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EUROPEAN TOURISM 2015 -Trends & Prospects

Quarterly Report - Q1/2015

EUROPEAN TRAVEL COMMISSION

EUROPEAN TOURISM in 2015: TRENDS & PROSPECTS

Quarterly Report (Q1/2015)

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

Brussels, May 2015
ETC Market Intelligence Report

European Tourism in 2015: Trends & Prospects (Q1/2015)

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.

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Tourism Economics (an Oxford Economics Company)
on behalf of the ETC Market Intelligence Group

Cover: The riverside, Gdansk, Poland
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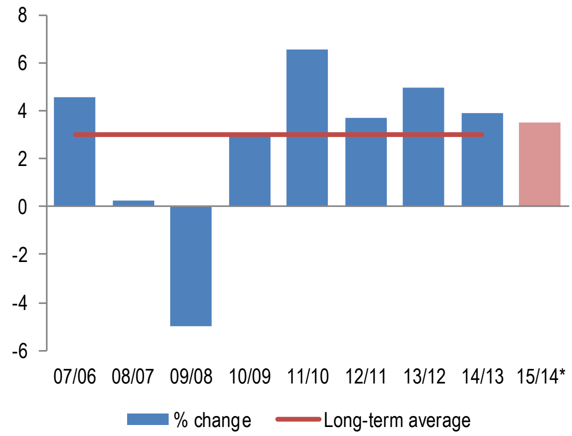
In memoriam Mr Tom Ylkänen

Foreword

European tourism on cruising speed in 2015

- The World Tourism Organization (UNWTO) expects world tourism to grow on average between 3.0% and 4.0% in 2015 after a 4.7% increase in 2014. Growth in European tourism is forecast to remain apace with the world average (3.0% to 4.0%), and well above the region's long-term average[1].
- Early results for the first months mark a positive start into 2015. The majority of destinations reported positive growth in both international arrivals and overnights[2]. This positive performance is backed-up by solid results from industry performance indicators. Air passenger traffic, accounted for an average 5.0% increase in RPK[3] over the past four months. Falling fuel prices are further expected to spur growth if lower costs are passed on to passengers.

International tourist arrivals - Europe



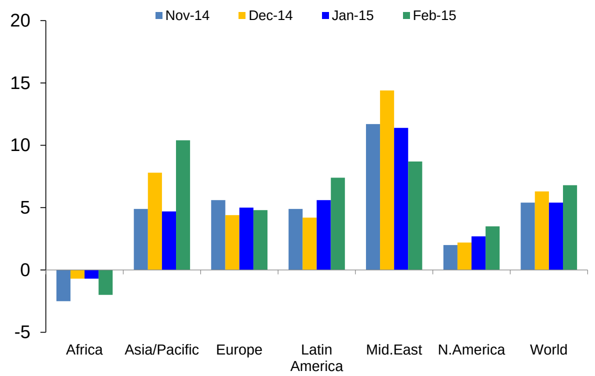
Source: World Tourism Organization (UNWTO) *forecast

Intra-regional markets keep driving region's growth

- As the economic outlook slowly improves, positive effects on travel can be expected in 2015. The region's growth will be supported by the weighty intra-regional markets, triggered by a weaker euro and slowly stabilizing economies supporting travel domestically and within Europe.
- According to the European Commission's Eurobarometer survey[4], 8 in 10 European citizens will go on holiday in 2015. 45.0% of respondents will do so without changing their plans. However, those affected by the economic situation are more likely to change their travel patterns: one in five respondents (19.0%) intends to spend less, others will change the length of their holiday (7.0%), travel at a different time of the year (7.0%) or even change their holiday destination (4.0%).
- Economic indicators suggest a strong performance from Europe's biggest economies: Germany, the United Kingdom and France. The top performing outbound market – Germany – keeps growing economically due to a weak euro exchange rate spurring exports, low oil prices and stable wages. UK's key macro indicators reveal a strong bump up resulting from falling oil prices and shrinking unemployment levels. On a wider level, most destinations posted positive results from these markets, with strong growth owed to good weather conditions that fostered demand for winter breaks in ski resorts, especially from French and German tourists.

Monthly international air passenger growth

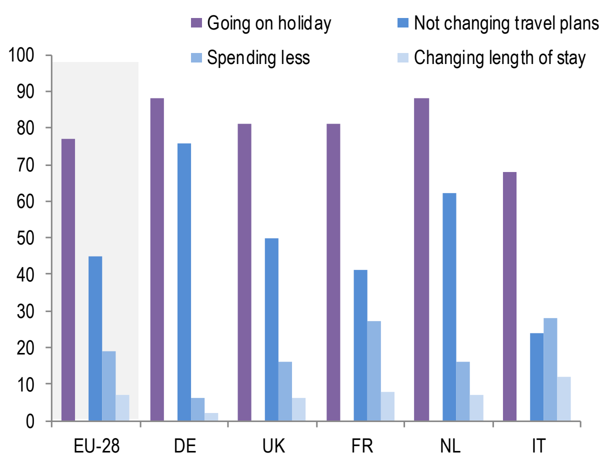
% change, year ago



Source: IATA

Preferences of Europeans towards tourism, 2015

% of total respondents



Source: European Commission, Flash Eurobarometer 2015

[1] UNWTO (2015), World Tourism Barometer, Vol. 13, January 2015
[2] Regularly updated data can be obtained from TourMIS (www.tourmis.info).
[3] RPK: Revenue Passenger Kilometres
[4] European Commission (2015), Preferences of Europeans Towards Tourism, Flash Barometer 414

Forward momentum expected from largest long-haul market[5]

- In 2015, long-haul markets remain an important driver of growth in terms of international tourist arrivals to European destinations. In particular, the US market whose ongoing economic recovery makes Europe an attractive destination for tourists in terms of exchange rate, safety and security, the borderless Schengen area and the wide variety of the region's cultural offer. As the US dollar heads towards parity with the euro and results in macro-economic indicators show signs of recovery, outbound trips from the US to Europe are expected to increase by 6.0% in 2015.

- Russia still remains a major source market for European destinations, however, due to the recent economically turbulent period, the majority of reporting ETC destinations saw international arrivals and overnights plummet dramatically over the first months in 2015. The Russian Federation's economy is projected to plunge again in 2015 strongly affected by GDP contraction, a higher inflation from a weakened Rouble, lower oil prices and the on-going political conflict. Considering all these factors, the tourism performance for this market will be substantially affected. According to the OECD's most recent forecast[5] for 2015 GDP is set to record a decline of 4.6%.

- The picture from other source markets is mixed. In Asia, the deceleration of the Chinese economy did not halt continued appetite for outbound travel from the country, while in Japan fears of weakening travel demand due to contracted spending power remain. Likewise, tax cuts and squeezed spending paint a much bleaker picture for Brazil than a year ago.

Jointly working towards the future of European tourism

- European tourism experienced a consistent stable growth driven by key events and the implementation of successful marketing activities by destinations. Nevertheless, Europe's position as the world's number one tourist destination is not incontestable. Half of all international arrivals to Europe are generated by only a few markets – mainly intra-regional – with modest growth rates. In an ever-changing global environment and to leverage the potential of emerging source markets overseas, European destinations are increasingly seeking beneficial public-private partnerships and cross-border cooperation in order to remain competitive.

- "Europe is a marvellous destination to promote to your clients. As ETC, we work together with key industry representatives who share with us a common goal in promoting Europe. We want to be the primary partner of all relevant public and private tourism bodies when it comes to promote travel to Europe", says Mr Peter De Wilde, President of the European Travel Commission.

Jennifer Iduh & Stefanie Gallob (ETC Executive Unit)
with the contribution of the ETC Market Intelligence Group

[5] Outbound travel forecasts from US, Canada, China and Brazil are available on the ETC Executive Dashboard: http://etc-dashboard.org/dashboard/market?3. The service is available to ETC members only.
[5] European Parliament Research Service, The Russian Economy
http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/551320/EPRS_IDA%282015%29551320_EN.pdf

2015 Tourism Performance Summary

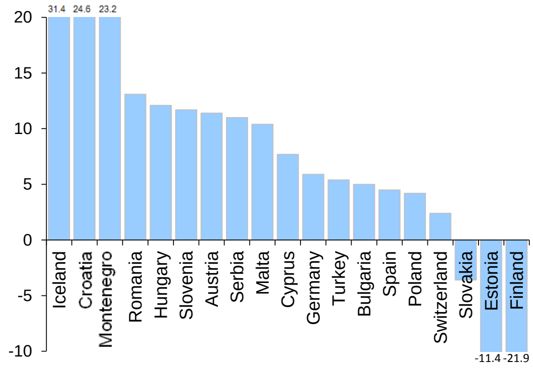
The majority of reporting countries appear to have had a good start to 2015 in terms of both visits and overnights. This will have been helped by a weaker euro which is benefitting price attractiveness for Eurozone destinations. Tourism Economics estimates that the dollar's recent appreciation will result in European inbound arrivals being 1.1% higher in 2015 than they would have otherwise been had the dollar retained its 2014 value. This demonstrates the significance of the dollar appreciation in offsetting weakness from Russian outbound travel, as Europe would not be the affordable destination it is now.

This significance is obvious according to reported data. However, it should be noted that these year-to-date trends are only for the initial months of the year which is the low season for many destinations. As such, growth rates shown in this section are not indicative of expected full year performance, but show some emerging trends.

2015's portfolio of top performers to date is similar to that of 2014, with Iceland in particular managing to sustain, for the third consecutive year, growth in foreign visits in excess of 30% based on the first three months of 2015 compared to the same period in 2014. Montenegro has been growing steadily over the past number of years, with last year one of the slowest of these, but has enjoyed somewhat of a resurgence this year to date, seeing 23.2% growth in foreign visits, and 22.4% growth in overnights, based on data to February. Notably, Montenegro was one of only two reporting destinations which saw growth from Russia, the other being Romania.

Foreign visits to select destinations

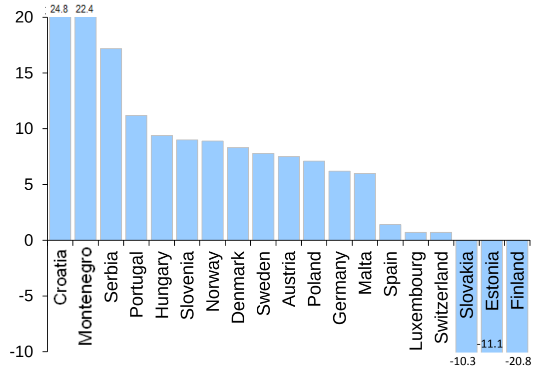
2015, year-to-date*, % change year ago



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

Foreign visitor nights in select destinations

2015, year-to-date*, % change year ago



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

Only Slovakia and Estonia saw foreign visits fall in the first few months of 2015 compared to the same months in 2014, by 3.6% and 11.4% respectively. These same two along with Finland also posted falling overnights, by 10.3%, 11.1%, and 20.8% respectively.

Russia's economic decline has been pivotal to the poor performance of Slovakia over the past number of months, as a source market representing a relatively large proportion of total arrivals to Slovakia. But complete withdrawal from Slovakia by EasyJet, one of Europe's largest low cost carriers (LCC), and the partial withdrawal of Ryanair, a similarly large European LCC, has only exacerbated the decline in arrivals.

Estonia and Finland's recent demise highlight the vulnerability of being overly reliant on any one source market, but since these countries tend to be popular winter destinations for the Russian tourist, arrivals will likely rebound as these come into season for the rest of Europe.

Despite uncertainty surrounding Greece's status within the EU, and concerns that some large European source markets, such as Germany, might stay away, data from SETE Intelligence shows that foreign visits continued to grow (by 25.6%) in the first two months of the year compared to the same period in 2014. Furthermore, hotels data for Greece on the whole and for Athens in particular add credence to the argument that confidence in the Greek economy is not yet completely destroyed. We will continue to monitor Greek performance closely in coming months.

Croatia enjoyed 25% growth in both foreign visits and overnights, which compares favourably to the fall that was observed during the same period last year compared to 2013, but also demonstrates how susceptible the country's tourism flows are to the timing of holiday periods, with a later than usual Easter the reason behind last year's fall.

Suggestions in previous editions that an over-reliance on Russian visitors might hamper Serbia's growth prospects in the coming years appear to have been overstated as it posted a strong start to the year, enjoying both foreign visits and overnights growth in excess of 10% for the first two months of 2015 compared to the same period in 2014. This bolsters Serbia's position amongst the many emerging tourism destinations within Europe, having seen some strong growth in both visits and nights over the past number of years.

Austria and Switzerland, two of Europe's most popular ski destinations, both welcomed a greater number of foreign visitors in the first two months of the year compared to the same two months in 2014. Arrivals to Austria grew particularly strongly by 11.2%, as did overnight visits by 7.3%. Other mature destinations, such as Germany and Spain continued to grow into 2015 by 5.9% and 4.5% respectively.

Tourist Arrivals and Nights

2015 Performance, Year to Date

	International Arrivals		International Nights	
Country	% ytd	to month	% ytd	to month
Austria	11.4	Jan-Feb	7.5	Jan-Feb
Bulgaria	5.0	Jan-Feb		
Croatia	24.6	Jan-Mar	24.8	Jan-Mar
Cyprus	7.7	Jan-Feb		
Denmark			8.3	Jan-Feb
Estonia	-11.4	Jan-Feb	-11.1	Jan-Feb
Finland	-21.9	Jan-Jan	-20.8	Jan-Jan
Germany	5.9	Jan-Feb	6.2	Jan-Feb
Hungary	12.1	Jan-Feb	9.4	Jan-Feb
Iceland	31.4	Jan-Mar		
Luxembourg			0.7	Jan-Feb
Malta	10.4	Jan-Feb	6.0	Jan-Feb
Montenegro	23.2	Jan-Feb	22.4	Jan-Feb
Norway			8.9	Jan-Jan
Poland	4.2	Jan-Feb	7.1	Jan-Feb
Portugal			11.2	Jan-Jan
Romania	13.1	Jan-Feb		
Serbia	11.0	Jan-Feb	17.2	Jan-Feb
Slovakia	-3.6	Jan-Jan	-10.3	Jan-Jan
Slovenia	11.7	Jan-Feb	9.0	Jan-Feb
Spain	4.5	Jan-Feb	1.4	Jan-Feb
Sweden			7.8	Jan-Feb
Switzerland	2.4	Jan-Feb	0.7	Jan-Feb
Turkey	5.4	Jan-Feb		

Source: TourMIS, http://www.tourmis.info; available data as of 27.4.15
Measures used for nights and arrivals vary by country
See TourMIS for further data including absolute values.

2014 Tourism Performance Summary

With full year data for 2014 for the majority of reporting countries, it is clear to see that 2014 was another solid year for European tourism.

The country with the fastest growing number of foreign arrivals was Iceland, which saw the numbers of visitors it received increase by 24.1%. Greece followed closely with 23% growth in the number of visitors it received in 2014 compared to the year before.

Other notable growers were some of the emerging European markets in the form of Latvia, Serbia, Romania, and Czech Republic, all of which saw double digit growth in the number of visitors they received, by 14.5%, 11.6%, 11%, and 10.9% respectively. But more mature, western European markets continue to thrive, demonstrating demand for destinations spanning the entire width of the continent; Spain and the UK both saw the numbers of visitors they received in 2014 grow by7.1% and 7% respectively compared to 2013.

Slovakia and Finland appear to have been the only losers amongst ETC's members. Both have reported large falls in the number of visits from Russia, a large and important source market for each of them.

Tourist Arrivals and Nights

2014 Performance, Year to Date

	International Arrivals		International Nights	
Country	% ytd	to month	% ytd	to month
Austria	1.9	Jan-Dec	-0.7	Jan-Dec
Bulgaria	2.4	Jan-Dec		
Croatia	5.3	Jan-Dec	2.2	Jan-Dec
Cyprus	1.5	Jan-Dec	-2.9	Jan-Sep
Czech Rep	10.9	Jan-Dec	6.8	Jan-Dec
Denmark			7.7	Jan-Dec
Estonia	2.2	Jan-Dec	0.3	Jan-Dec
Finland	-2.6	Jan-Dec	-2.8	Jan-Dec
Germany	4.6	Jan-Dec	5.0	Jan-Dec
Greece	23.0	Jan-Dec		
Hungary	4.6	Jan-Dec	2.7	Jan-Dec
Iceland	24.1	Jan-Dec		
Italy	1.2	Jan-Dec	0.5	Jan-Dec
Latvia	14.5	Jan-Dec	9.0	Jan-Dec
Lithuania	6.2	Jan-Dec	3.8	Jan-Dec
Luxembourg			2.7	Jan-Dec
Malta	6.8	Jan-Dec	4.9	Jan-Dec
Montenegro	1.9	Jan-Dec		
Norway			7.1	Jan-Dec
Poland	4.3	Jan-Dec	4.2	Jan-Dec
Portugal			9.9	Jan-Dec
Romania	11.0	Jan-Nov		
Serbia	11.6	Jan-Dec	8.7	Jan-Dec
Slovakia	-11.7	Jan-Dec	-10.0	Jan-Dec
Slovenia	6.1	Jan-Dec	1.4	Jan-Dec
Spain	7.1	Jan-Dec	4.6	Jan-Dec
Sweden			8.0	Jan-Dec
Switzerland	2.1	Jan-Dec	0.9	Jan-Dec
Turkey	5.5	Jan-Dec		
UK	7.0	Jan-Nov		

Source: TourMIS, http://www.tourmis.info; available data as of 15.4.15
Measures used for nights and arrivals vary by country
See TourMIS for further data including absolute values.

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

	Inbound*					Outbound**				
	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
data/estimate/forecast ***	d	d	e	f	f	d	d	e	f	f
World	**5.1%**	**5.0%**	**3.3%**	**4.7%**	**4.7%**	**4.8%**	**5.2%**	**3.3%**	**5.0%**	**5.1%**
Americas	**3.3%**	**7.5%**	**4.2%**	**4.7%**	**4.5%**	**3.0%**	**3.6%**	**4.6%**	**5.1%**	**4.7%**
North America	3.9%	8.2%	4.2%	4.5%	4.4%	2.2%	2.8%	5.6%	5.4%	4.7%
Caribbean	2.2%	6.1%	3.3%	4.6%	4.3%	-1.8%	5.0%	2.4%	5.1%	7.0%
Central & South America	2.4%	6.2%	4.6%	5.6%	4.8%	6.6%	5.8%	1.8%	3.9%	4.4%
Europe	**6.0%**	**3.9%**	**1.0%**	**3.3%**	**3.8%**	**4.0%**	**3.8%**	**0.6%**	**3.4%**	**4.1%**
ETC+3	5.7%	5.0%	2.1%	3.4%	3.6%	1.9%	4.7%	2.6%	3.9%	3.7%
EU	5.3%	4.5%	2.0%	3.5%	3.3%	1.6%	4.6%	2.8%	4.0%	3.7%
Non-EU	8.7%	2.0%	-2.7%	2.8%	6.0%	11.1%	1.5%	-5.6%	1.6%	5.4%
Northern	4.2%	6.6%	3.2%	3.8%	3.9%	3.1%	5.4%	2.5%	4.3%	3.6%
Western	5.2%	2.1%	1.3%	2.4%	2.3%	1.2%	4.7%	3.4%	3.8%	3.5%
Southern/Mediterranean	6.5%	8.0%	2.4%	3.7%	4.5%	-0.2%	5.7%	1.2%	2.6%	2.9%
Central/Eastern	7.0%	-0.7%	-2.9%	3.7%	4.8%	9.5%	1.0%	-4.2%	3.0%	6.0%
- Central & Baltic	*5.8%*	*2.9%*	*2.2%*	*4.8%*	*3.8%*	*5.3%*	*2.6%*	*2.0%*	*5.0%*	*5.2%*
Asia & the Pacific	**6.1%**	**5.7%**	**5.9%**	**6.7%**	**6.2%**	**7.2%**	**6.3%**	**5.8%**	**6.7%**	**6.3%**
North East	3.5%	7.3%	6.9%	6.8%	6.5%	7.5%	6.8%	5.7%	6.6%	6.2%
South East	10.2%	3.0%	4.5%	6.7%	5.6%	7.9%	2.5%	5.5%	6.8%	6.4%
South	6.7%	9.0%	7.9%	6.7%	7.6%	2.7%	15.9%	9.9%	8.1%	7.8%
Oceania	4.1%	6.3%	3.9%	5.3%	5.3%	5.3%	5.0%	2.7%	5.9%	4.5%
Africa	**-0.9%**	**4.7%**	**5.8%**	**5.1%**	**4.2%**	**2.0%**	**5.2%**	**5.7%**	**5.1%**	**4.7%**
Mid East	**4.0%**	**5.4%**	**6.4%**	**5.9%**	**6.7%**	**5.3%**	**12.8%**	**4.7%**	**5.8%**	**5.7%**

* 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

Note: world inbound and outbound do not match exactly in historic data or forecast. This is due to visits to multiple destinations. For example, one outbound trip may be to more than one destination. Some sample error may also be evident in historic data.

*** d - data reported by national statistical agencies are available for all years to 2014
e - 2015 estimated using all available year-to-date data, and forecasts for the rest of the year
f - forecasts according to Tourism Economics' global economic and tourism forecast models

ETC+3 = ETC members plus France, Netherlands, and UK
EU = Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Greece, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK
Non-EU Europe is all European countries (listed below) outside EU

Northern Europe = Denmark, Finland, Iceland, Ireland, Norway, Sweden, UK
Western Europe = Austria, Belgium, France, Germany, Luxembourg, Netherlands, Switzerland
Southern/Mediterranean Europe = Albania, Bosnia-Herzegovina, Croatia, Cyprus, FYR Macedonia, Greece, Italy, Malta,

Central/Eastern Europe = Armenia, Azerbaijan, Bulgaria, Czech Republic, Estonia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Poland, Romania, Russian Federation, Slovakia, Ukraine
of which
Central Europe & Baltic countries = Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia

Recent Industry Performance

Strong industry growth a sign of things to come?

- RPK growth continues on an upward trajectory
- Last-minute cancellations of planned strike action means only minor disruption was caused by industry protestors
- A strong dollar helps boost travel growth between Europe and the Americas which continues to outpace total European air passenger traffic growth
- European hotel performance is broadly positive across all measures.

Air Transport

Vigorous RPK growth as seen in 2014 shows no sign of abating based on the first few months of data for 2015, with World growth around 6%.

Only Africa saw lower levels based on the same period in 2014 with RPK down by 1.3%. This appears to reflect adverse economic developments in the region, not least in Nigeria, one of its largest economies, which is highly dependent on oil revenues.

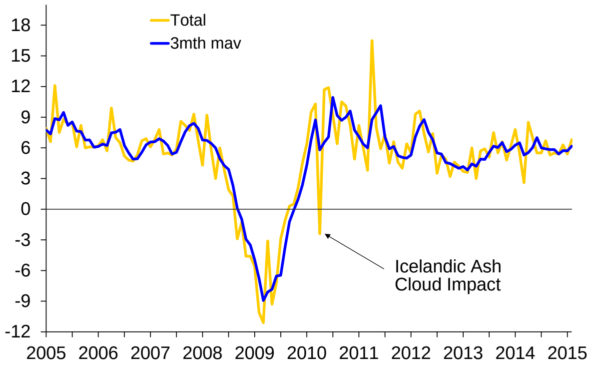
The Middle East continues to be the fastest growing region in terms of RPKs, however, growth this year has so far been slower than previous full year growth rates.

Asia Pacific grew strongly in the first two months of 2015 compared to the same period in 2014, largely driven by February's growth which is due to the Lunar New Year occurring one month later in 2015. The Lunar New Year tends to give a boost to holiday- related leisure travel.

Despite relatively weak economic conditions, European airlines RPK growth has remained steadfast with growth over the past four months averaging 5%. Further growth should be helped by the recent falls in oil prices if lower costs are passed on to passengers. Lower oil prices will also continue to help support disposable income and more general economic activity and travel demand in 2015.

International air passenger traffic growth

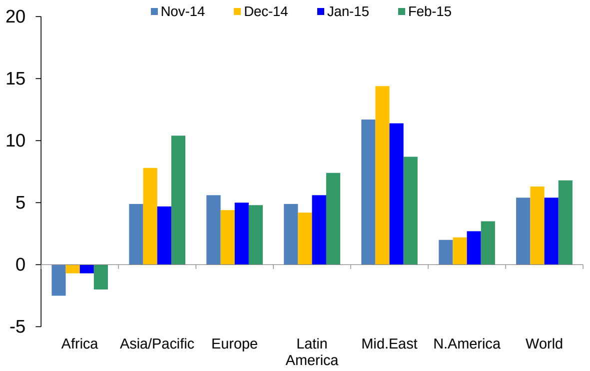
% year, Revenue Passenger Kilometers



Source: IATA

Monthly international air passenger growth

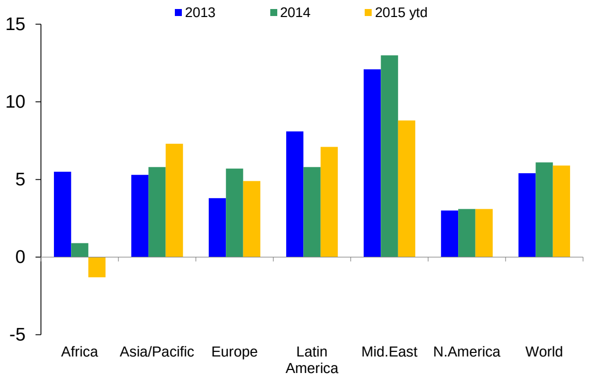
% year



Source: IATA

Annual international air passenger growth

% year, RPK

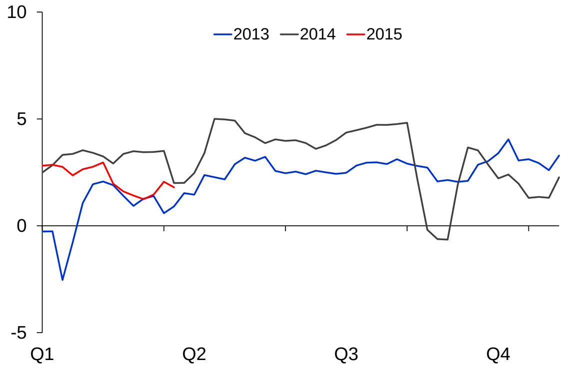


Source: IATA

Data from the Association of European Airlines (AEA) shows lower European airline capacity for much of the beginning of 2015 compared to 2014. This is despite growing demand off the back of falling oil prices, suggesting that airlines are reluctant to increase their capacity in line with demand in order to keep prices high. Strike action lasting 48 hours taken by French air traffic controllers in relation to changes to the age of retirement caused some disruption, with a small contraction in airline capacity observed at the beginning of Q2. Passenger load factor (PLF) appear to be following a broadly similar pattern as in 2013 and 2014, with the exception of the strike disruption.

European airlines capacity

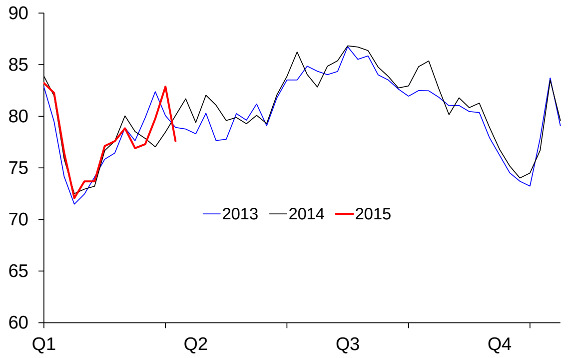
ASK, 4 week moving average, % change year ago



Source: AEA

European airlines passenger load factor

Weekly load factor, %



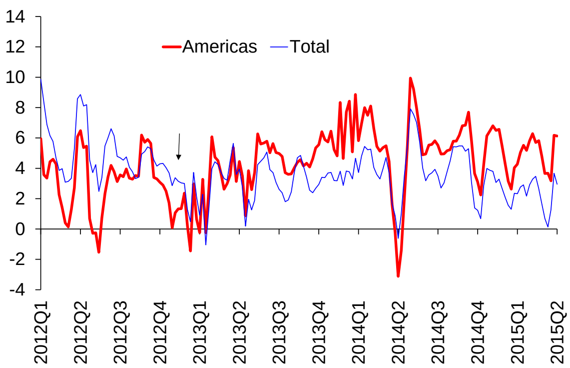
Source: AEA

Travel between Europe and Asia increased at a faster rate than total European airline passenger growth throughout most of 2014, but slowed as the year progressed and into 2015 in line with slowing Chinese consumer spending. Nonetheless, Asian economies and their propensity to travel long haul in line with economic trends in the region is likely to pick up and the slower pace of growth observed in recent month is not expected to last.

On the whole, air passenger traffic between Europe and the Americas continued to grow at a faster rate than total scheduled travel to and from Europe in 2015 to date. United States outbound travel to Europe will be particularly strong, driven by the appreciation of the dollar against most key currencies, and notably against the euro, as well as by favourable economic conditions in the United States. Recent analysis by Tourism Economics estimates that the dollar's recent appreciation will result in European inbound arrivals being 1.1% higher in 2015 than they would have otherwise been had the dollar retained its 2014 value. This highlights the significance of air passenger flows between these two regions.

European airline passenger traffic: Americas

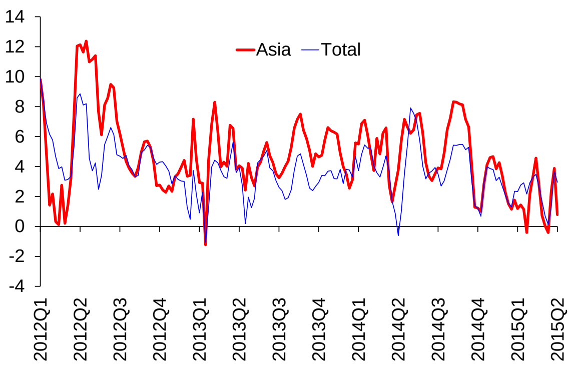
RPK, 4 week moving average, % change year ago



Source: AEA RPK = revenue passenger kms

European airline passenger traffic: Asia

RPK, 4 week moving average, % change year ago



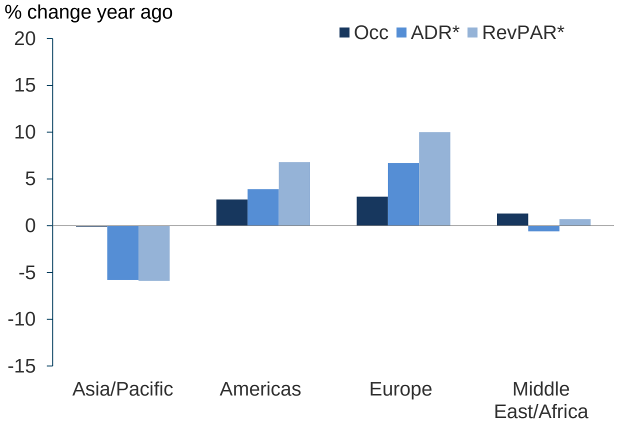
Source: AEA RPK = revenue passenger kms

Accommodation

So far in 2015, all regions have seen occupancy rates grow or remain flat compared to the same period in 2014. Based on data to March, Europe saw the greatest increase in occupancy, which grew by 3.1% compared to the same period in 2014. Occupancy in the Americas and Middle East/Africa grew by 2.8% and 1.3% respectively, while in Asia Pacific, occupancy rates fell marginally by 0.1%. In Asia Pacific average daily rate (ADR) and revenue per available room (RevPAR) both fell substantially in US$ terms by 5.8% and 5.9% respectively, reflecting the dollar's recent gains on foreign currency markets. Conversely, however, these same measures increased in euro terms in line with its depreciation which has made it relatively more expensive for Eurozone travellers to go beyond their borders.

In the Americas substantial jumps in ADR and RevPAR compared to the same period last year were observed. Hotels reported respective increases of 3.9% and 6.8% in dollar terms (in euro terms growth was 28.1% and 31.7% respectively). More specifically, growth in North America suggests it is the driving force in the region, with ADR and RevPAR 4.0% and 7.1% greater than the same period in 2014. Thus, despite the strong dollar, travellers have not necessarily been deterred from visiting North America. Nor, it seems, have domestic travellers been tempted by the additional spending power the dollar now holds elsewhere.

Global Hotel Performance, Jan-Mar 2015



Source: STR Global

* ADR and RevPAR denominated in US$ except for Europe

Key Source Market Performance

A bright start to 2015…

- European travel demand continues to grow across the majority of markets
- Falling oil prices and a weaker euro have mostly had a positive impact, with only a few losers
- Russian economy begins to show marginal signs of improvement, with exports helping to stabilise the falling rouble, but this has yet to boost outbound tourism
- A strong US and Canadian dollar, and a weaker euro have boosted long-haul travel demand

Trends discussed in this section relate to the first three months of the year, although actual coverage varies by destination; for the majority of countries January or February 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.

Key intra-European markets

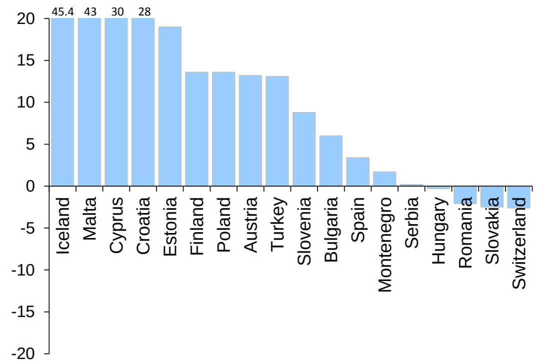
Having been the fastest growing European destination for the past number of years, Iceland owes at least some thanks to Germany from which it saw a 45.4% increase in the number of visitors arriving in the first three months of 2015. Malta, Cyprus, and Croatia have also seen vast increases in the number of German visitors they received; Malta enjoyed growth of 43%, Cyprus growth of 30%, and Croatia 28%.

Estonia also saw German visits grow by 19% and nights by 14.7%. Despite this, however, growth from Germany was not enough to offset falls from Russia, which as an immediate neighbour, is one of Estonia's largest source markets.

German interest in Austria has been restored after flat growth in arrivals and falling visitor nights were observed during the same period last year. This year visits to Austria from Germany grew by 13% and overnights by 9.1%. This restoration of interest in its neighbour may be in part from necessity as the relative weakness of the euro will have made trips to non-Eurozone countries less viable than they were this time last year.

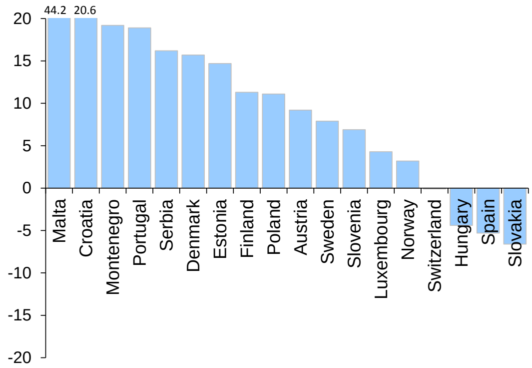
The contrast between Austria and Switzerland, as key winter destinations, is stark with large cost differences due to the exchange rate movement. The weaker krone has enticed Eurozone visitors to Denmark, including Germans, from which it received 15.7% more overnight visitors than in the same period in 2014.

Visits from Germany to select destinations
2015, year-to-date*, % change year ago



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

German visitor nights in select destinations
2015, year-to-date*, % change year ago



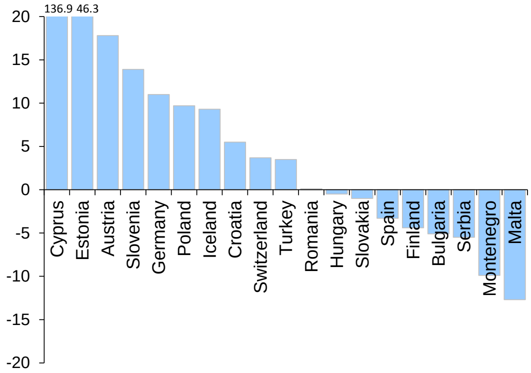
Source: TourMIS *date varies (Jan-Mar) by destination

Estonia has also seen a large increase in the number of visits and overnights from Netherlands, but once again, this is not enough to offset falls from Russia. Other emerging European destinations such as Slovenia, Iceland, and Croatia also feature on the list of countries reporting growth from the Netherlands. Slovenia posted visitor growth of 13.9% and overnights growth of 30.3%, and Iceland and Croatia posted visitor growth of 9.3% and 5.5% respectively.

While Malta and Montenegro featured top of Germany's list of go-to destinations, their preferences seemingly do not align with those of the Dutch tourist; their interest in both diminished somewhat compared to the same period last year, by 12.7% and 9.9% respectively in terms of visits, and 4.6% and 31.5% respectively in terms of overnights.

Visits from Netherlands to select destinations

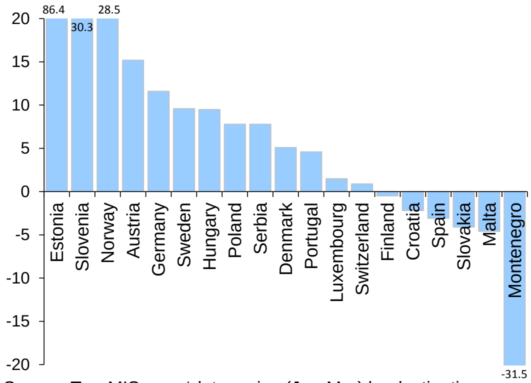
2015, year-to-date*, % change year ago



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

Netherlands nights in select destinations

2015, year-to-date*, % change year ago



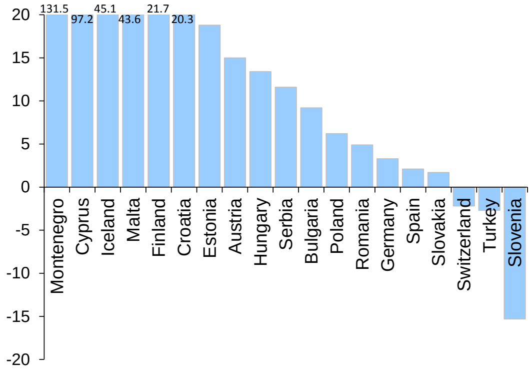
Source: TourMIS *date varies (Jan-Mar) by destination

No less than five countries saw visits from France grow in excess of 20% compared to the same period in 2014, and no less than six saw overnights from France grow in excess of 20%. Chief recipients of this growth were largely emerging destinations such as Montenegro, Iceland, Croatia, and Estonia, but the French continue to show interest in some of Europe's more mature destinations such as Austria, Malta, and Portugal.

Slovenia, after enjoying substantial growth from France this time last year, now finds itself at the bottom of the table with visits having fallen by 15.3% and overnights by 15.4%. But with substantial growth coming to Slovenia from elsewhere, this should hardly be a huge concern. This also highlights the importance of a diverse portfolio in terms of source markets. Denmark is also experiencing lower French demand and euro weakness is the likely paving the way for Austria to gain some winter market share from Switzerland.

Visits from France to select destinations

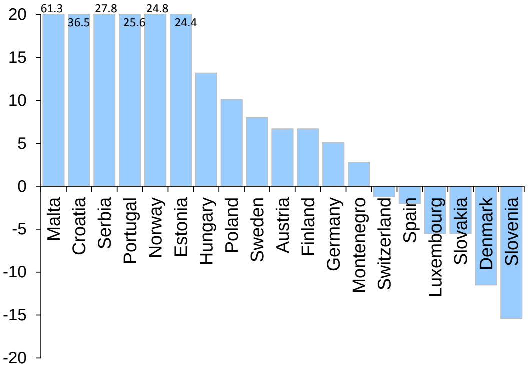
2015, year-to-date*, % change year ago



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

French visitor nights in select destinations

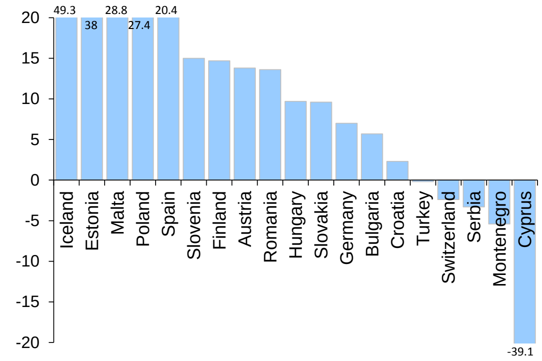
2015, year-to-date*, % change year ago



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

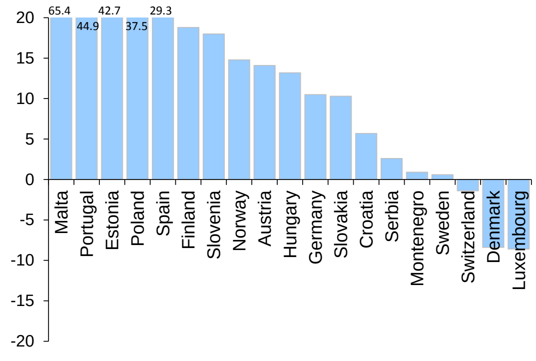
Malta has seen growth in Italian visitors according to data for the first two months of 2015. Having seen arrivals from Italy fall during the first few months of 2014 compared to 2013, we can surmise that the late Easter holiday period in 2014 was at least partly to blame. Visits growth of 28.8% and overnights growth of 65.4% based on data to February compared to the same period in 2014 have likely been augmented by the weaker euro ruling out more expensive, non-Eurozone destinations; Switzerland, for example, has seen both arrivals and overnights from Italy fall. By contrast, Spain and Portugal have seen arrivals from Italy boom, albeit based on a low sample in these low season trends. But, as mature markets within Europe, this demonstrates their resilience and enduring appeal, with both countries in possession of a diverse range of assets.

Visits from Italy to select destinations
2015, year-to-date*, % change year ago



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

Italian visitor nights in select destinations
2015, year-to-date*, % change year ago



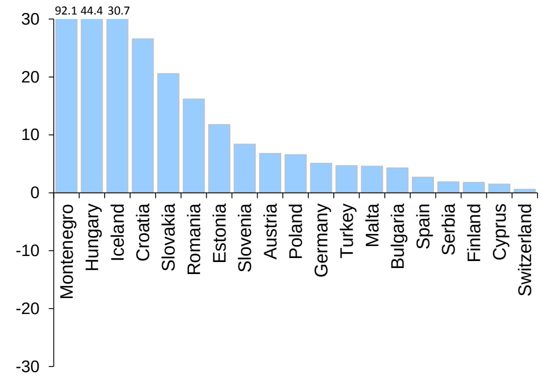
Source: TourMIS *date varies (Jan-Mar) by destination

The relative strength of sterling against the euro (albeit having experienced less of an appreciation the dollar) has made the Eurozone all the more appealing for the British visitor. No countries reported falling visits from the UK while only a minority have reported falls in the number of received overnights.

Montenegro and Hungary proved to be the go-to destinations of the British visitor in the first months of 2015, visits from the UK growing by 92.1% and 44.4% respectively, and overnights by 120.9% and 49.2% respectively. Iceland continues to be a popular draw for British visitors, seeing arrivals growth of 30.7% in the first three months of 2015 compared to the same period in 2014.

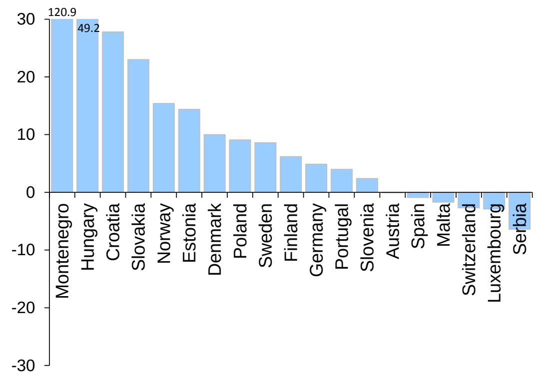
Slovakia received a much needed boost from the UK, with an increase in the number of visits and overnights at least going some way to offset the losses suffered at the hands of instability within Russia, one of its largest source markets, and all the knock-on impacts this has had on outbound tourism from Russia.

Visits from UK to select destinations
2015, year-to-date*, % change year ago



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

British visitor nights in select destinations
2015, year-to-date*, % change year ago



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

Latest trends point to more large falls in Russia travel demand compared to the same period last year. All but two reporting destinations have recorded falling arrivals and all but one has recorded falling overnights from Russia, including some traditional Russian holiday hotspots such as Turkey, and Estonia. However, because the Russia-Ukraine crisis began in mid-March 2014, we are currently comparing post-crisis data with pre-crisis data, and these falls should become less substantial once we can compare post-crisis data with post-crisis data.

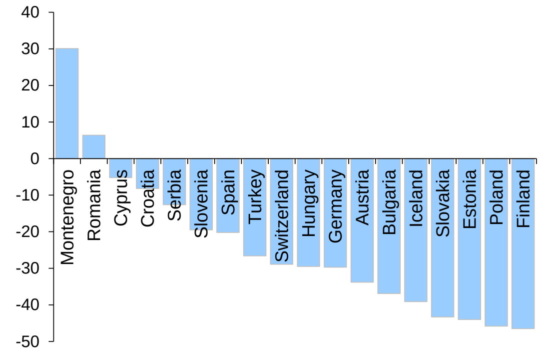
This reflects the impact of falling oil prices on Russian aggregate income and uncertainty which caused the rouble to depreciate markedly over the better part of a year, making foreign travel relatively more expensive for the Russian traveller. But since January, the rouble has seen something of a rebound. It has been deemed one of the best performing currencies of 2015 so far, albeit from a weak starting position. With oil prices no longer falling, although at a very low level, the economy has apparently stabilised. However, current economic and tourism demand remains well below levels experienced in early 2014 and all indicators still point to a deep recession in Russia this year. An eventual recovery in tourism demand is possible towards the end of the year, but from a very low base.

Montenegro was one of only two reporting destinations which saw visits from Russia grow by 30.1% and overnights by 40.8% in the first two months of 2015 compared to the same period in 2014.

Greece’s invigorated relationship with Russia may yield some benefits in 2015 as the new government begins to forge alliances beyond the EU by virtue of its lax imposition of Western-led sanctions, perhaps preparing for the worst in terms of its future as an EU member state.

Visits from Russia to select destinations

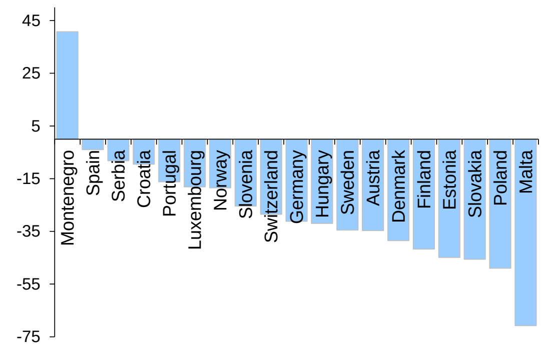
2015, year-to-date*, % change year ago



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

Russian visitor nights in select destinations

2015, year-to-date*, % change year ago



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

Non-European markets

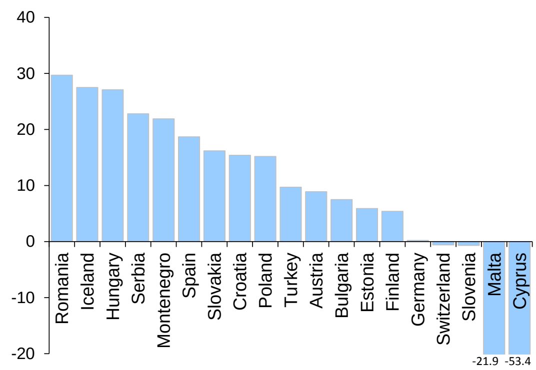
Latest data shows that travel to Europe from the US was positive in all but a few reporting destinations. The US economy is strengthening according to the latest economic data with an upswing in consumer spending through jobs and wage growth. There remains scope for growth in outbound travel particularly in terms of long haul travel, helped by further appreciation in the dollar against key currencies such as the euro.

Montenegro and Croatia enjoyed particularly strong overnights growth from the US by 82.4% and 51.8%, based on data to February and March, respectively. Many other European destinations, both emerging and mature, have seen arrivals from the US grow as the stronger currency and favourable economic conditions make travel to these destinations more viable than they would have been this time last year.

Conversely, a handful of destination have seen arrivals fall, most notably Malta and Cyprus which received 21.9% and 53.4% less visits from the US respectively.

Visits from US to select destinations

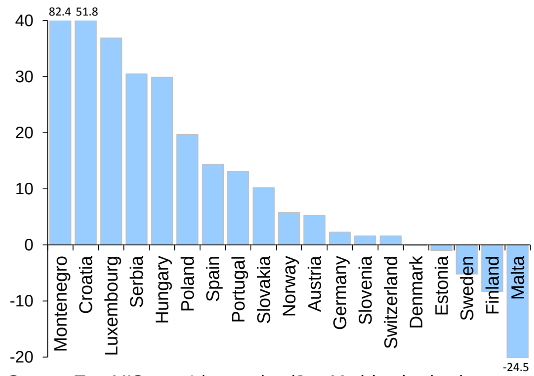
2015, year-to-date*, % change year ago



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

US visitor nights in select destinations

2015, year-to-date*, % change year ago

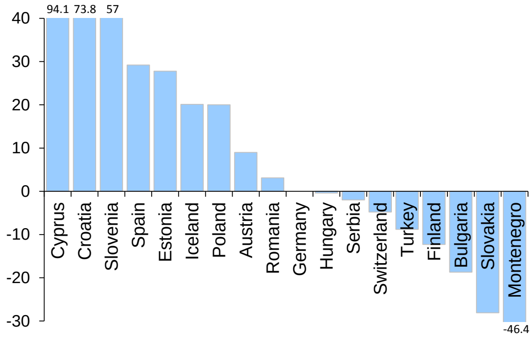


Source: TourMIS *date varies (Jan-Mar) by destination

Some very strong growth in Croatia (73.8%) and Slovenia (57.0%), suggest an appetite for the emerging European destination markets, yet Cyprus and Spain, both more mature destinations, also received a greater number of Japanese visitors compared to the same period in 2014, with respective growth of 94.1% and 29.2% in visits.

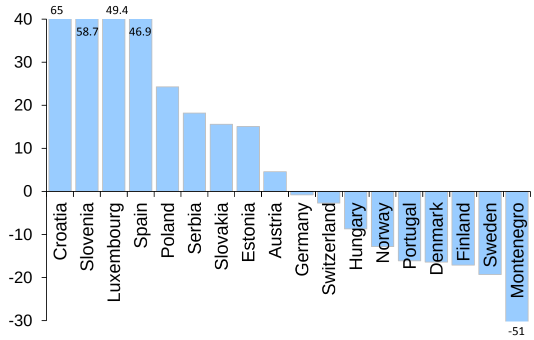
Visits and overnights from Japan suggest that the export-led policies of the Bank of Japan have not affected travel behaviour as much as initially feared, despite lower spending power in international markets from the weaker yen. The number of European countries that reported a growing number of arrivals versus falling arrivals was evenly split, while a small majority (of one) reported falling overnight versus growing overnights.

Visits from Japan to select destinations
2015, year-to-date*, % change year ago



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

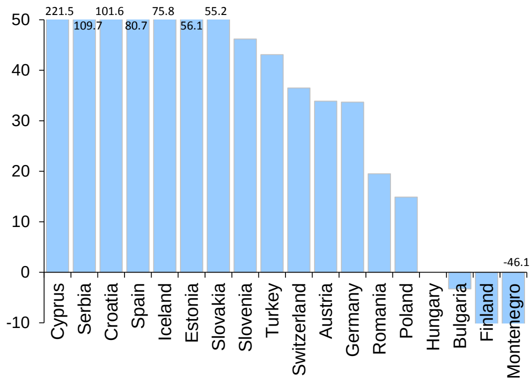
Japanese visitor nights in select destinations
2015, year-to-date*, % change year ago



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

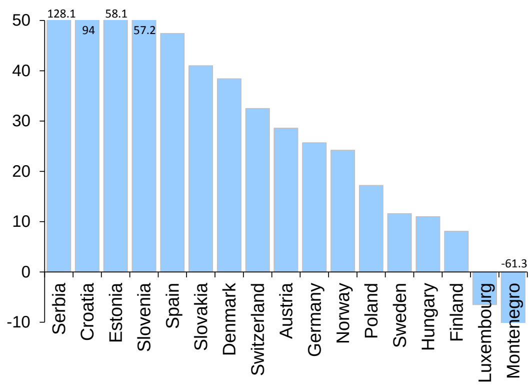
Outbound travel from China has started off strong in 2015 in terms of both visits and overnights, with double digit growth observed in the vast majority of destinations. We should expect to see a continuation of growth in outbound travel, and ahead of general GDP growth. This comes despite ongoing signs of slowdown in the economy and industrial activity, although consumer surveys and retail sales data remain robust. Travel to Europe as a whole was estimated to have grown by over 17% in 2014 as a whole – the fifth consecutive year of growth. However, given the relatively small volumes, travel from China to Europe should not be overvalued, accounting for just 1.5% of European arrivals in 2014.

Visits from China to select destinations
2015, year-to-date*, % change year ago



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

Chinese visitor nights in select destinations
2015, year-to-date*, % change year ago

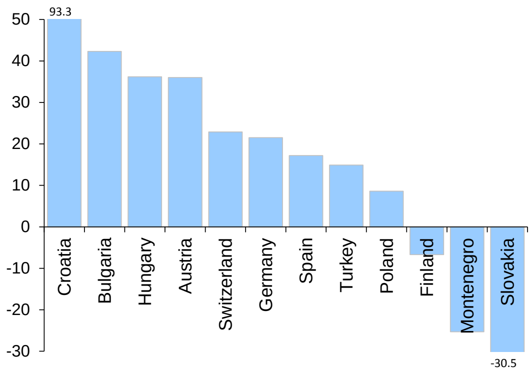


Source: TourMIS *date varies (Jan-Mar) by destination

Arrivals growth from India is positive with the majority of European destinations reporting double digit figures, and in the case of Croatia and Montenegro, triple digit growth in overnights from India of 205.4% and 161.2% respectively. At the same time however, Montenegro reported a fall in the number of visits, and Croatia a much smaller increase in the number of visits compared to overnights. This suggests that perhaps Indian visitors are staying longer in one place rather than taking multiple-destination trips. But with no more than three months' data for 2015 at this stage, it is too early to draw definitive conclusions and this trend should be monitored throughout the year.

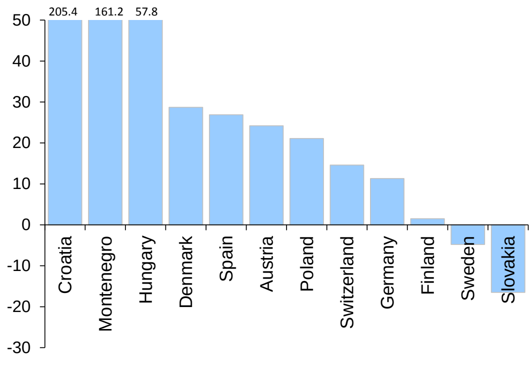
Indian arrivals still represent a relatively small proportion of total European arrivals and some volatility should be expected, but with limited impact on overall destination performance. In the longer-term, growth prospects remain strong with potential economic reform. Given these positive economic trends, there is clear potential for India to catch-up with China as an emerging source market.

Visits from India to select destinations
2015, year-to-date*, % change year ago



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

Indian visitor nights in select destinations
2015, year-to-date*, % change year ago

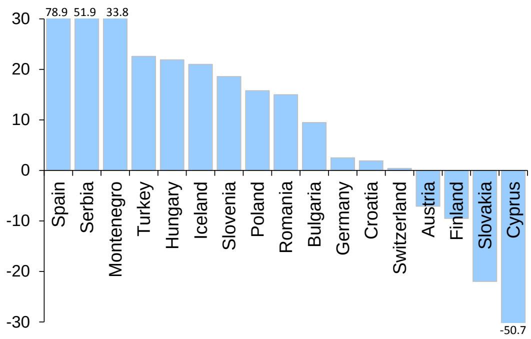


Source: TourMIS *date varies (Jan-Mar) by destination

Some promising growth from Canada has been reported by the majority of reporting destinations, many of which have seen visits and overnights from Canada grow by double digit figures. Falling World oil prices caused the Canadian dollar to depreciate against its US counterpart, making US holidays less appealing. But at the same time, the Canadian dollar appreciated against the euro, making European destinations more attractive.

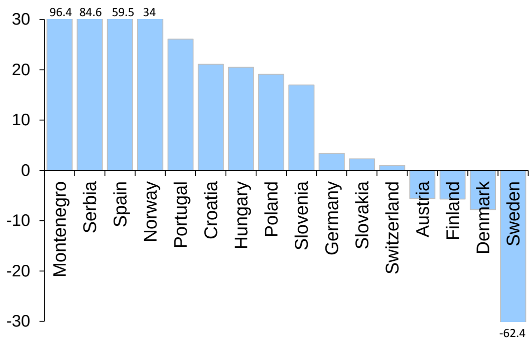
Spain, Serbia, and Montenegro were all notable beneficiaries of these currency movements, enjoying visitor growth of 52.9%, and 33.8%, and overnights growth of 59.5%, 84.6%, and 96.4% respectively. Other destinations also report strong, double-digit growth rates, including some large developed markets, indicating the benefit of the increased price attractiveness.

Visits from Canada to select destinations
2015, year-to-date*, % change year ago



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

Canadian visitor nights in select destinations
2015, year-to-date*, % change year ago



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

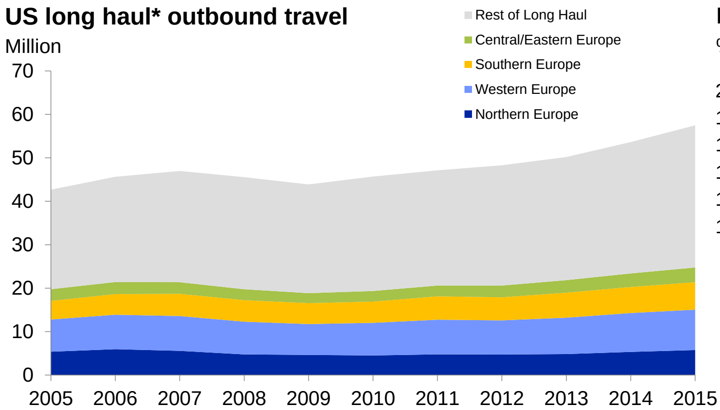
Origin Market Share Analysis

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 year-to-date estimates based on the latest available data and are not final reported numbers.

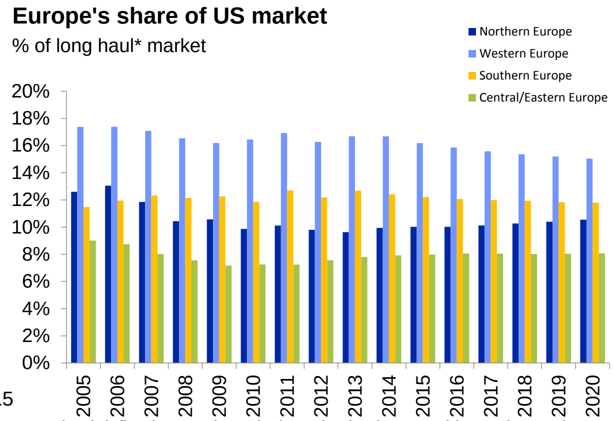
United States

US Market Share Summary							
	2015		Growth (2015-20)			Growth (2010-15)	
	Level*	Share	Annual average	Cumulative growth**	Share 2020	Cumulative growth**	Share 2010
Total outbound travel (000s)	94,537	-	4.7%	25.6%	-	24.4%	-
of which:							
Long haul (000s)	57,489	60.8%	5.6%	31.2%	63.5%	25.8%	60.1%
Short haul (000s)	37,048	39.2%	3.2%	17.0%	36.5%	22.4%	39.9%
Travel to Europe* **							
Europe (000s)	24,761	26.2%	5.1%	28.4%	26.8%	28.0%	25.5%
Northern Europe (000s)	5,759	6.1%	6.7%	38.1%	6.7%	27.7%	5.9%
Western Europe (000s)	9,300	9.8%	4.1%	22.0%	9.6%	23.8%	9.9%
Southern Europe (000s)	6,317	6.7%	4.7%	26.0%	6.7%	29.3%	6.4%
Central/Eastern Europe (000s)	3,386	3.6%	6.0%	33.7%	3.8%	38.6%	3.2%

* Levels are in 000s unless otherwise specified
** Shows cumulative change over the relevant time period indicated
*** Shares are expressed as a % of total outbound travel



*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

Methodology note:

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 is 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.

Note: this analysis is based on the *Tourism Decision Metrics (TDM)* model. The geographies of Europe are defined as:

Northern Europe: Denmark, Finland, Iceland, Ireland, Norway, Sweden, UK

Western Europe: Austria, Belgium, France, Germany, Luxembourg, Netherlands, Switzerland

Southern/Mediterranean Europe: Albania, Bosnia-Herzegovina, Croatia, Cyprus, FYR Macedonia, Greece, Italy, Malta, Montenegro, Portugal, Serbia, Slovenia, Spain, Turkey

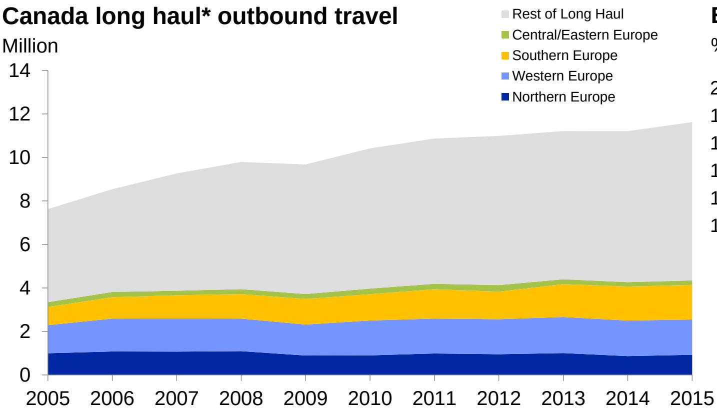
Central/Eastern Europe: Armenia, Azerbaijan, Bulgaria, Czech Republic, Estonia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Poland, Romania, Russian Federation, Slovakia, Ukraine

Canada

Canada Market Share Summary							
	2015		Growth (2015-20)			Growth (2010-15)	
	Level*	Share	Annual average	Cumulative growth**	Share 2020	Cumulative growth**	Share 2010
Total outbound travel (000s)	37,998	-	4.3%	23.3%	-	22.6%	-
of which:							
Long haul (000s)	11,625	30.6%	5.4%	30.3%	32.3%	11.6%	33.6%
Short haul (000s)	26,372	69.4%	3.8%	20.2%	67.7%	28.2%	66.4%
Travel to Europe* **							
Europe (000s)	4,345	11.4%	3.2%	16.8%	10.8%	9.4%	12.8%
Northern Europe (000s)	926	2.4%	7.4%	43.0%	2.8%	2.9%	2.9%
Western Europe (000s)	1,622	4.3%	1.4%	7.1%	3.7%	1.2%	5.2%
Southern Europe (000s)	1,591	4.2%	1.8%	9.2%	3.7%	31.4%	3.9%
Central/Eastern Europe (000s)	206	0.5%	5.9%	33.3%	0.6%	-19.8%	0.8%

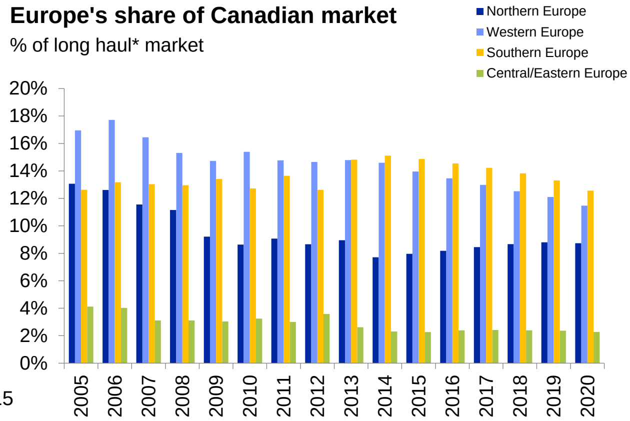
* Levels are in 000s unless otherwise specified
** Shows cumulative change over the relevant time period indicated
*** Shares are expressed as a % of total outbound travel

Canada long haul* outbound travel



*Long haul defined as tourist arrivals to destinations outside North America
Source: Tourism Economics

Europe's share of Canadian market



*Long haul defined as tourist arrivals to destinations outside North America
Source: Tourism Economics

Methodology note:

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 is 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.

Note: this analysis is based on the *Tourism Decision Metrics (TDM)* model. The geographies of Europe are defined as:

Northern Europe: Denmark, Finland, Iceland, Ireland, Norway, Sweden, UK

Western Europe: Austria, Belgium, France, Germany, Luxembourg, Netherlands, Switzerland

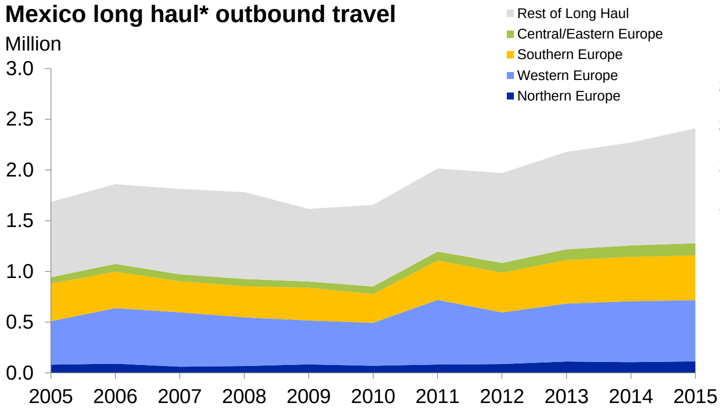
Southern/Mediterranean Europe: Albania, Bosnia-Herzegovina, Croatia, Cyprus, FYR Macedonia, Greece, Italy, Malta, Montenegro, Portugal, Serbia, Slovenia, Spain, Turkey

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

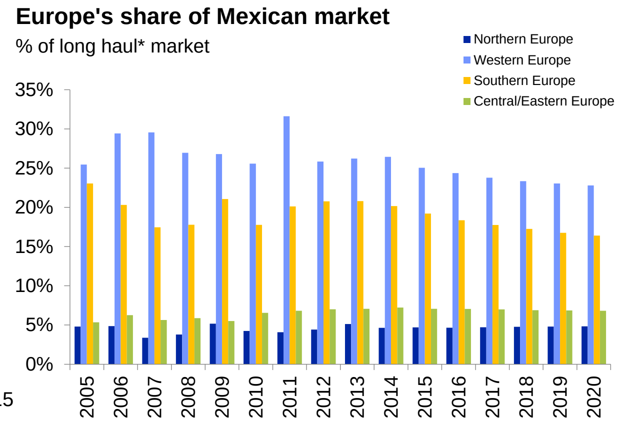
Mexico

Mexico Market Share Summary							
	2015		Growth (2015-20)			Growth (2010-15)	
	Level*	Share	Annual average	Cumulative growth**	Share 2020	Cumulative growth**	Share 2010
Total outbound travel (000s)	18,285	-	6.0%	33.7%	-	19.9%	-
of which:							
Long haul (000s)	2,410	13.2%	5.1%	28.4%	12.7%	45.6%	10.9%
Short haul (000s)	15,874	86.8%	6.1%	34.5%	87.3%	16.8%	89.1%
Travel to Europe* **							
Europe (000s)	1,277	7.0%	3.1%	16.7%	6.1%	50.0%	5.6%
Northern Europe (000s)	113	0.6%	5.8%	32.3%	0.6%	61.4%	0.5%
Western Europe (000s)	604	3.3%	3.2%	16.9%	2.9%	42.5%	2.8%
Southern Europe (000s)	441	2.4%	1.8%	9.5%	2.0%	56.5%	1.8%
Central/Eastern Europe (000s)	120	0.7%	5.0%	27.7%	0.6%	57.0%	0.5%

* Levels are in 000s unless otherwise specified
** Shows cumulative change over the relevant time period indicated
*** Shares are expressed as a % of total outbound travel



*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

Methodology note:

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Argentina

Argentina Market Share Summary							
	2015		Growth (2015-20)			Growth (2010-15)	
	Level*	Share	Annual average	Cumulative growth**	Share 2020	Cumulative growth**	Share 2010
Total outbound travel (000s)	7,662	-	3.9%	21.0%	-	30.4%	-
of which:							
Long haul (000s)	2,257	29.5%	4.0%	21.6%	29.6%	34.7%	28.5%
Short haul (000s)	5,406	70.5%	3.8%	20.8%	70.4%	28.7%	71.5%
Travel to Europe* **							
Europe (000s)	806	10.5%	4.5%	24.6%	10.8%	36.5%	10.1%
Northern Europe (000s)	113	1.5%	7.1%	41.0%	1.7%	75.0%	1.1%
Western Europe (000s)	45	0.6%	4.9%	26.9%	0.6%	40.1%	0.5%
Southern Europe (000s)	562	7.3%	3.1%	16.7%	7.1%	28.5%	7.4%
Central/Eastern Europe (000s)	86	1.1%	8.9%	53.3%	1.4%	51.7%	1.0%

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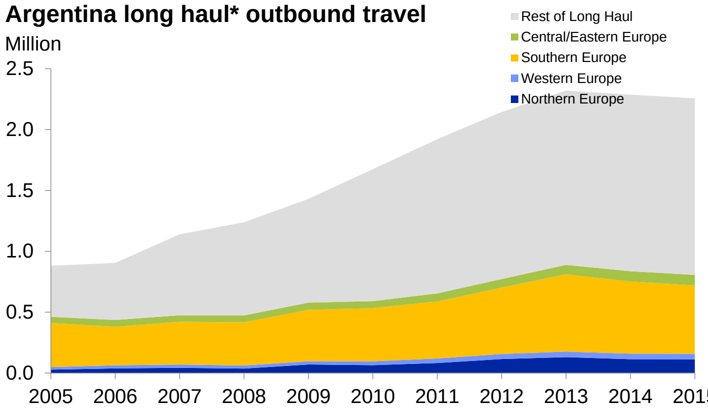
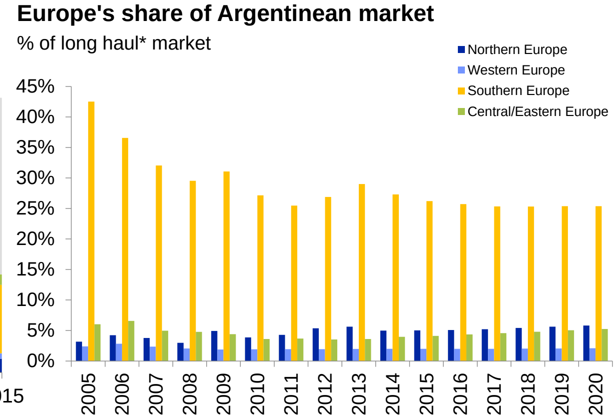


*Long haul defined as tourist arrivals to destinations outside South America
Source: Tourism Economics



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

Brazil Market Share Summary	2015		Growth (2015-20)			Growth (2010-15)	
	Level*	Share	Annual average	Cumulative growth**	Share 2020	Cumulative growth**	Share 2010
Total outbound travel (000s)	10,167	-	5.0%	27.8%	-	51.6%	-
of which:							
Long haul (000s)	7,377	72.6%	4.9%	27.3%	72.3%	65.2%	66.6%
Short haul (000s)	2,789	27.4%	5.2%	29.1%	27.7%	24.4%	33.4%
Travel to Europe* **							
Europe (000s)	3,585	35.3%	1.7%	8.6%	30.0%	52.0%	35.2%
Northern Europe (000s)	287	2.8%	8.8%	52.3%	3.4%	55.0%	2.8%
Western Europe (000s)	1,731	17.0%	0.4%	2.0%	13.6%	60.6%	16.1%
Southern Europe (000s)	1,280	12.6%	0.2%	1.1%	10.0%	40.8%	13.6%
Central/Eastern Europe (000s)	287	2.8%	6.7%	38.0%	3.0%	53.9%	2.8%

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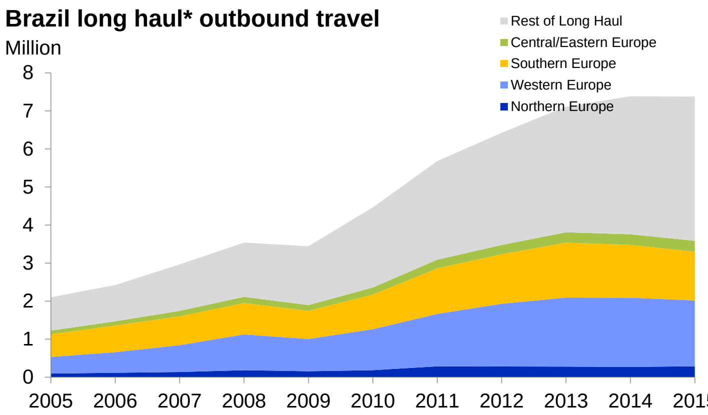
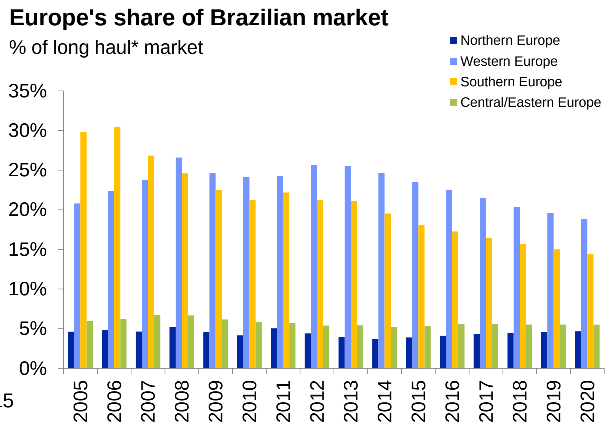


*Long haul defined as tourist arrivals to destinations outside South America
Source: Tourism Economics



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

India Market Share Summary							
	2015		Growth (2015-20)			Growth (2010-15)	
	Level*	Share	Annual average	Cumulative growth**	Share 2020	Cumulative growth**	Share 2010
Total outbound travel (000s)	13,319	-	5.9%	33.4%	-	36.2%	-
of which:							
Long haul (000s)	12,558	94.3%	5.9%	32.9%	93.9%	33.5%	96.2%
Short haul (000s)	761	5.7%	7.2%	41.8%	6.1%	105.5%	3.8%
Travel to Europe* **							
Europe (000s)	1,957	14.7%	6.0%	33.8%	14.7%	35.6%	14.8%
Northern Europe (000s)	399	3.0%	2.2%	11.4%	2.5%	1.3%	4.0%
Western Europe (000s)	711	5.3%	5.9%	32.9%	5.3%	43.5%	5.1%
Southern Europe (000s)	337	2.5%	6.7%	38.6%	2.6%	39.0%	2.5%
Central/Eastern Europe (000s)	510	3.8%	8.3%	49.3%	4.3%	63.7%	3.2%

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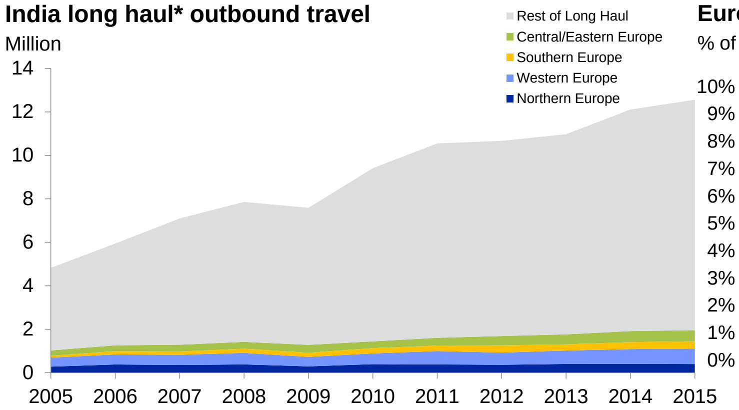
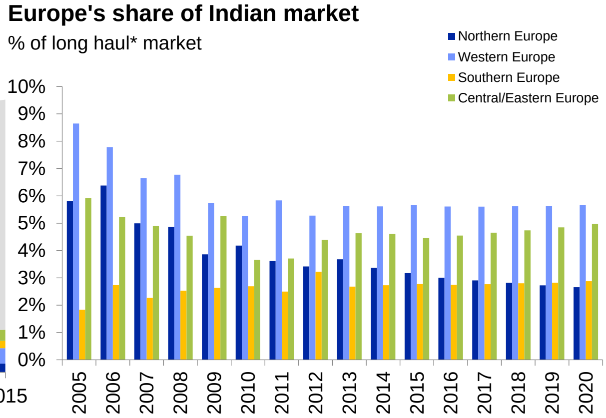
** Shows cumulative change over the relevant time period indicated
*** Shares are expressed as a % of total outbound travel



*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
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China

China Market Share Summary							
	2015		Growth (2015-20)			Growth (2010-15)	
	Level*	Share	Annual average	Cumulative growth**	Share 2020	Cumulative growth**	Share 2010
Total outbound travel (000s)	71,726	-	5.1%	28.0%	-	103.5%	-
of which:							
Long haul (000s)	28,293	39.4%	6.2%	35.3%	41.7%	143.1%	33.0%
Short haul (000s)	43,433	60.6%	4.3%	23.2%	58.3%	83.9%	67.0%
Travel to Europe* **							
Europe (000s)	9,173	12.8%	6.5%	36.9%	13.7%	127.5%	11.4%
Northern Europe (000s)	509	0.7%	7.6%	44.2%	0.8%	122.7%	0.6%
Western Europe (000s)	5,190	7.2%	5.9%	33.3%	7.5%	163.6%	5.6%
Southern Europe (000s)	750	1.0%	9.0%	53.6%	1.3%	197.3%	0.7%
Central/Eastern Europe (000s)	2,724	3.8%	6.6%	37.9%	4.1%	72.2%	4.5%

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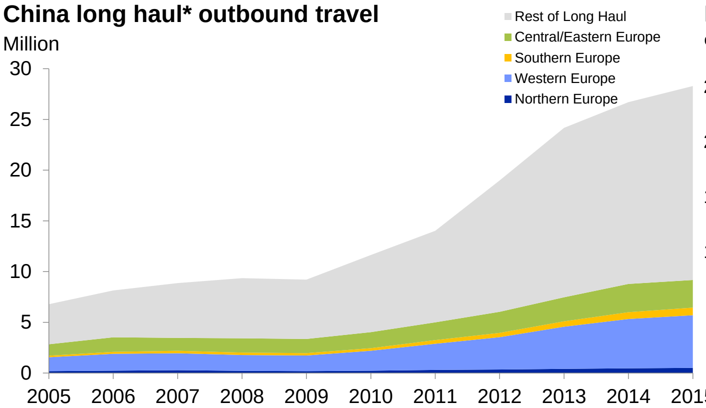
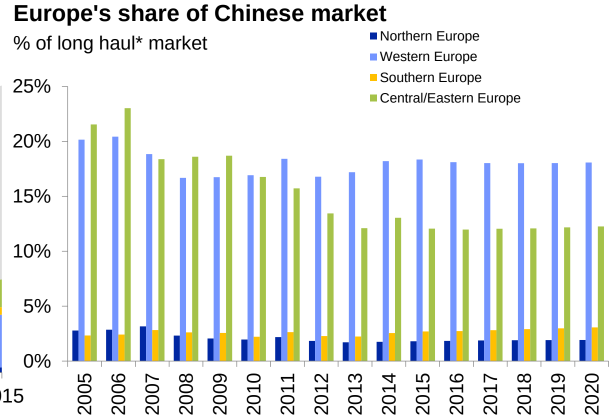
** Shows cumulative change over the relevant time period indicated
*** Shares are expressed as a % of total outbound travel



*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

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Note Chinese outbound shown here is smaller than reported departures in national statistics as the latter includes same day visits to Hong Kong and Macau.

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Japan

Japan Market Share Summary							
	2015		Growth (2015-20)			Growth (2010-15)	
	Level*	Share	Annual average	Cumulative growth**	Share 2020	Cumulative growth**	Share 2010
Total outbound travel (000s)	22,023	-	4.1%	22.1%	-	2.1%	-
of which:							
Long haul (000s)	13,488	61.2%	3.6%	19.5%	60.0%	8.5%	57.7%
Short haul (000s)	8,534	38.8%	4.7%	26.1%	40.0%	-6.6%	42.3%
Travel to Europe* **							
Europe (000s)	4,185	19.0%	2.5%	13.3%	17.6%	0.9%	19.2%
Northern Europe (000s)	427	1.9%	1.7%	8.9%	1.7%	-5.7%	2.1%
Western Europe (000s)	2,023	9.2%	2.0%	10.2%	8.3%	4.3%	9.0%
Southern Europe (000s)	1,189	5.4%	2.9%	15.5%	5.1%	4.0%	5.3%
Central/Eastern Europe (000s)	547	2.5%	4.4%	23.7%	2.5%	-10.8%	2.8%

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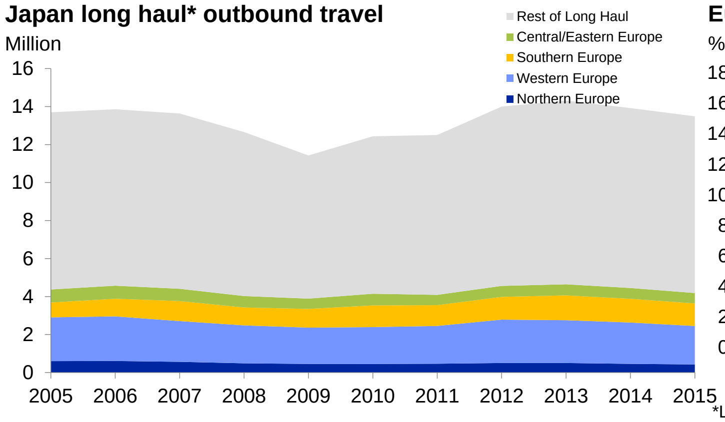
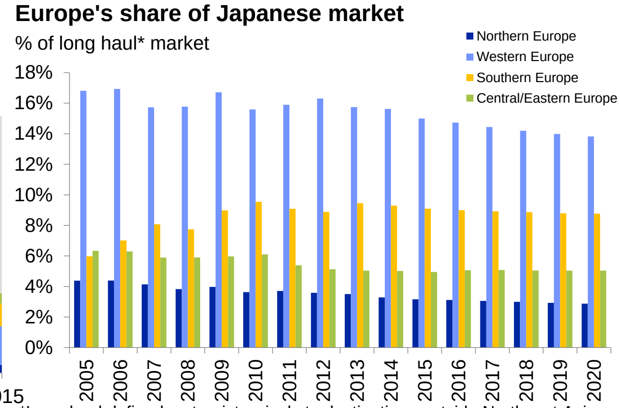


*Long haul defined as tourist arrivals to destinations outside Northeast Asia
Source: Tourism Economics



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United Arab Emirates

United Arab Emirates Market Share Summary	2015		Growth (2015-20)			Growth (2010-15)	
	Level*	Share	Annual average	Cumulative growth**	Share 2020	Cumulative growth**	Share 2010
Total outbound travel (000s)	2,917	-	4.8%	26.2%	-	-14.7%	-
of which:							
Long haul (000s)	1,295	44.4%	3.6%	19.3%	42.0%	15.8%	32.7%
Short haul (000s)	1,622	55.6%	5.7%	31.7%	58.0%	-29.5%	67.3%
Travel to Europe* **							
Europe (000s)	749	25.7%	2.4%	12.3%	22.9%	18.8%	18.4%
Northern Europe (000s)	294	10.1%	0.3%	1.3%	8.1%	37.1%	6.3%
Western Europe (000s)	289	9.9%	2.7%	14.5%	9.0%	23.9%	6.8%
Southern Europe (000s)	149	5.1%	5.0%	27.8%	5.2%	7.9%	4.0%
Central/Eastern Europe (000s)	17	0.6%	5.3%	29.5%	0.6%	-62.1%	1.3%

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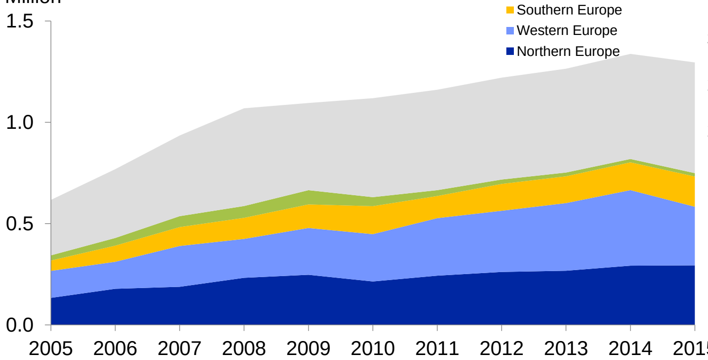
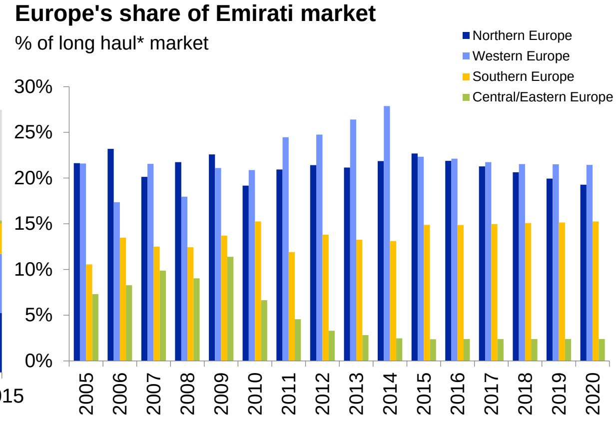
UAE long haul* outbound travel



*Long haul defined as tourist arrivals to destinations outside the Middle East
Source: Tourism Economics

Europe's share of Emirati market



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Russia

Russia Market Share Summary

	2015		Growth (2015-20)			Growth (2010-15)	
	Level*	Share	Annual average	Cumulative growth**	Share 2020	Cumulative growth**	Share 2010
Total outbound travel (000s)	35,757	-	5.6%	31.3%	-	38.1%	-
of which:							
Long haul (000s)	8,102	22.7%	9.5%	57.3%	27.2%	28.9%	24.3%
Short haul (000s)	27,655	77.3%	4.3%	23.6%	72.8%	41.1%	75.7%
Travel to Europe* **							
Europe (000s)	27,655	77.3%	4.3%	23.6%	72.8%	41.1%	75.7%
Northern Europe (000s)	1,563	4.4%	3.8%	20.4%	4.0%	35.0%	4.5%
Western Europe (000s)	2,169	6.1%	3.3%	17.5%	5.4%	62.1%	5.2%
Southern Europe (000s)	9,248	25.9%	4.8%	26.4%	24.9%	72.2%	20.7%
Central/Eastern Europe (000s)	14,675	41.0%	4.3%	23.1%	38.5%	25.0%	45.3%

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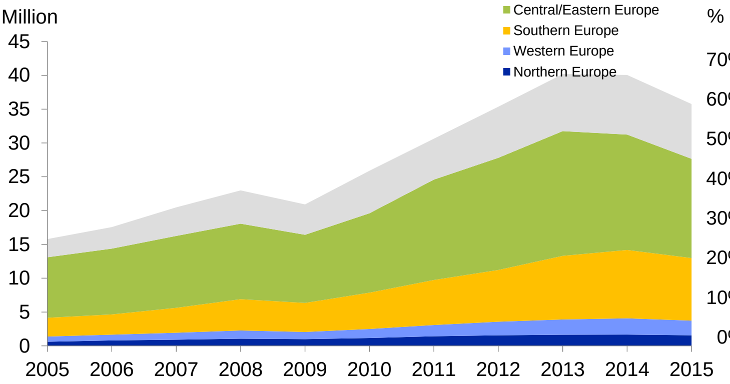
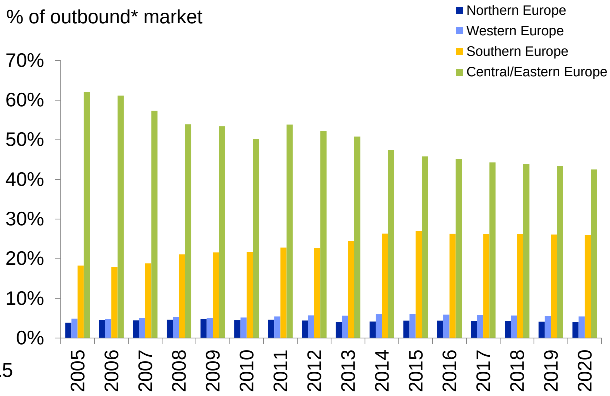
Russia outbound travel



*Outbound travel defined as tourist arrivals to all destinations
Source: Tourism Economics

Europe's share of Russian market



*Outbound market defined as tourist arrivals to all destinations
Source: Tourism Economics

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Economic outlook summary: key source markets

- *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 avail of international travel. 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.*

Summary of economic outlook: 2015

% growth y-y*	Macroeconomic indicators				
	GDP	Consumer expenditure	Unemploy-ment **	Exchange rate***	Inflation
UK	2.8%	3.0%	-0.8%	12.6%	0.3%
France	1.2%	1.5%	0.1%	0.0%	0.3%
Germany	2.4%	2.7%	-0.1%	0.0%	0.4%
Netherlands	1.3%	0.6%	-0.8%	0.0%	0.6%
Italy	0.3%	0.5%	-0.1%	0.0%	0.1%
Russia	-5.6%	-8.2%	1.1%	-20.3%	15.5%
US	2.7%	3.1%	-0.8%	25.1%	0.1%
Canada	2.2%	2.4%	-0.2%	12.2%	0.8%
Brazil	-1.3%	-0.4%	0.5%	-5.2%	8.0%
China	6.6%	7.1%	0.0%	21.8%	1.0%
Japan	0.8%	0.4%	-0.1%	-6.7%	0.3%
India	7.5%	7.1%	0.0%	21.2%	5.5%

Summary of economic outlook: 2016

% growth y-y*	Macroeconomic indicators				
	GDP	Consumer expenditure	Unemploy-ment **	Exchange rate***	Inflation
UK	2.8%	2.8%	-0.2%	4.9%	1.8%
France	1.7%	1.7%	-0.3%	0.0%	1.0%
Germany	2.1%	1.7%	0.0%	0.0%	1.9%
Netherlands	1.4%	0.8%	-0.3%	0.0%	1.3%
Italy	1.0%	0.7%	-0.2%	0.0%	0.8%
Russia	0.9%	1.0%	0.5%	9.4%	6.7%
US	2.8%	2.8%	-0.3%	5.7%	2.3%
Canada	2.2%	2.4%	-0.1%	10.5%	2.2%
Brazil	0.7%	1.1%	0.5%	-0.5%	5.7%
China	6.1%	7.0%	0.0%	4.5%	1.4%
Japan	1.8%	2.1%	0.1%	1.5%	0.6%
India	7.5%	7.0%	-0.1%	2.4%	5.9%

* 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.
Note: Colour coding relates to each individual column and highlights the strongest performing countries shaded as dark green (e.g. China fastest growing GDP), and weakest performaing countries as dark red (e.g. rising unemployment and falling GDP, consumer expenditure, and exchange rate in Russia).

- Eurozone GDP growth is forecast to grow in 2015 across all key markets, most notably Germany as a result of low inflation and falling unemployment.

- The UK's recovery is in full flow with strong growth across all key macro indicators expected in 2015 and 2016, particularly GDP and consumer expenditure, up 2.8% and 3.0% on 2014, respectively, both of which can be linked to falling oil prices.

- Russian growth has slowed substantially in 2015 and Oxford Economics' latest outlook is recession with GDP expected to fall more than 5.6%. This is partly linked to the large devaluation of the rouble which began last year and risks related to capital flight in emerging markets, while a falling oil price will also affect government revenue and spending. There has been some reprieve in recent months, however, with more competitive exports helping to ease the pain currently being felt elsewhere in the economy.

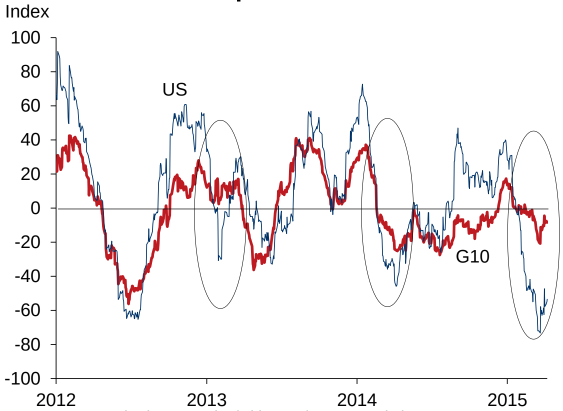
- Chinese growth has been downgraded slightly, but strong GDP and consumer expenditure growth is still expected.

- Lower fuel prices, steadily reducing inflation and higher business and investor confidence suggest that growth in India will accelerate in the coming months and strong GDP and consumer expenditure growth will pave the way for outbound travel growth. Indian GDP growth expectations now surpass those of China.

Overview: Global upswing delayed

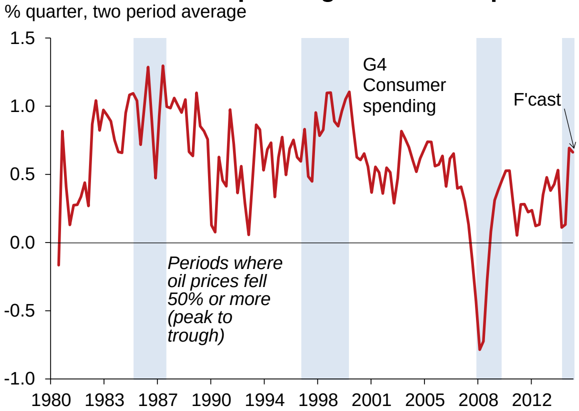
- This month sees our global GDP growth forecast for 2015 revised down to 2.7%, implying no improvement from 2014. At the start of the year, we expected world growth for 2015 at 2.9%.
- A key factor behind the slippage in our global forecast has been a softening of activity in the US. The balance of economic surprises (actual data versus expected) has deteriorated sharply in recent months. As a result, we now expect US growth at 2.7% this year, compared to 3.3% at the start of 2015.
- We are wary of reading too much into the most recent data, as the US and other advanced economies also went through 'soft patches' at the starts of both 2013 and 2014, but recovered. Also, the balance of economic surprises for the G10 is only moderately negative – and is strongly positive for the Eurozone.
- One area of concern is sluggish US consumption recently - despite lower oil prices. But with labour market conditions favourable and disposable income growing solidly, we expect this to prove a blip. And the evidence from advanced economies as a whole suggests lower oil prices have boosted consumers.
- There are nevertheless genuine drags on global growth. The strong dollar appears to be weighing on US exports and investment, and curbing profits. It is also damaging growth in some emerging markets through its negative impact on commodity prices and capital flows and via balance sheet effects (raising the burden of dollar-denominated debt).
- Meanwhile, this month also sees a fresh downgrade to our forecast for China – GDP is now expected to rise 6.6% this year versus 6.8% a month ago. This reflects weakness in a number of key indicators and also the likely impact of a squeeze on local government finances from the property sector slump.
- With the US and China representing a third of global GDP, slower growth there will also tend to retard world trade growth. We continue to expect world GDP growth to reach 3% in 2016, but 2015 now looks like being another year of sub-par global growth.

G10: Economic surprise indices



Source : Oxford Economics/Citigroup/Haver Analytics

World: Consumer spending and oil slumps



Source : Oxford Economics/Haver Analytics

Summary of International Forecasts	2013	2014	2015	2016	2017	2018
Real GDP						
North America						
United States	2.2	2.4	2.7	2.8	2.7	2.7
Canada	2.0	2.5	2.2	2.2	2.4	2.4
Europe						
Eurozone	-0.4	0.9	1.6	1.8	1.7	1.6
Germany	0.2	1.6	2.4	2.1	1.6	1.2
France	0.4	0.4	1.2	1.7	1.5	1.6
Italy	-1.7	-0.4	0.3	1.0	1.1	1.0
UK	1.7	2.8	2.8	2.8	2.7	2.5
EU27	0.1	1.3	1.9	2.1	2.0	1.9
Asia						
Japan	1.6	-0.1	0.8	1.8	0.8	0.6
China	7.7	7.4	6.6	6.1	5.7	5.5
India	6.4	7.2	7.5	7.5	7.0	6.8
G7	1.5	1.6	2.1	2.3	2.1	2.0
World	2.5	2.7	2.7	3.0	3.2	3.2
World 2010 PPPs	3.2	3.3	3.3	3.9	3.9	3.9
World trade	2.6	3.5	3.0	5.5	5.7	5.4
Inflation (CPI)						
North America						
United States	1.5	1.6	0.1	2.3	2.2	2.2
Canada	1.0	1.9	0.8	2.2	2.0	1.9
Europe						
Eurozone	1.3	0.4	0.1	1.3	1.4	1.6
Germany	1.5	0.9	0.4	1.9	1.8	1.8
France	0.9	0.5	0.3	1.0	1.4	1.6
Italy	1.2	0.2	0.1	0.8	1.0	1.3
UK	2.6	1.5	0.3	1.8	1.9	1.9
EU27	1.5	0.6	0.2	1.5	1.6	1.7
Asia						
Japan	0.4	2.7	0.3	0.6	2.0	1.3
Emerging Asia, excl Japan	5.0	5.3	5.2	4.7	4.4	4.3
China	2.6	2.0	1.0	1.4	2.1	2.6
India	10.7	6.6	5.5	5.9	5.8	5.6
World	3.6	3.2	1.9	2.8	2.7	2.4
Exchange Rates						
US$ Effective	75.9	78.4	92.3	94.3	93.0	92.0
$/€	1.33	1.33	1.06	1.00	1.00	1.02
¥/$	97.6	105.9	123.4	132.2	136.1	137.9
Commodity Prices						
Brent Oil ($/bl)	108.7	99.1	56.9	63.6	70.0	76.3

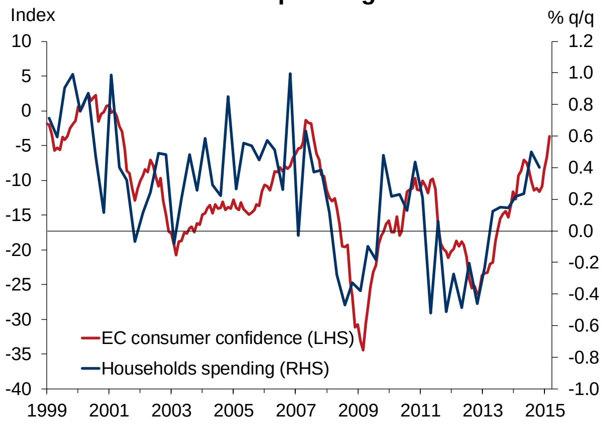
Eurozone Economy

- Recent news from the Eurozone has continued to be optimistic and is consistent with GDP expanding in Q1 at the fastest pace since the onset of the latest economic recovery.
- In March, the closely watched composite PMI continued its recent upward trend, rising to its highest level since 2011. Admittedly, on past form, the latest reading is only consistent with quarterly GDP growth of 0.3% or so, in line with Q4's outturn. But the available hard data for Q1 have been pretty strong, suggesting that there is a good chance that GDP growth accelerated in the first quarter of the year.
- We expect household spending to be the key driver of growth in Q1 and over the coming quarters. Thanks to strong real wage growth and rising employment, retail sales are on track to expand at their fastest pace in over a decade. And the rise in consumer sentiment in March to its highest level since 2007 points to further strength to come.
- Although the euro has drifted higher over the past couple of weeks against the dollar, it has weakened by about 10.0% since the start of the year against the dollar and by around 8.0% on a trade-weighted basis. For now at least, export growth remains weak, but the recent improvement in the EC measure of firms' export orders perhaps provides tentative signs that growth will gradually build over the year, particularly if the euro falls to near parity in line with our forecast.
- We expect such an improvement, combined with solid domestic demand, to eventually trigger stronger investment, particularly if this is accompanied by a further loosening in credit standards. Nonetheless, investment growth will be steady rather than spectacular, especially this year.
- In all, we still expect GDP to rise by an above consensus 1.6% this year and 1.8% in 2016 with the pace of growth gradually easing thereafter.

Eurozone: GDP indicator

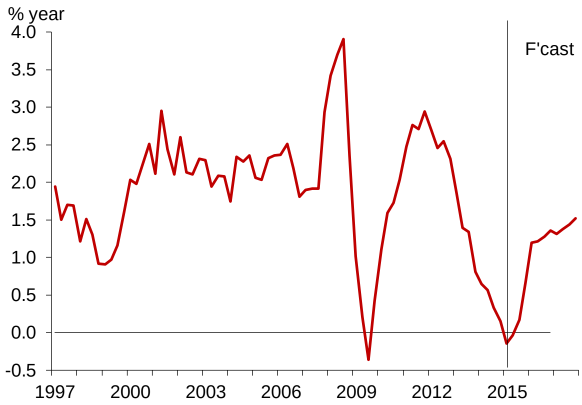
Source: Oxford Economics/Haver Analytics

Eurozone Consumer spending & confidence



Source : Oxford Economics/Haver Analytics/Markit

Eurozone: Consumer price inflation

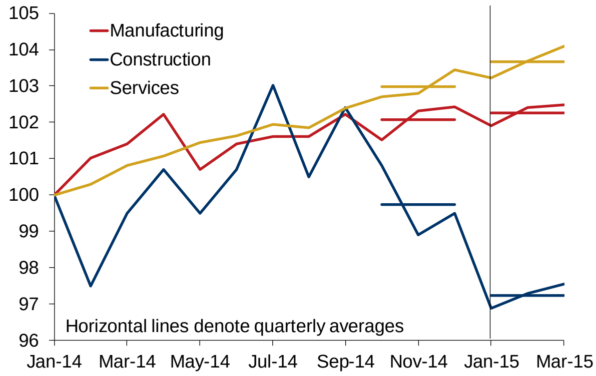


Source: Oxford Economics

UK Economy

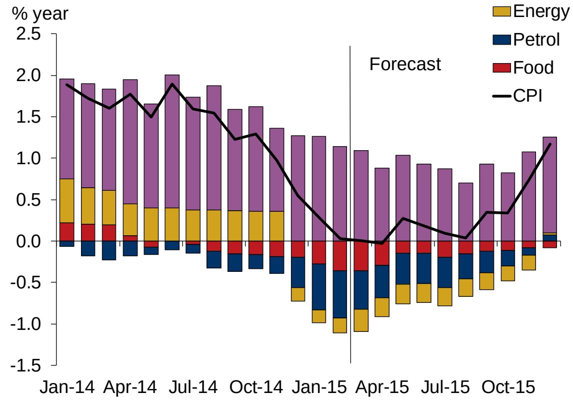
- Once again the national accounts data appear to be stuck in a pattern where weak initial readings are revised up over time. The latest Quarterly National Accounts saw GDP growth in Q4 2014 upgraded from 0.5% to 0.6%, with 2014 as a whole revised up from 2.6% to 2.8%. And this process looks set to be repeated in Q1 2015. Weak monthly output readings for January point to a low preliminary estimate for Q1, but business surveys and retail sales data have been much stronger, suggesting that ultimately the data will be turn out to be firmer once more.
- CPI inflation slowed to zero in February, the lowest reading for 55 years. Although petrol prices have started to edge upwards in recent weeks, there remains a strong chance that we will soon see a negative reading for inflation, with the cuts to gas bills from four of the big six energy providers still to hit the index and disinflationary pressures continuing to feed along the supply chain. However, the chances of low inflation becoming entrenched still look relatively slim. Base effects will drag inflation back up again towards the end of 2015 and, though subdued, there is no evidence that underlying inflationary pressures are weakening.
- The Chancellor presented the final Budget of the parliament on 18 March. Mr Osborne revisited regular themes with a further increase in the tax fee personal allowance and more help for savers, and these giveaways were financed by additional revenues from banks and tax avoiders. The macroeconomic impact of the measures is likely to be negligible. However, the Chancellor did make an important change to the assumptions for departmental spending. This has resulted in a profile that the OBR has likened to a "rollercoaster", with sharp spending cuts in 2016-17 and 2017-18 followed by a substantial rise in 2019-20. The Chancellor's retort was that a Conservative government would not make the initial deep cuts as it would instead achieve some of the necessary savings through cutting spending on welfare. In any case, the chances of government spending actually following the path laid out in the OBR's forecasts is very low and, as such, we continue to assume an alternative path as the basis for our forecasts.

UK: Monthly output



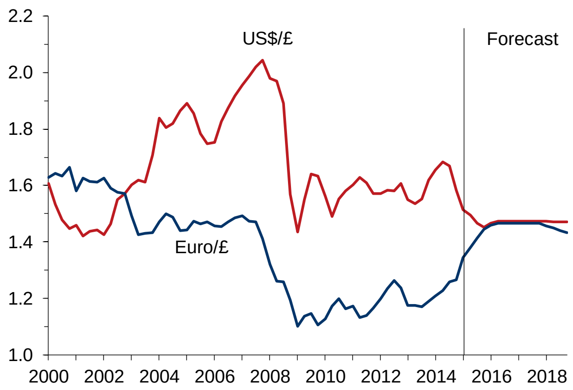
Source : Oxford Economics/Haver Analytics

UK: Contributions to CPI inflation



Source : Oxford Economics

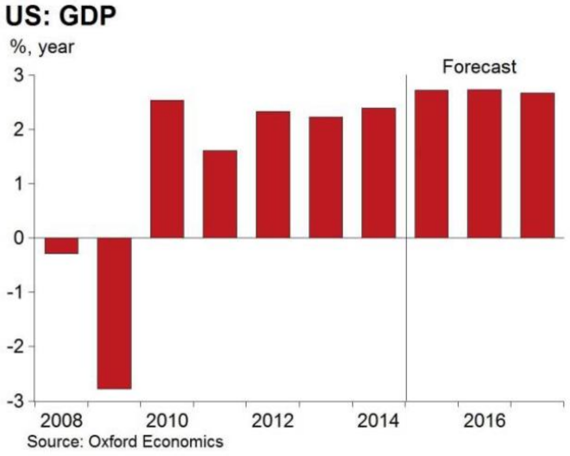
UK: Exchange rates

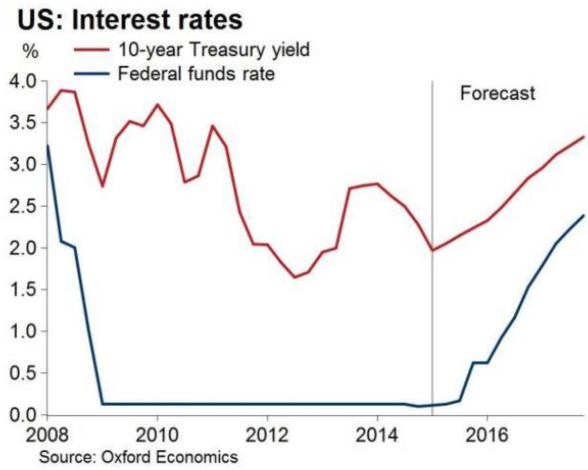


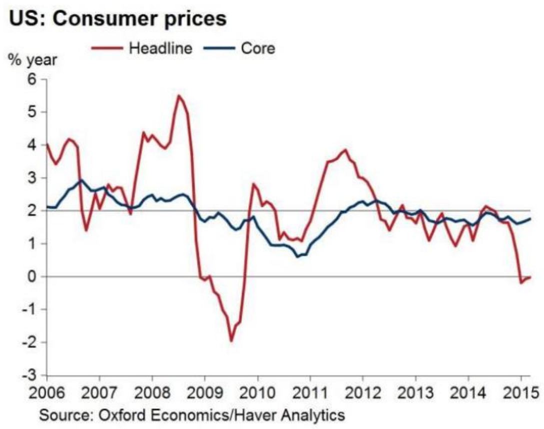
Source: Oxford Economics

US Economy

- The economy appears to have slowed so far this year, following on from 2.2% annualized growth in Q4. Poor weather, still-cautious consumers in the face of modest wage growth and households pocketing a little of the savings from lower gas prices have led to subdued domestic demand data. In addition, a stronger dollar and only moderate global growth have dampened net exports. As a result, we expect GDP growth of just 1.4% in Q1. That being said, economic fundamentals remain solid. Despite the modest payroll gains in March, the 12-month moving average remains a healthy 200,000 jobs per month, in line with our expectations for 2015.
- Hourly and weekly earnings are now rising at a 2.1% year-on-year pace but are struggling to make much headway, despite growing survey evidence of rising wage pressures across the country. However, we see stronger wage growth materializing through 2015 and this, combined with solid jobs growth, will support consumer outlays. With low gasoline prices providing an additional boost, real personal consumption should rise 3.1% in 2015.
- Growth in the real estate sector remains modest, but still-high affordability and rising incomes should help generate a gradual acceleration in housing activity.
- Net exports will be a drag on the economy in 2015 as a stronger currency and modest global growth will weigh on US exports. However, as global growth picks up, so will demand for US exports, though firm domestic demand will continue to pull in imports.
- The plunge in oil prices has led to a sharp decline in the number of oil rigs and mining employment, and reduced capex in the oil sector will weigh on the economy in the coming quarters. But the boost to consumer spending should outweigh this drag.
- We foresee headline CPI inflation hovering around zero (with possible negative readings) through the summer, but then rebounding towards 2.0% in the second half of the year. With core inflation well anchored, we maintain our call for a Fed rate hike in September.



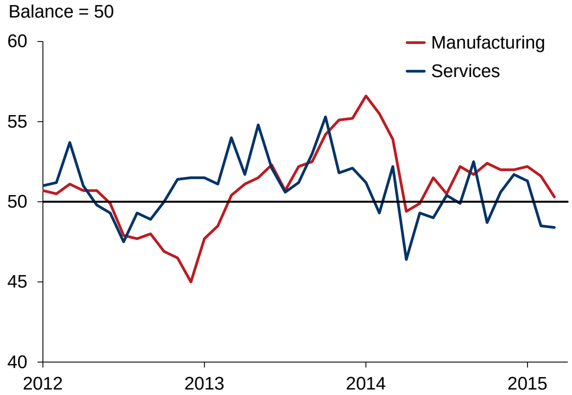




Japanese Economy

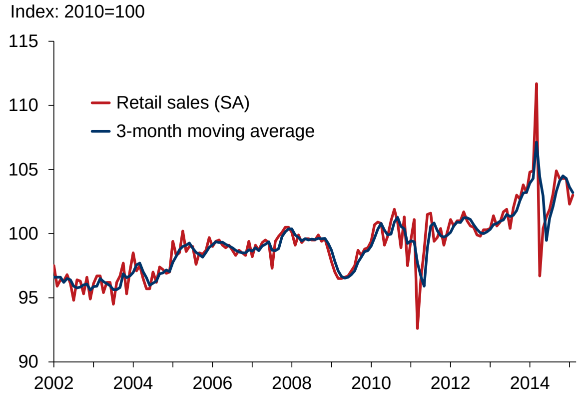
- Business surveys have softened in early 2015. The manufacturing PMI averaged 51.4 in Q1, compared to 52.1 in Q4 2014, and the March reading of 50.3 was the lowest for almost a year. Similarly, the services PMI averaged 49.4 in Q1, down from 50.3 in Q4, and March's 48.4 was also the weakest for about a year.
- Official data on the production side do not look quite so gloomy. Industrial production remains volatile, falling 3.4% on the month in February, but the trend does appear to be upwards – output in the three months to February was up 1.9% on the previous period. And the tertiary industry activity index rose 1.4% on the month in January, suggesting a fairly strong start to the year, in contrast to the PMI surveys.
- On the expenditure side, private consumption has weakened recently – retail sales were down 1.2% in the three months to February over the preceding period. On the other hand, the big expenditure drag in recent quarters has been destocking, and this should now be easing as inventory ratios return to more normal levels. In addition, foreign trade still looks positive for growth – real exports were up 3.3% in the three months to February over the previous period, while imports rose 2.8%.
- On balance, we estimate that GDP grew 0.4% in Q1, equal to the rate seen in Q4 2014, and down a little from the 0.6% we were expecting last month. However, we remain relatively optimistic on growth for the remainder of the year, and have only nudged down our full-year growth forecast for 2015 to 0.8% (from 0.9% last month).
- The main concern is on inflation. Core inflation (excluding the impact of last April's sales tax hike) fell to 0% in February and is highly likely to have dropped into negative territory in March. Recent Bank of Japan (BoJ) minutes do not hint at any imminent policy easing. Rather, we think the BoJ will have to see a string of negative inflation outturns before moving again, so we expect an addition to QE in October. The marginal impact of extra QE on growth and inflation will be fairly small, but should give an additional lift to asset prices and push the yen down further.

Japan: Purchasing managers' indices



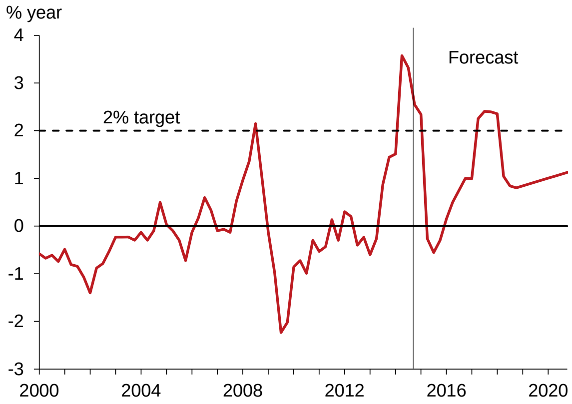
Source: Markit

Japan: Retail sales



Source: Ministry of Economy, Trade and Industry / Haver Analytics

Japan: Consumer price inflation



Source: Ministry of Internal Affairs and Communications / Oxford Economics

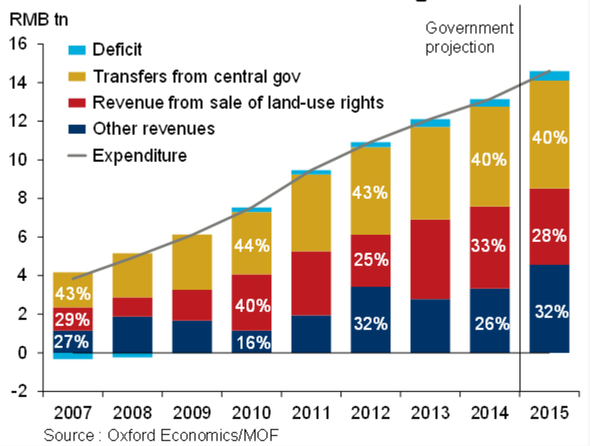
Emerging Market Economies

Chinese investment growth to slow further

The Chinese economy decelerated further in Q1 – probably more than the authorities would like to see. Both investment growth and industrial production expansion have slowed since the end of 2014, and with the HSBC PMI falling back below 50, domestic activity does not appear to have picked up in March. Indeed, CPI inflation was moderate again (1.4%) and import volumes are estimated to have fallen substantially.

Property prices are still falling. This real estate correction will continue to dampen activity over the coming months, amplified by its effects on local government (which rely heavily on property-related funding). Local governments are an important source of demand for the economy, but this year they will also be constrained by central government policies to move hidden liabilities to the public sector balance sheet. These factors increase the risk of a significant shortfall in investment spending. So we have lowered our GDP growth forecast for this year to 6.6%, from 6.8% last month.

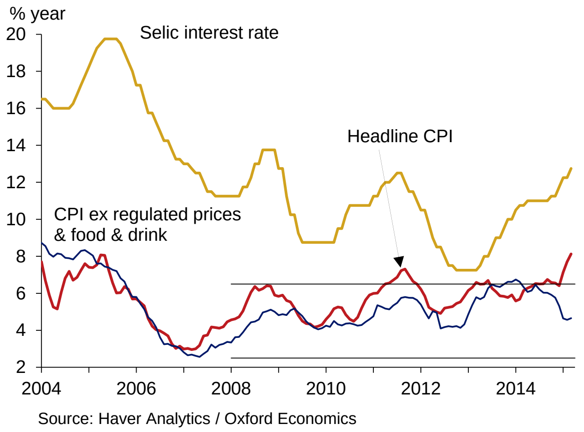
China: Revenue structure of local governments



Tight fiscal policy puts Brazil in recession

A new national accounts methodology has added 4% to the size of Brazil's economy, but the outlook is unchanged. We expect activity to decline for most of this year, causing GDP to contract by 1.3% in 2015 after a meagre 0.1% expansion in 2014. Domestic demand will be squeezed by tight fiscal policy as the government tries to prevent the debt-to-GDP ratio pushing above the ratings agencies' threshold for investment grade status. Indeed, the GDP revisions supported this aim by revising debt down to 59.0% of GDP in 2014, from 63.0%. Tax cuts and squeezed spending, together with tighter credit and high inflation (a 20.0% fall in the exchange rate so far this year will push import prices up) will contribute to the first fall in household spending since 2003.

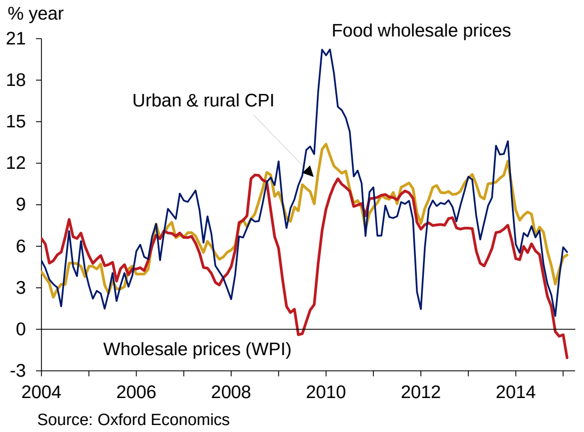
Brazil: CPI measures & Selic interest rate



Better outlook for India…

Lower fuel prices, steadily reducing inflation and higher business and investor confidence suggest that growth in India will accelerate in the coming months. Industrial production increased for the fifth consecutive month in February – by 5.0% year-on-year, and manufacturing PMIs have been consistently expansionary so far this year. Further monetary policy loosening is also in prospect. Major banks have yet to pass on the 50bp reduction in interest rates since January to their customers, and we expect the RBI to lower the policy

India: Prices



rate by another 50bp over the course of the year, bringing it to 7.0%.

Narendra Modi's current international tour raises India's profile abroad, but it will only attract foreign investors if backed by policies to improve India's business environment. Some progress has been made, including the planned introduction of a goods and services tax in April 2016 and increased FDI caps in key sectors like railways, insurance and defence. Still, India still has a long way to go to in implementing structural reforms. We expect GDP to increase by 7.5% this year and next, slightly up from 7.2% in 2014.

…and slightly less bad for Russia

A partial reversal of December's sharp monetary tightening means the economy will not contract quite as severely as seemed likely at the beginning of the year. Since January, policy rates have been cut by 300bp to 14.0% in response to stabilising oil prices and rouble. Further monetary easing is on the cards over the course of this year as the central bank prioritises weakening growth over inflation. Lower rates will help ease the tight financial conditions facing business and households. We think the economy will shrink by 5.6% this year, slightly less than the 6.2% fall forecast last month. It should start to grow again from next year – although only by 0.9%.

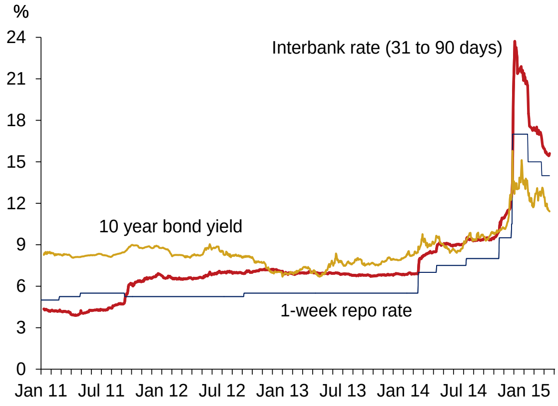
Risks rise in Turkey ahead of election…

The expected boost to consumption in Turkey from cheaper oil and the gradual unwinding of tight monetary policy should support domestic demand. But continued weakness in external demand may limit the benefits to exporters of a weaker lira; while imported inflation could jeopardize the pace at which the central bank is able to deliver further cuts. We expect the economy to grow by 3.3% this year, but the credibility of policy-making after June's general elections is in question.

…and in Korea from US$ strength

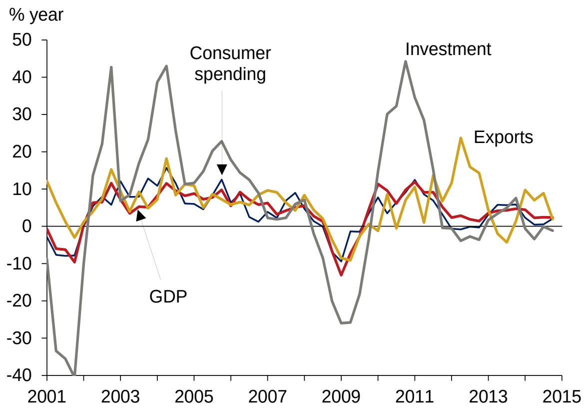
The won has held up against the US$ better than most other currencies in the region, but this is damaging the competitiveness of Korea's exports. The PMI for March indicates contraction in manufacturing, and faster credit growth has not so far boosted retail sales. Furthermore, high household debt means the central bank will be wary about cutting interest rates to boost demand – we expect rates to remain unchanged for the rest of this year. These developments indicate strong downside risks to our forecast for growth of 3.5% this year and 3.7% in 2016.

Russia: Short-term interest rates



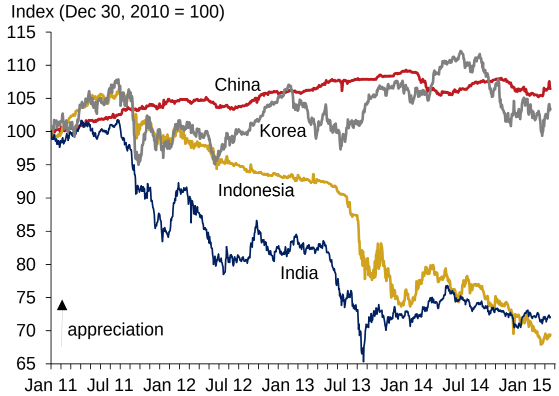
Source: Haver Analytics

Turkey: Real GDP



Source: Haver Analytics

Emergers: Exchange rates v US$



Source: Haver Analytics

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 Responsilbility**

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	**Quantitive 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 US, UK, France, Germany, Italy, Canada, Japan

ETC Member Organizations

Austria	Austrian National Tourist Office (ANTO)
Belgium	Flanders: Visit Flanders
	Wallonia: Tourist Office for Wallonia-Brussels
Bulgaria	Ministry of Economy and Energy
Croatia	Croatian National Tourist Board (CNTB)
Cyprus	Cyprus Tourism Organisation (CTO)
Czech Republic	CzechTourism
Denmark	VisitDenmark
Estonia	Estonian Tourist Board - Enterprise Estonia (ETB)
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	ENIT – Agenzia Nazionale del Turismo
Latvia	Latvian Tourism Development Agency (TAVA)
Lithuania	Lithuanian State Department of Tourism
Luxembourg	Luxembourg National Tourist Office (ONT)
Malta	Malta Tourism Authority (MTA)
Monaco	Monaco Government Tourist and Convention Office (DTC)
Montenegro	National Tourism Organisation of Montenegro
Norway	Innovation Norway
Poland	Polish National Tourist Office (PNTO)
Portugal	Turismo de Portugal, I.P.
Romania	Romanian National Authority for Tourism
San Marino	State Office for Tourism
Serbia	National Tourism Organisation of Serbia (TOS)
Slovakia	Slovak Tourist Board
Slovenia	SPIRIT Slovenia
Spain	Turespaña - Instituto de Turismo de España
Sweden	VisitSweden
Switzerland	Switzerland Tourism (ST)
Turkey	Ministry of Culture and Tourism