



EUROPEAN TRAVEL COMMISSION

COMMISSION EUROPEENNE DU TOURISME

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PRESS RELEASE

EUROPEAN TOURISM 2009 - TRENDS & PROSPECTS (Q3/2009)

Brussels, 19 October 2009. The European Travel Commission has just published its third quarterly report on **European Tourism 2009 - Trends & Prospects.**

The following gives a brief overview of the report for the third quarter. The full report can be downloaded from ETC's corporate website on:

<http://www.etc-corporate.org/resources/uploads/ETC-Insights-2009Q3-web.pdf>

Signs of recovery - but at what pace?

This year has seen the worst economic recession since the 1930s and, although several key economies in Europe and other parts of the world started to register growth as early as the second quarter, the growth remains fragile. Households, companies and governments are all set to go through an extended period of balance-sheet rebuilding, so the recovery is likely to be very gradual. Global GDP growth next year is expected to be modest as a result, and a second dip into recession early in 2010 (as temporary effects unwind) cannot yet be ruled out.

Travel demand is stabilising...

Travel demand fell significantly in the first half of 2009 and continued to decline in July and August. However the rate of decline slowed in the last two to three months, and demand for air transport and hotel accommodation also appears to be returning to levels comparable with that of 12 months ago – in volume, if not yet in value terms, since the recession has also driven down prices. International arrivals, which fell by 7% worldwide and by 8% in Europe in the first seven months of the year, according to the World Tourism Organization (UNWTO), are projected to stabilise over the last four months of 2009, perhaps even showing some growth, although this will be largely by comparison with the very depressed levels experienced in the second half of 2008.

...and 2010 could see some tentative growth...

In contrast to previous recoveries, there is not expected to be a strong rebound from this year's low demand. A number of factors will continue to constrain growth, suggesting that recovery will be subdued. On the positive side, travel is not expected to fall any further in 2010, although significant downside risks remain – not least the prospect of an escalation in the A(H1N1) influenza outbreak. While the first wave of infections had only a limited impact and vaccination programmes are being implemented in many countries, a new, more serious outbreak still remains a risk.

... but long-haul demand will remain constrained

The downturn in travel and tourism in 2009 has been especially noticeable for long-haul travel, with a move towards increased short-haul travel and leisure trips of shorter duration. This trend is expected to continue in the short term – or until economic recovery is entrenched.

Europe could benefit from this trend as travel from intra-regional sources – the bulk of all demand – will tend to remain within the region. Eurozone markets will continue to benefit from the favourable exchange rates, but demand from dollar-based economies, hit by the ever-strengthening euro, will continue to suffer.

Ends.

Note to editors:

The European Travel Commission is an association of National Tourism Organisations (NTOs). It was created in 1948 to promote Europe as a tourism destination to the long-haul markets outside Europe, originally in the USA and later in Canada, Latin America and Asia. It currently has 39 member NTOs, including 12 from outside the European Union. ETC is an independent body which is financed entirely by annual membership contributions and partnership funding.

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For further information, see ETC's corporate website: www.etc-corporate.org

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ETC's corporate website is aimed at industry, government and educational personnel interested in tourism to Europe.

Tourists seeking travel-specific information and ideas are directed to ETC's consumer-oriented site (www.visiteurope.com).