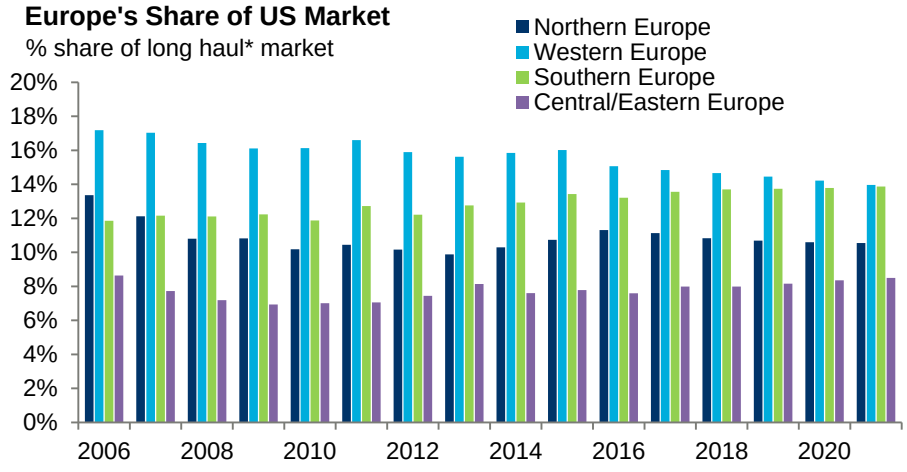
**Shares are expressed as % of total outbound travel

Source: Tourism Economics



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

Source: Tourism Economics



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

Source: Tourism Economics

6.2 CANADA

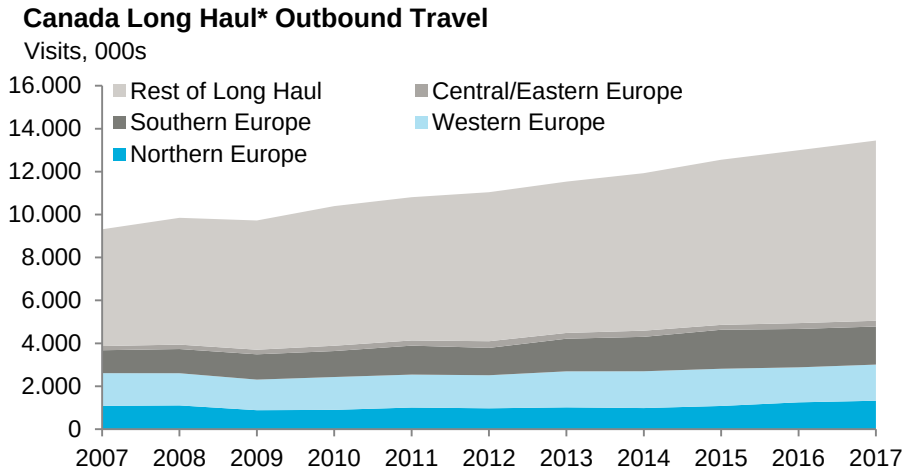
Canada Market Share Summary

	2016	Growth (2016-21)			Growth (2011-16)		
	Level	Share**	Annual average	Cumulative growth*	Share 2021**	Cumulative growth*	Share 2011**
Total outbound travel (000s)	34,094	-	3.4%	18.5%	-	1.1%	-
Long haul (000s)	12,996	38.1%	3.4%	18.2%	38.0%	20.3%	32.1%
Short haul (000s)	21,098	61.9%	3.5%	18.6%	62.0%	-7.9%	67.9%
Travel to Europe (000s)	4,941	14.5%	2.3%	12.1%	13.7%	19.5%	12.3%
Northern Europe (000s)	1,250	3.7%	3.8%	20.3%	3.7%	24.0%	3.0%
Western Europe (000s)	1,631	4.8%	3.2%	16.8%	4.7%	6.3%	4.6%
Southern Europe (000s)	1,788	5.2%	0.9%	4.4%	4.6%	32.6%	4.0%
Central/Eastern Europe (000s)	272	0.8%	-0.8%	-4.1%	0.6%	12.2%	0.7%

*Shows cumulative change over the relevant time period indicated

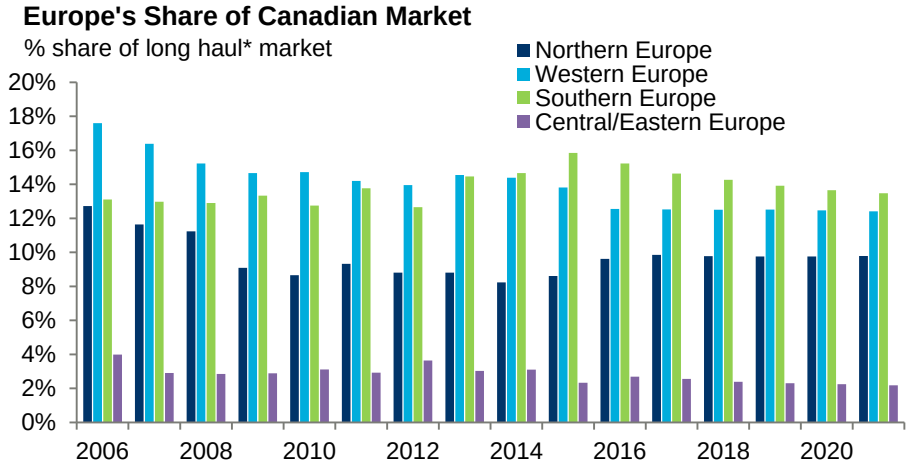
**Shares are expressed as % of total outbound travel

Source: Tourism Economics



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

Source: Tourism Economics



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

Source: Tourism Economics

6.3 MEXICO

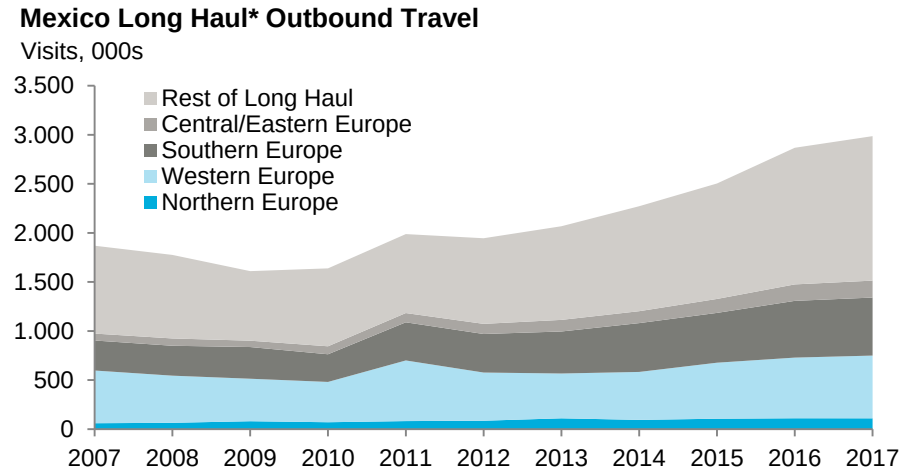
Mexico Market Share Summary

	2016	Growth (2016-21)			Growth (2011-16)		
	Level	Share**	Annual average	Cumulative growth*	Share 2021**	Cumulative growth*	Share 2011**
Total outbound travel (000s)	22,221	-	1.4%	7.0%	-	41.4%	-
Long haul (000s)	2,868	12.9%	4.7%	25.6%	15.1%	44.3%	12.6%
Short haul (000s)	19,353	87.1%	0.8%	4.2%	84.9%	40.9%	87.4%
Travel to Europe (000s)	1,475	6.6%	3.8%	20.3%	7.5%	24.7%	7.5%
Northern Europe (000s)	111	0.5%	0.5%	2.7%	0.5%	35.1%	0.5%
Western Europe (000s)	618	2.8%	5.1%	28.4%	3.3%	0.0%	3.9%
Southern Europe (000s)	578	2.6%	3.3%	17.6%	2.9%	48.8%	2.5%
Central/Eastern Europe (000s)	168	0.8%	2.2%	11.6%	0.8%	77.9%	0.6%

*Shows cumulative change over the relevant time period indicated

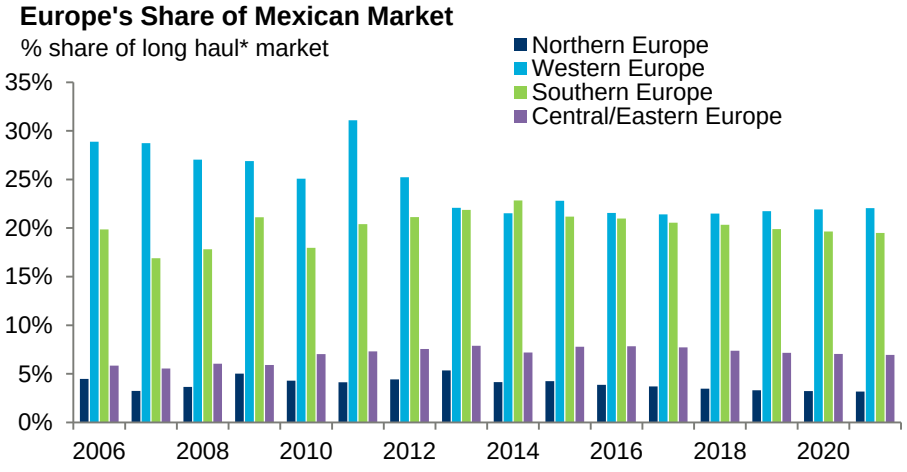
**Shares are expressed as % of total outbound travel

Source: Tourism Economics



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

Source: Tourism Economics



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

Source: Tourism Economics

6.4 ARGENTINA

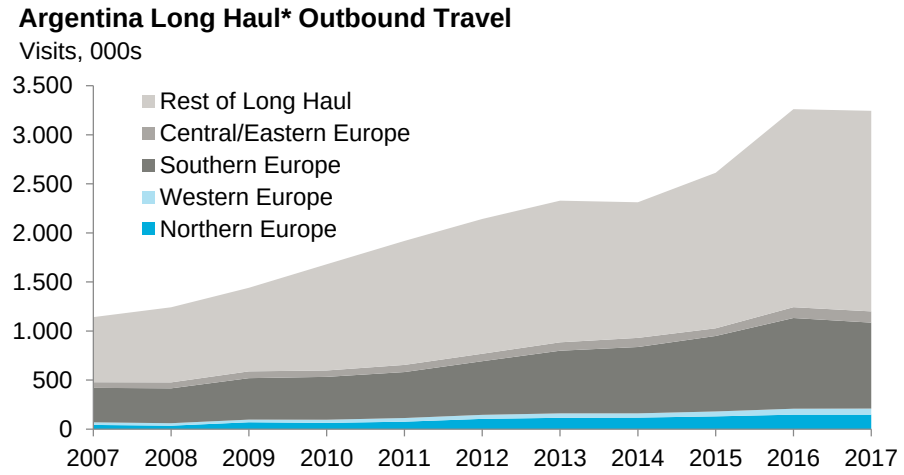
Argentina Market Share Summary

	2016	Growth (2016-21)			Growth (2011-16)		
	Level	Share**	Annual average	Cumulative growth*	Share 2021**	Cumulative growth*	Share 2011**
Total outbound travel (000s)	10,682	-	1.8%	9.4%	-	54.9%	-
Long haul (000s)	3,261	30.5%	1.2%	6.1%	29.6%	70.0%	27.8%
Short haul (000s)	7,420	69.5%	2.1%	10.9%	70.4%	49.1%	72.2%
Travel to Europe (000s)	1,243	11.6%	-0.2%	-0.8%	10.6%	89.9%	9.5%
Northern Europe (000s)	148	1.4%	2.0%	10.5%	1.4%	93.4%	1.1%
Western Europe (000s)	61	0.6%	2.4%	12.8%	0.6%	62.6%	0.5%
Southern Europe (000s)	924	8.7%	-1.4%	-6.9%	7.4%	97.4%	6.8%
Central/Eastern Europe (000s)	111	1.0%	4.9%	27.3%	1.2%	51.7%	1.1%

*Shows cumulative change over the relevant time period indicated

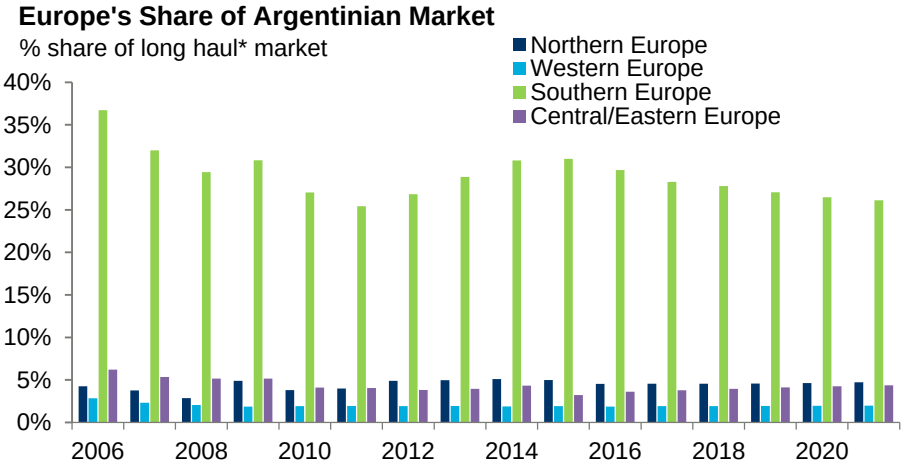
**Shares are expressed as % of total outbound travel

Source: Tourism Economics



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

Source: Tourism Economics



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

Source: Tourism Economics

6.5 BRAZIL

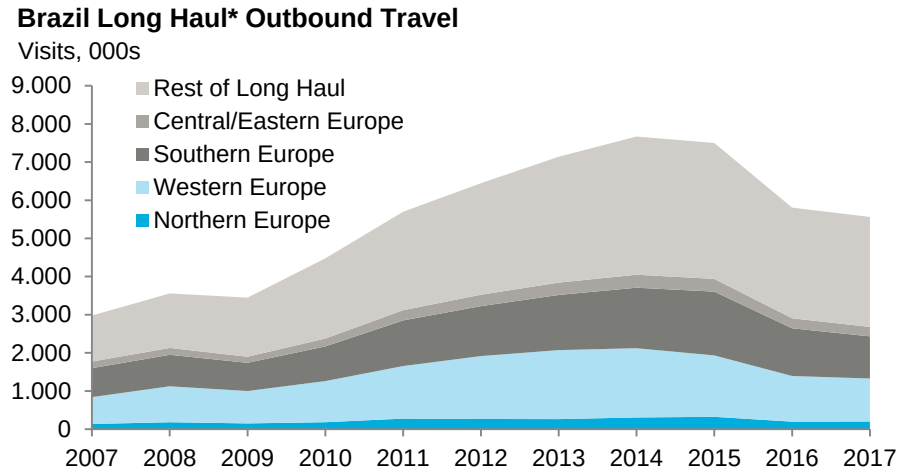
Brazil Market Share Summary

	2016	Growth (2016-21)			Growth (2011-16)		
	Level	Share**	Annual average	Cumulative growth*	Share 2021**	Cumulative growth*	Share 2011**
Total outbound travel (000s)	8,195	-	3.6%	19.6%	-	-0.6%	-
Long haul (000s)	5,806	70.8%	3.2%	17.3%	69.5%	1.9%	69.1%
Short haul (000s)	2,389	29.2%	4.6%	25.1%	30.5%	-6.1%	30.9%
Travel to Europe (000s)	2,907	35.5%	0.9%	4.6%	31.0%	-6.8%	37.8%
Northern Europe (000s)	197	2.4%	7.0%	40.0%	2.8%	-28.5%	3.3%
Western Europe (000s)	1,196	14.6%	2.2%	11.8%	13.6%	-13.2%	16.7%
Southern Europe (000s)	1,250	15.2%	-2.0%	-9.6%	11.5%	4.5%	14.5%
Central/Eastern Europe (000s)	264	3.2%	2.4%	12.6%	3.0%	-1.6%	3.2%

*Shows cumulative change over the relevant time period indicated

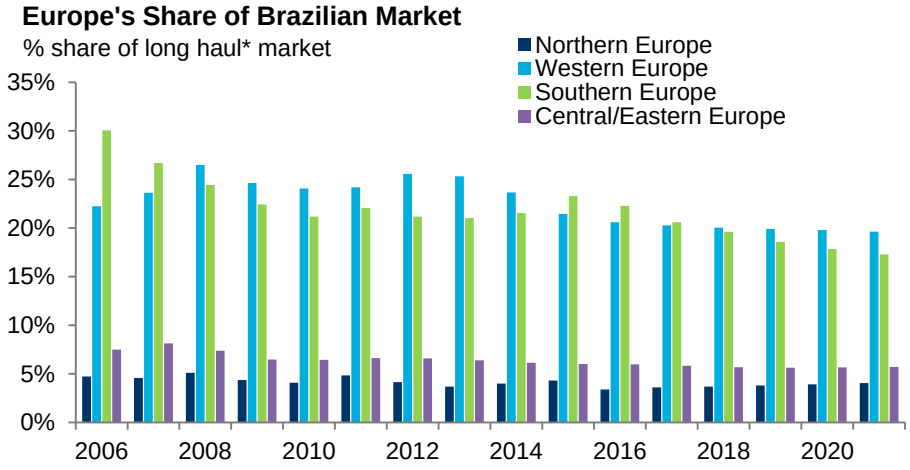
**Shares are expressed as % of total outbound travel

Source: Tourism Economics



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

Source: Tourism Economics



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

Source: Tourism Economics

6.6 INDIA

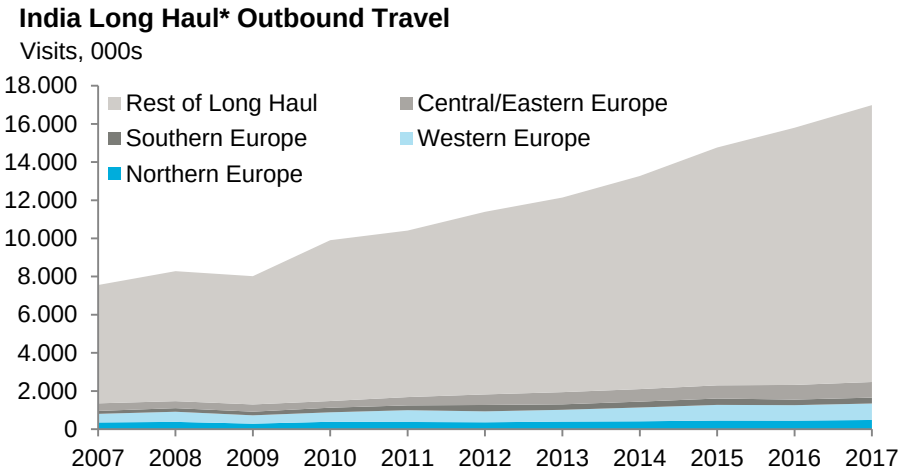
India Market Share Summary

	2016	Growth (2016-21)			Growth (2011-16)		
	Level	Share**	Annual average	Cumulative growth*	Share 2021**	Cumulative growth*	Share 2011**
Total outbound travel (000s)	16,439	-	6.9%	39.3%	-	50.0%	-
Long haul (000s)	15,800	96.1%	6.9%	39.3%	96.1%	51.8%	95.0%
Short haul (000s)	640	3.9%	6.9%	39.7%	3.9%	16.6%	5.0%
Travel to Europe (000s)	2,319	14.1%	5.6%	31.3%	13.3%	37.9%	15.4%
Northern Europe (000s)	449	2.7%	4.1%	22.2%	2.4%	18.9%	3.4%
Western Europe (000s)	809	4.9%	6.0%	34.0%	4.7%	31.4%	5.6%
Southern Europe (000s)	293	1.8%	6.8%	38.8%	1.8%	15.1%	2.3%
Central/Eastern Europe (000s)	769	4.7%	5.6%	31.1%	4.4%	76.8%	4.0%

*Shows cumulative change over the relevant time period indicated

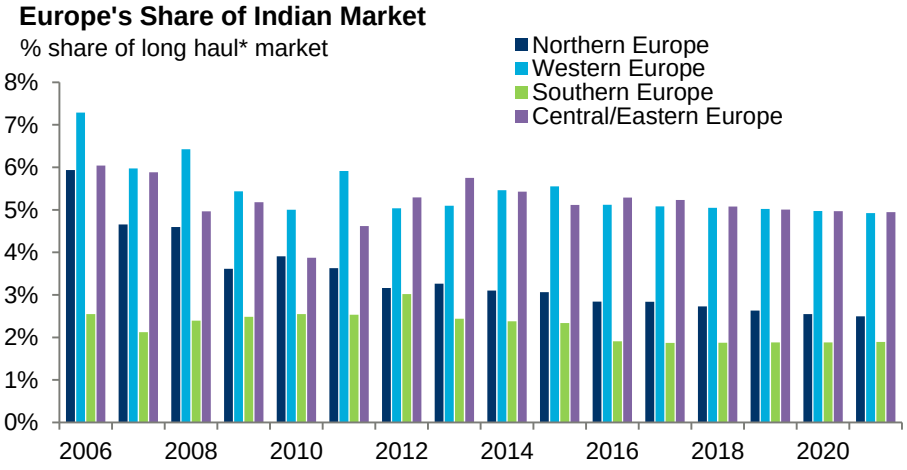
**Shares are expressed as % of total outbound travel

Source: Tourism Economics



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

Source: Tourism Economics



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

Source: Tourism Economics

6.7 CHINA

China Market Share Summary

	2016	Growth (2016-21)			Growth (2011-16)		
	Level	Share**	Annual average	Cumulative growth*	Share 2021**	Cumulative growth*	Share 2011**
Total outbound travel (000s)	84,947	-	6.5%	37.2%	-	108.2%	-
Long haul (000s)	38,351	45.1%	8.1%	47.9%	48.7%	167.2%	35.2%
Short haul (000s)	46,596	54.9%	5.1%	28.4%	51.3%	76.2%	64.8%
Travel to Europe (000s)	10,492	12.4%	8.7%	51.4%	13.6%	104.8%	12.6%
Northern Europe (000s)	854	1.0%	8.0%	47.1%	1.1%	120.1%	1.0%
Western Europe (000s)	5,126	6.0%	9.9%	60.2%	7.0%	105.1%	6.1%
Southern Europe (000s)	656	0.8%	6.8%	39.0%	0.8%	81.9%	0.9%
Central/Eastern Europe (000s)	3,857	4.5%	7.4%	42.8%	4.7%	105.7%	4.6%

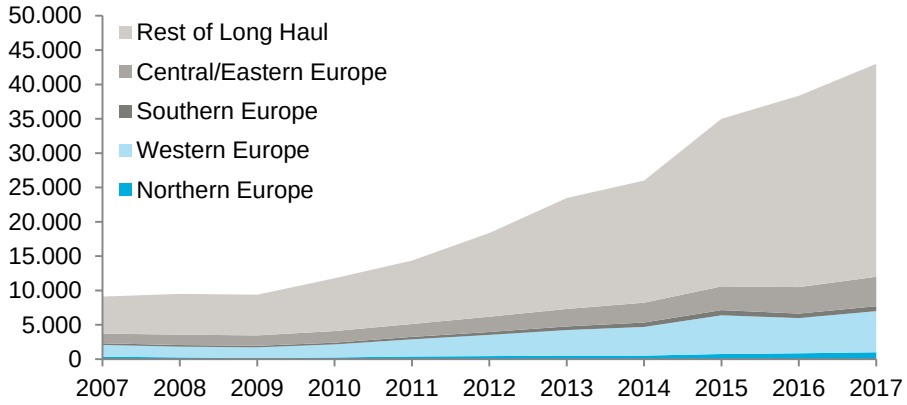
*Shows cumulative change over the relevant time period indicated

**Shares are expressed as % of total outbound travel

Source: Tourism Economics

China Long Haul* Outbound Travel

Visits, 000s

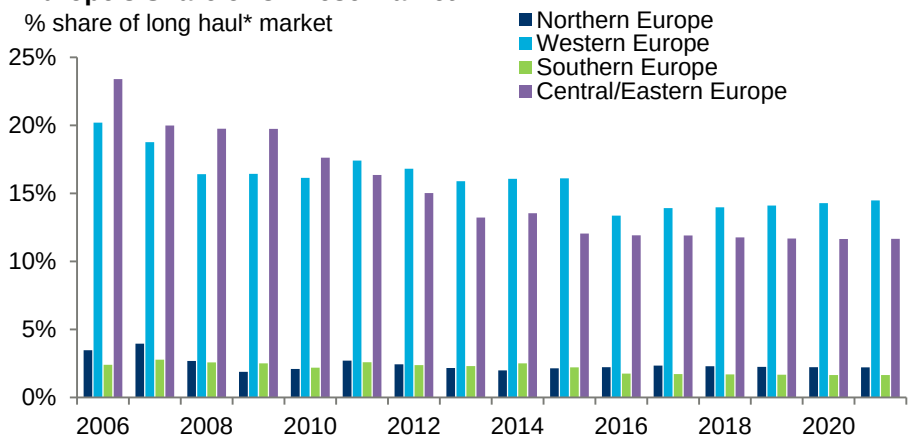


*Long haul defined as tourist arrivals to destinations outside Northeast Asia

Source: Tourism Economics

Europe's Share of Chinese Market

% share of long haul* market



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

Source: Tourism Economics

6.8 JAPAN

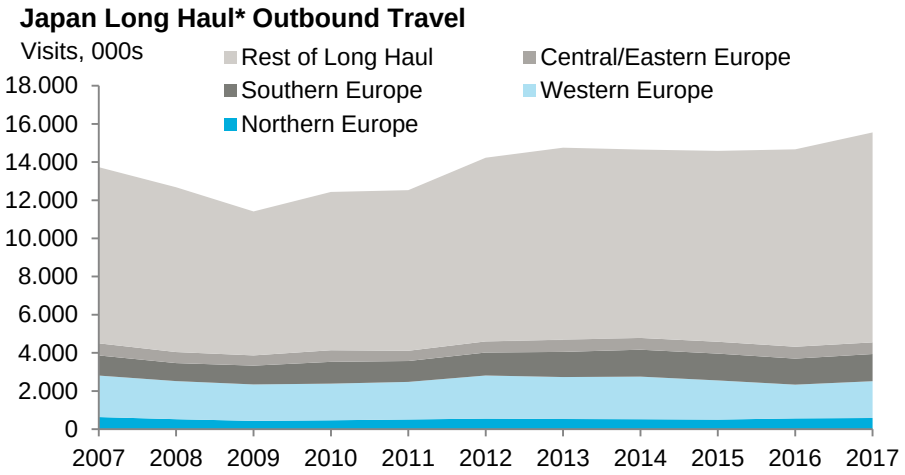
Japan Market Share Summary

	2016	Growth (2016-21)			Growth (2011-16)		
	Level	Share**	Annual average	Cumulative growth*	Share 2021**	Cumulative growth*	Share 2011**
Total outbound travel (000s)	22,308	-	5.1%	28.0%	-	1.3%	-
Long haul (000s)	14,667	65.7%	5.3%	29.2%	66.4%	17.1%	56.9%
Short haul (000s)	7,642	34.3%	4.7%	25.7%	33.6%	-19.5%	43.1%
Travel to Europe (000s)	4,322	19.4%	5.5%	30.8%	19.8%	5.2%	18.7%
Northern Europe (000s)	564	2.5%	2.1%	11.2%	2.2%	11.0%	2.3%
Western Europe (000s)	1,769	7.9%	7.6%	44.2%	8.9%	-10.2%	8.9%
Southern Europe (000s)	1,365	6.1%	5.0%	27.5%	6.1%	24.5%	5.0%
Central/Eastern Europe (000s)	625	2.8%	3.3%	17.4%	2.6%	16.5%	2.4%

*Shows cumulative change over the relevant time period indicated

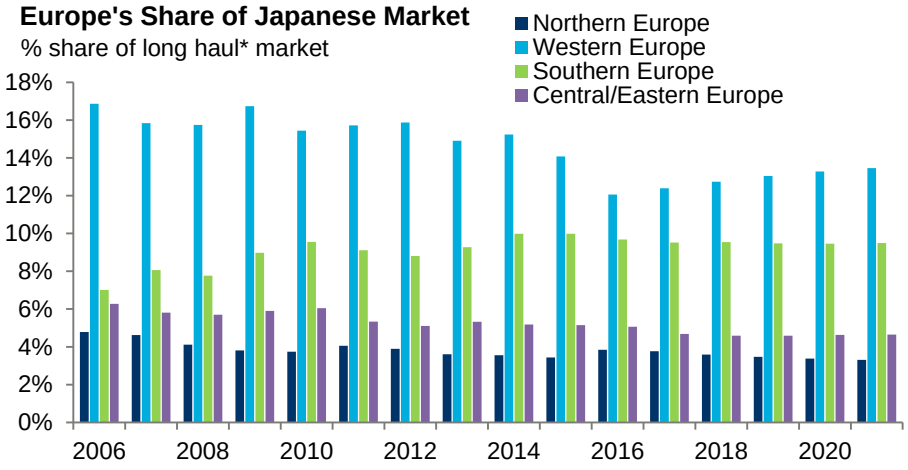
**Shares are expressed as % of total outbound travel

Source: Tourism Economics



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

Source: Tourism Economics



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

Source: Tourism Economics

6.9 AUSTRALIA

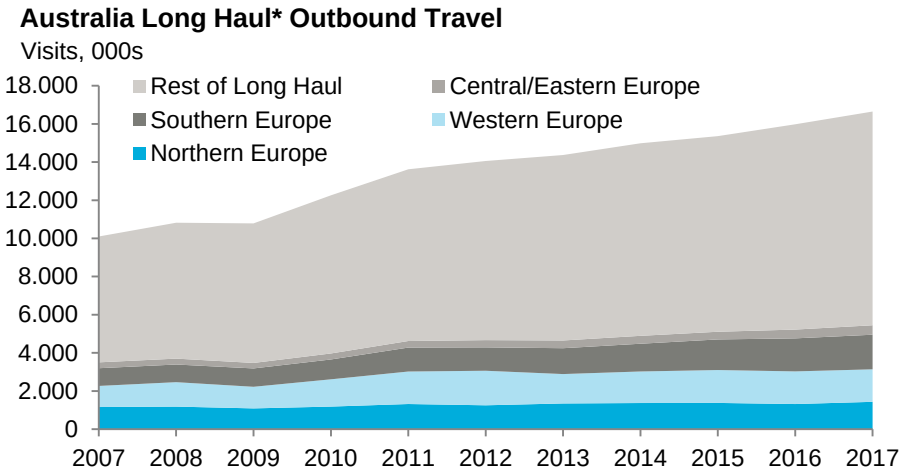
Australia Market Share Summary

	2016	Growth (2016-21)			Growth (2011-16)		
	Level	Share**	Annual average	Cumulative growth*	Share 2021**	Cumulative growth*	Share 2011**
Total outbound travel (000s)	16,653	-	4.1%	22.2%	-	18.3%	-
Long haul (000s)	15,980	96.0%	4.1%	22.2%	95.9%	17.3%	96.8%
Short haul (000s)	674	4.0%	4.2%	22.9%	4.1%	47.8%	3.2%
Travel to Europe (000s)	5,221	31.3%	4.0%	22.0%	31.3%	13.0%	32.8%
Northern Europe (000s)	1,317	7.9%	6.5%	37.0%	8.9%	-0.1%	9.4%
Western Europe (000s)	1,711	10.3%	0.9%	4.7%	8.8%	0.5%	12.1%
Southern Europe (000s)	1,731	10.4%	4.7%	25.7%	10.7%	37.9%	8.9%
Central/Eastern Europe (000s)	461	2.8%	5.2%	28.7%	2.9%	33.9%	2.4%

*Shows cumulative change over the relevant time period indicated

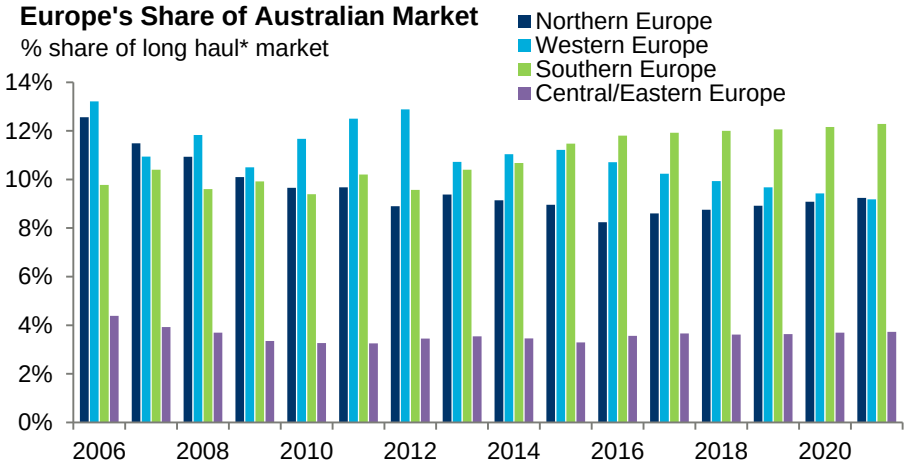
**Shares are expressed as % of total outbound travel

Source: Tourism Economics



*Long haul defined as tourist arrivals to destinations outside Oceania

Source: Tourism Economics



*Long haul defined as tourist arrivals to destinations outside Oceania

Source: Tourism Economics

6.10 UNITED ARAB EMIRATES

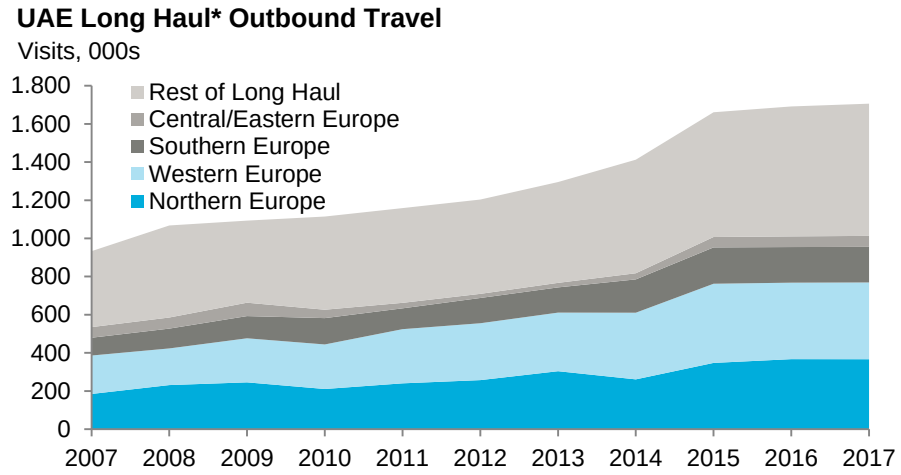
United Arab Emirates Market Share Summary

	2016	Growth (2016-21)			Growth (2011-16)		
	Level	Share**	Annual average	Cumulative growth*	Share 2021**	Cumulative growth*	Share 2011**
Total outbound travel (000s)	3,582	-	4.3%	23.3%	-	23.9%	-
Long haul (000s)	1,692	47.2%	1.4%	7.2%	41.1%	46.0%	40.1%
Short haul (000s)	1,890	52.8%	6.6%	37.7%	58.9%	9.1%	59.9%
Travel to Europe (000s)	1,010	28.2%	0.6%	3.2%	23.6%	52.6%	22.9%
Northern Europe (000s)	367	10.2%	0.2%	1.2%	8.4%	52.7%	8.3%
Western Europe (000s)	401	11.2%	0.5%	2.7%	9.3%	41.2%	9.8%
Southern Europe (000s)	187	5.2%	1.4%	7.4%	4.5%	70.9%	3.8%
Central/Eastern Europe (000s)	56	1.6%	1.3%	6.5%	1.3%	93.5%	1.0%

*Shows cumulative change over the relevant time period indicated

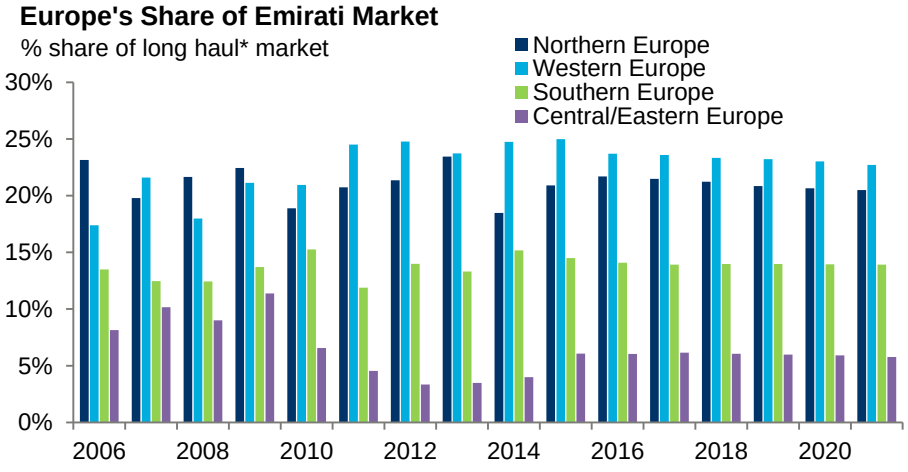
**Shares are expressed as % of total outbound travel

Source: Tourism Economics



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

Source: Tourism Economics



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

Source: Tourism Economics

6.11 RUSSIA

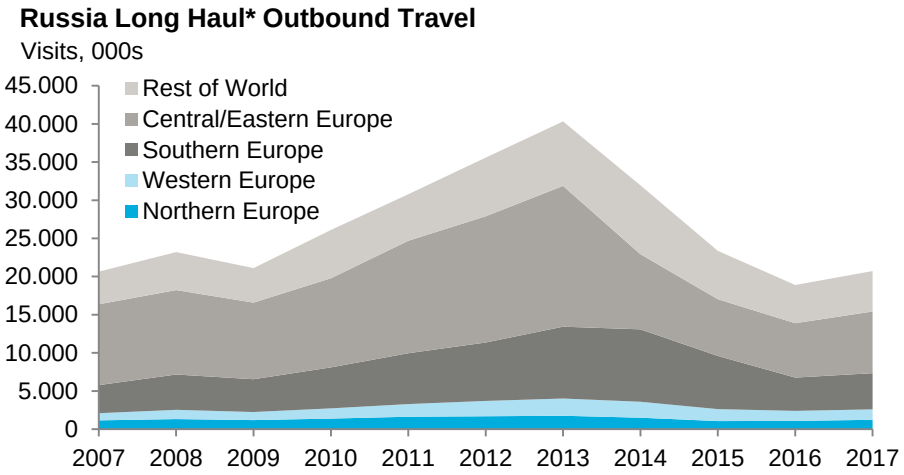
Russia Market Share Summary

	2016	Growth (2016-21)			Growth (2011-16)		
	Level	Share**	Annual average	Cumulative growth*	Share 2021**	Cumulative growth*	Share 2011**
Total outbound travel (000s)	18,893	-	8.5%	50.6%	-	-38.6%	-
Long haul (000s)	5,008	26.5%	6.9%	39.8%	24.6%	-17.9%	19.8%
Short haul (000s)	13,885	73.5%	9.1%	54.5%	75.4%	-43.8%	80.2%
Travel to Europe (000s)	13,885	73.5%	9.1%	54.5%	75.4%	-43.8%	80.2%
Northern Europe (000s)	1,084	5.7%	7.8%	45.5%	5.5%	-33.4%	5.3%
Western Europe (000s)	1,314	7.0%	6.6%	37.4%	6.4%	-20.9%	5.4%
Southern Europe (000s)	4,362	23.1%	9.7%	58.7%	24.3%	-34.5%	21.6%
Central/Eastern Europe (000s)	7,124	37.7%	9.3%	56.3%	39.2%	-51.7%	47.9%

*Shows cumulative change over the relevant time period indicated

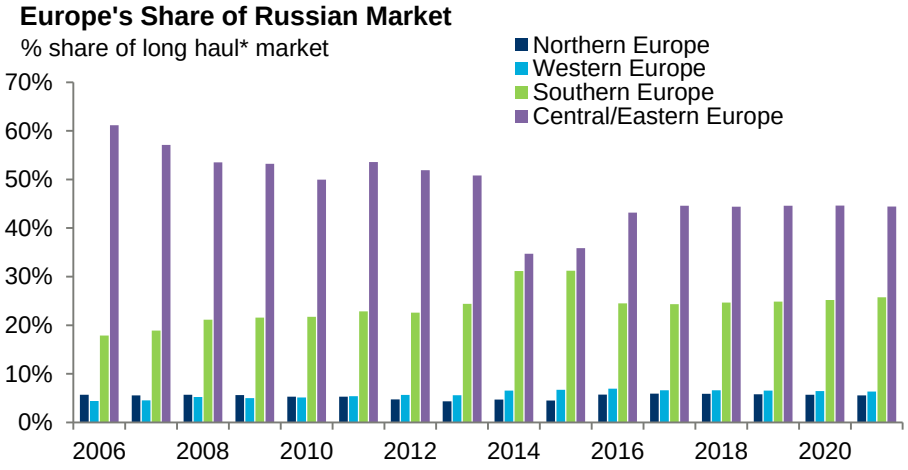
**Shares are expressed as % of total outbound travel

Source: Tourism Economics



*Long haul defined as tourist arrivals to all destinations

Source: Tourism Economics



*Long haul defined as tourist arrivals to all destinations

Source: Tourism Economics

7. 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 useful insight into likely tourism developments throughout the year.

The linkages between macro 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 of the euro against the US dollar would make the Eurozone a relatively cheaper destination and therefore more attractive to US travellers.

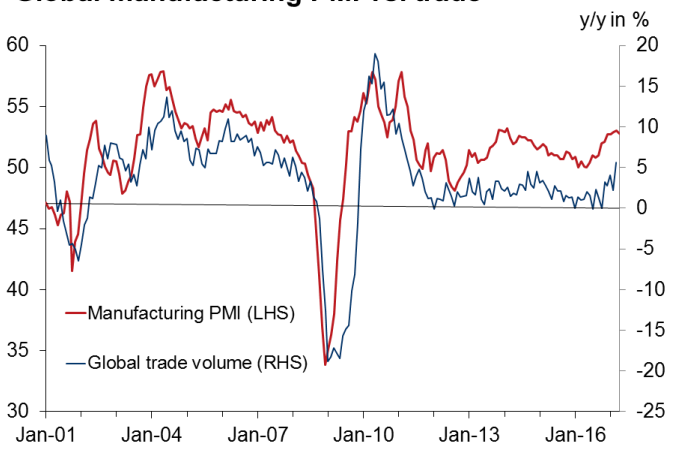
7.1 OVERVIEW

INCREASINGLY ROBUST GROWTH

Oxford Economics' (OE) world GDP growth forecast of 2.7% for 2017 (compared to 2.3% growth in 2016) continues to reflect the strengthening in global trade currently taking place in several regions. This has led to an upgrade of trade forecasts to 5.4%. Global indicators continue to point to strong economic activity, with the composite PMI index close to its highest level in two years in May.

Previously strong soft data in the US has cooled as expectations of a major tax reform and infrastructure program have ebbed. OE sees growth accelerating in 2018 owing to a modest fiscal boost, but risks are tilted to the downside as Congress' agenda is extremely busy. OE envisages the Fed proceeding with further gradual rate hikes and balance sheet normalization this year, but a more gradual approach may be warranted if inflation continues to soften.

Global manufacturing PMI vs. trade



Source : Oxford Economics/Markit/CPB

In the UK, the general election on 8 June unexpectedly resulted in a hung parliament, raising uncertainty.

GDP revisions in several countries meant the Eurozone expanded a robust 0.6% in Q1, while leading indicators suggest continued strength in Q2. A stronger outlook for exports and investment coupled with improved sentiment has led OE to upgrade its Eurozone GDP forecast again to an above-consensus 2% for this year. Elsewhere in Europe, OE has also upgraded its forecasts for the CEE economies significantly as economic activity continues to benefit from stronger growth in the continent.

Emerging markets continue to benefit from a global upturn in trade and industry, at the heart of which is a China-commodity nexus. OE finds that this link will continue to support world growth in the near term, but the global upturn is vulnerable to moderating Chinese growth and to a slippage in commodity prices.

Summary of economic outlook, % change year ago*

	2017					2018				
Country	GDP	Consumer expenditure	Unemploy-ment *	Exchange rate***	Inflation	GDP	Consumer expenditure	Unemploy-ment **	Exchange rate***	Inflation
UK	1.7%	1.6%	0.1%	-4.1%	2.8%	1.4%	0.5%	0.1%	2.6%	2.0%
France	1.5%	1.1%	-0.7%	0.0%	1.0%	1.5%	1.5%	-0.4%	0.0%	1.0%
Germany	2.0%	1.3%	-0.3%	0.0%	1.9%	1.6%	1.3%	-0.1%	0.0%	2.1%
Netherlands	2.4%	1.3%	-1.2%	0.0%	1.6%	1.9%	1.4%	-0.1%	0.0%	1.5%
Italy	1.3%	1.1%	-0.3%	0.0%	1.4%	1.0%	0.8%	-0.4%	0.0%	1.3%
Russia	1.4%	1.0%	0.1%	16.7%	4.3%	1.4%	1.8%	-0.1%	-3.3%	4.1%
US	2.2%	2.5%	-0.4%	0.5%	2.1%	2.7%	2.7%	-0.1%	-2.1%	1.9%
Canada	2.5%	2.9%	-0.5%	-0.2%	1.9%	2.0%	1.7%	0.1%	-1.0%	1.9%
Brazil	0.4%	-0.5%	1.7%	7.9%	3.9%	1.9%	1.4%	-0.4%	-7.7%	4.3%
China	6.6%	7.2%	-0.1%	-3.2%	1.5%	6.1%	6.9%	0.0%	-3.3%	2.0%
Japan	1.4%	0.8%	-0.3%	-2.8%	0.5%	1.3%	0.7%	-0.2%	-5.4%	0.8%
India	6.9%	7.1%	0.1%	4.1%	3.9%	7.4%	8.4%	0.1%	-0.3%	5.3%

Source: Tourism Economics

* 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.

7.2 EUROZONE

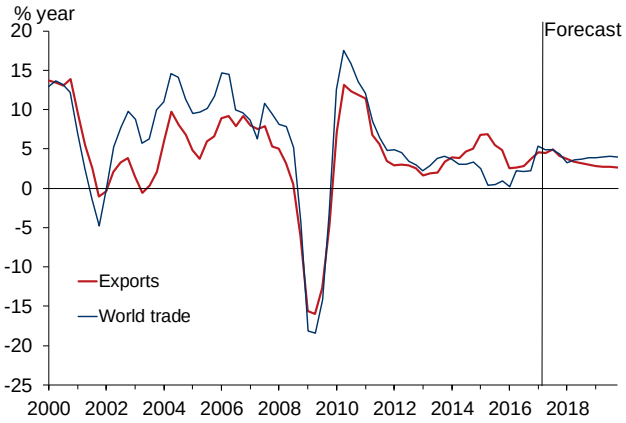
The continued strong tone to recent economic data, along with an upward revision to Q1 GDP, has prompted OE to upgrade its GDP growth forecast for 2017 from 1.9% to 2.0%, well above the consensus forecast of 1.7%.

The first detailed Q1 GDP release for the Eurozone revealed that quarterly GDP growth was revised up from 0.5% to 0.6%. The breakdown showed broad-based strength. Encouragingly, investment recorded another solid expansion, suggesting that it can pick-up some of the slack from slowing household spending.

The business surveys are on track to exceed their Q1 averages this quarter, suggesting that a further acceleration in GDP growth is quite possible. As yet, there is little hard data for Q2, but the healthy unemployment figures for April – unemployment recorded its sharpest monthly fall in over two years – is indicative of another quarter of robust growth. OE has pencilled in a 0.6% rise in GDP, but there are upside risks (and some downside risks) to this figure.

Over the rest of the year, OE expects the recovery to remain more broadly-based than in 2016 as investment and exports take over the baton from household spending. While the latter will inevitably slow in response to higher inflation, rising employment and tentative signs of accelerating wage growth imply that spending will remain solid.

Eurozone: Exports & foreign demand



Source : Oxford Economics/Haver Analytics

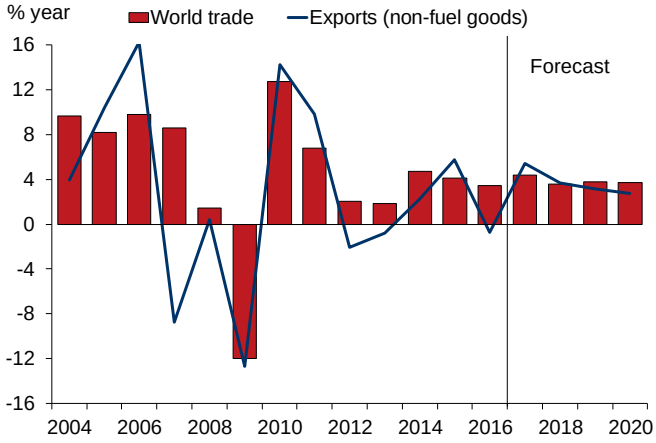
Despite the upward revisions to OE's GDP forecast over recent months, there is little evidence to suggest that underlying inflation pressures are building more rapidly than previously assumed – a view to which a majority of the ECB Governing Council appear to subscribe. Accordingly, OE does not expect the ECB to bring forward policy normalisation in response – unconventional policy will be unwound very slowly.

7.3 UNITED KINGDOM

The downward revision to the ONS estimate for Q1 GDP has led OE to lower its growth forecast in 2017 from 1.8% to 1.7%. Though Q2 looks set to be firmer, the bigger picture remains one of weaker growth this year as higher inflation weighs on household spending power, with other parts of the economy unable to compensate fully.

The second estimate for Q1 2017 reported quarterly GDP growth of just 0.2%, down from the preliminary estimate of 0.3% and the softest outturn for a year. The first cut of the expenditure data showed the weakest outturn for consumer spending growth since Q4 2014, while net trade exerted a sizeable drag, although this was partly due to the ongoing volatility in sales of non-monetary gold.

UK: Exports & world trade



Source: Oxford Economics

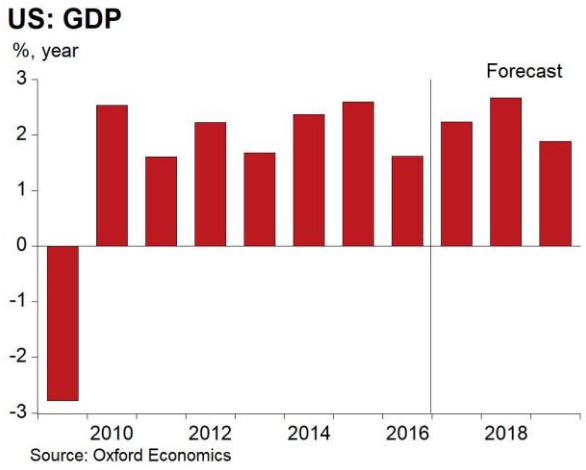
It is likely that Q2 will be slightly better. The March services output data suggested that the sector carried reasonable momentum into Q2, while April's retail sales figures and CIPS surveys were stronger than in earlier months.

The general election on 8 June resulted in a hung parliament, with the Conservatives the largest party but lacking a majority. While political uncertainty may weigh on activity, the possibility of a more growth-friendly fiscal policy and a softer Brexit could represent upsides.

The May Inflation Report confirmed that the MPC is in 'wait-and-see' mode, with the outcome of Brexit negotiations the major concern. But it was keen to stress that if Brexit proceeds "smoothly", markets are too bearish in their expectations for interest rates. The MPC's messages are consistent with OE's long-held view that the first rise in Bank Rate will come in H2 2019, with rates then rising at 50bp a year thereafter.

7.4 UNITED STATES

After a typical slow start to the year, the US economy is expected to have rebounded strongly in Q2. Nonetheless, with some of the previously robust 'soft' data now tempering, OE sees 'hard' data as the better gauge of GDP growth. The US economy should settle for 2.2% growth in 2017 as a whole and accelerate to 2.7% in 2018, supported by a modest fiscal stimulus package. OE sees the Fed proceeding cautiously with two additional rate hikes this year and the onset of balance sheet normalisation, though it notes the risk of a more conservative approach if inflation cools significantly.



Nonfarm payrolls only rose 138,000 in May, pushing the 3-month moving average to its lowest level in five years. However, the employment data can be quite volatile in May and the 12-month moving average remains solid at just under 200,000. The unemployment rate fell to a new cyclical low of 4.3% but this was mainly driven by a fall in the participation rate to 62.7%. Despite an increasing number of regional and sectoral pockets of labor shortage and stronger wage growth, broader measures of wage growth have so far failed to pick-up materially from the 2.0-2.5% range.

OE forecasts steady real disposable income growth supporting consumer outlays, but the momentum will moderate relative to last year. However, after spiking in Q1, consumer price inflation looks set to slow on a mixture of factors, thereby supporting consumers' spending power.

OE continues to assume that a fiscal stimulus package (worth around $1.2 trillion) will be implemented starting in Q1 2018, but Congress' busy agenda has diminished the odds of such a large package. Treasury yields, financial stocks and the dollar have unwound most of the changes made since the onset of the Trump reflationary trade.

7.5 JAPAN

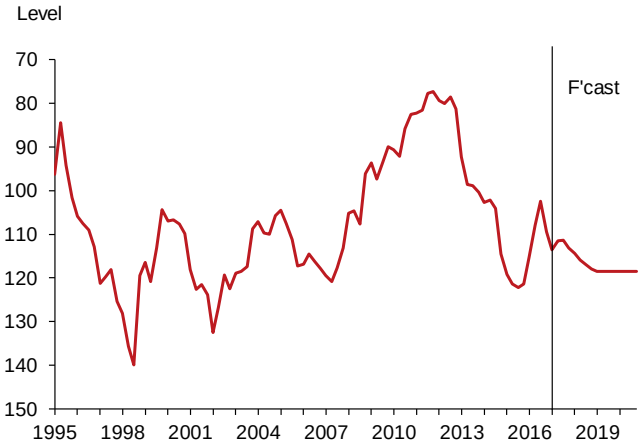
Despite a downward revision to Q1 GDP, OE still forecasts growth of 1.4% this year and 1.3% in 2018. Momentum in global demand and a weaker yen are expected to drive robust growth in exports in 2017. Moreover, it expects a boost to government infrastructure spending and rising cash handouts to result in domestic demand becoming an increasing driver of growth. However, the economy faces several headwinds. Apart from risks to trade, the yen is vulnerable to 'risk-off' episodes, while sluggish wage growth could also stall the expected recovery in household spending.

Q1 GDP growth was revised down to 0.3% q/q from the advance estimate of 0.5%. While the rebound in household spending was more muted than previously estimated, business investment was revised higher and the solid outturn for exports remained intact.

Recent indicators for investment and exports suggest this solid momentum has spilled into Q2. Export volumes rose 6.1% on the year in April and the manufacturing PMI rose in May, with both domestic and export orders rising. OE expects exports to remain the key driver of economic growth this year, although the contribution from the external sector is likely to ease in H2 as Chinese import demand moderates. Meanwhile, fiscal and monetary policy will be supportive. However, overall GDP growth is likely to be bumpy.

OE now forecasts the yen to be slightly stronger against the US dollar this year, although it still expects the growing divergence in US/Japanese monetary policy to weaken the yen. It expects the yen to be at 113.7 by end-2017, and to fall further to 118.5 by end-2018.

Japan: Exchange rate per US$

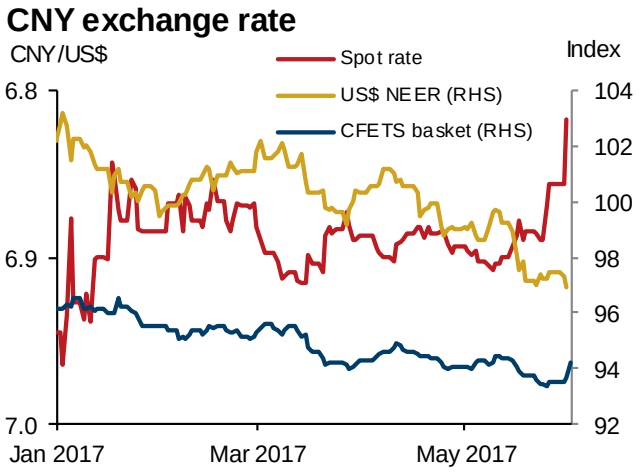


Source: Oxford Economics / Haver Analytics

7.6 EMERGING MARKETS

FURTHER PICK-UP IN EXPORT GROWTH IN CHINA

Goods exports growth in China picked-up modestly in May, to 8.7% y/y in US dollar terms from 8% in April, with the acceleration more marked in real terms based on OE estimates. While OE remains cautious on the durability of the improvement in global demand growth, the composition of China's export growth shows that momentum in demand from the US and the EU continues to improve. This is encouraging for the sustainability of the recovery in global trade.



Source: Oxford Economics, CEIC Data

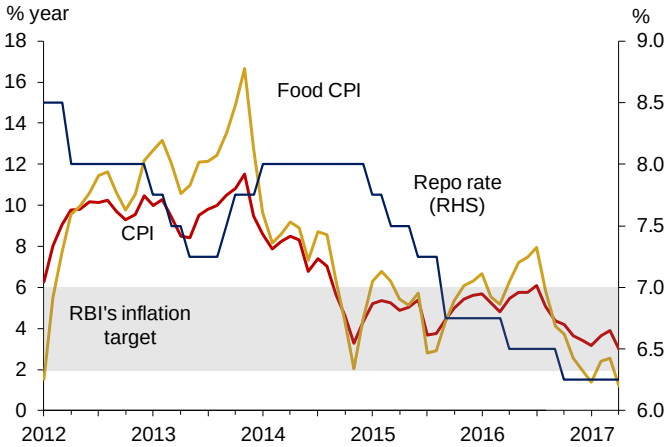
Meanwhile, the yuan has appreciated around 1% against the US dollar since 25th May, with a particularly large move in the spot rate on 31st May and in the fixing rate on 1st June. OE does not think that the authorities are trying to show the yuan's resilience in the wake of the recent downgrade of China's sovereign debt by Moody's. Instead, OE believes the recent exchange rate appreciation can be seen as a belated response to earlier US dollar weakening. Indeed, during May as a whole, the yuan was broadly unchanged against a basket of China's main trading partners. This interpretation of a delayed response to the US dollar weakening is consistent with the recent announcement by the PBoC that it wanted to adjust the way that the yuan fixing rate is determined, introducing a "counter-cyclical factor".

NO RATE CUT YET IN INDIA

Expectations of a rate cut in India have risen following the shift in the RBI's policy tone at its June meeting. Not only was the policy statement less hawkish than in April, but it also included substantial downward revisions to the central bank's inflation projections. OE agrees that the possibility of a rate hike has fallen this year, with odds of further easing over the next six months rising. In line with this and downwardly-revised inflation forecasts (4.8% in Q4 2017 as opposed to 5.5% earlier), OE has pushed out its rate hike call to mid-2018. However, a rate cut is not in the current baseline outlook. OE's read of the policy statement is not as dovish as some other analysts and further easing is contingent on activity indicators disappointing in the short term as well, rather than just subdued inflation. The economy is already bouncing back from the

lows of Q1 and should gather pace going forward as remonetisation progresses and pent-up consumption demand comes to the fore, pushing GDP growth up to 7.4% in FY18 from 7.1% in the last fiscal year.

India: Policy rate and inflation

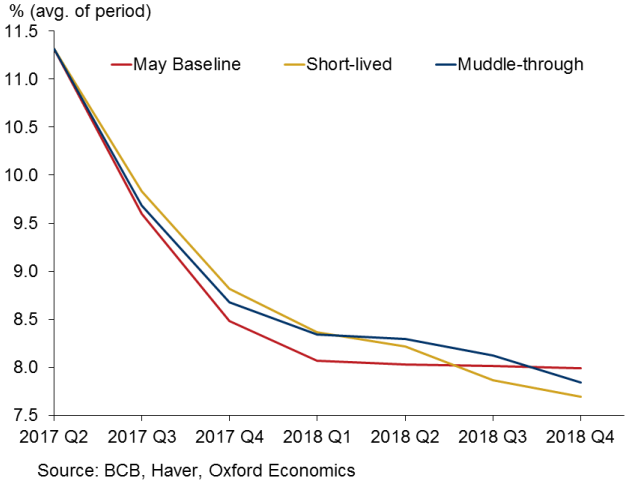


Source: Oxford Economics/Haver Analytics

POLITICAL UNCERTAINTY IN BRAZIL WILL SLOWLY EASE

The scandal surrounding President Temer has prompted OE to revise its interest rate forecast. Increased uncertainty will force the central bank to pause rate cuts at 8.5% this year (OE previously forecast 8%). The most likely scenario is that a weakened Temer will 'muddle through' until the end of his term in December 2018. OE assumes he manages to avoid a corruption trial and that Congress does not open impeachment proceedings against him. It expects delayed and very diluted pension reforms to eventually emerge, causing persistent weakness for the real and an erosion of confidence. With growth faltering, we see the BCB cutting rates before October 2018 to jump-start a recovery. An alternative scenario sees Temer standing down, causing short-term stress and renewed selling pressure on the BRL, putting upward pressure on inflation expectations.

Brazil: Selic policy rate

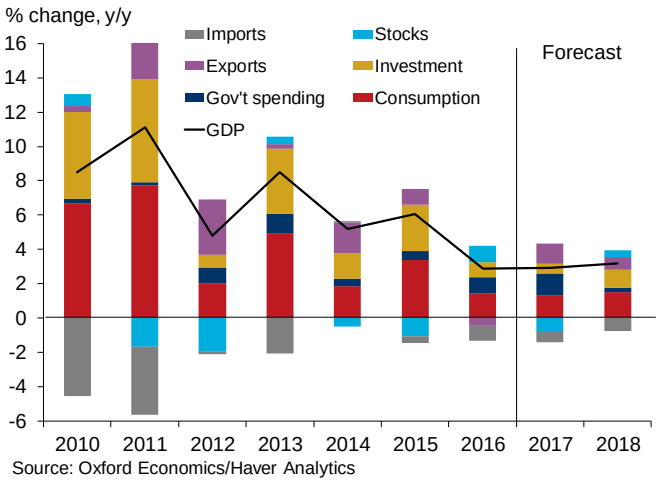


Source: BCB, Haver, Oxford Economics

STIMULUS MEASURES IN TURKEY TO BOOST GROWTH

In Turkey, OE had argued previously that, with the referendum out of the way and with a longer policy horizon, the authorities would move quickly to implement economic reforms. So far there have not been concrete steps in this direction. Instead, the government has settled on a policy of stimulating the economy in the short term, primarily through looser fiscal policy (tax cuts and credit guarantee schemes). OE expects these measures to boost growth in the near term, and, accordingly, has raised its 2017 GDP growth forecast to 3% from 2.6%. Meanwhile, monetary policy will be kept relatively tight in order to ensure lira stability and prevent double-digit inflation from becoming entrenched.

Turkey: Contributions to annual GDP



Source: Oxford Economics/Haver Analytics

8. APPENDIX 1

GLOSSARY OF COMMONLY USED TERMS AND ABBREVIATIONS

Airline industry indicators

ASK – Available Seat Kilometers. Indicator of airline supply, available seats x kilometers flown;

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

RPK – Revenue Passenger Kilometers. Indicator of airline demand, paying passenger x kilometers flown;

3mth mav – Three 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 form 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.

9. APPENDIX 2

ETC MEMBER ORGANISATIONS

Austria – Austrian National Tourist Office (ANTO)

Belgium: Flanders – Tourism Flanders

Wallonia – Wallonie-Belgique Tourisme (WBT)

Bulgaria – Bulgarian Ministry of Tourism

Croatia – Croatian National Tourist Board (CNTB)

Cyprus – Cyprus Tourism Organisation (CTO)

Czech Republic – CzechTourism

Denmark – VisitDenmark

Estonia – Estonian Tourist Board - Enterprise Estonia

Finland – Visit Finland – Finpro Ry

Germany – German National Tourist Board (GNTB)

Greece – Greek National Tourism Organisation (GNTO)

Hungary – Hungarian Tourism Ltd.

Iceland – Icelandic Tourist Board

Ireland – Fáilte Ireland and Tourism Ireland Ltd.

Italy – Italian Government Tourist Board

Latvia – Latvian Tourism Development Agency (TAVA)

Lithuania – Lithuanian State Department of Tourism

Luxembourg – Luxembourg for Tourism (LFT)

Malta – Malta Tourism Authority (MTA)

Monaco – Monaco Government Tourist and Convention Office

Montenegro – National Tourism Organisation of Montenegro

Norway – Innovation Norway

Poland – Polish Tourist Organisation (PTO)

Portugal – Turismo de Portugal, I.P.

Romania – Romanian Ministry of Tourism

San Marino – State Office for Tourism

Serbia – National Tourism Organisation of Serbia (NTOS)

Slovakia – Ministry of Transport and Construction of the Slovak Republic

Slovenia – Slovenian Tourist Board

Spain – Turespaña - Instituto de Turismo de España

Switzerland – Switzerland Tourism

Turkey – Ministry of Culture and Tourism