

MONTHLY REPORT CENTRAL EUROPE FEBRUARY 2024



**ST.PETE
CLEARWATER**

**KAUS
MEDIA
SERVICES**



Marketing
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1. Current State of the Tourism Industry in Central Europe

European International Travel Trends Update

15 percent more vacationers - USA booming as a travel destination

Despite inflation and the strong dollar, more and more international tourists are traveling to the USA. Germans are now traveling to New York and Los Angeles as often as they did before coronavirus. This is despite the fact that a day's vacation in the United States costs an average of 263 euros.

From Manhattan to Miami, from the Grand Canyon to Honolulu: many of the world's dream destinations are in the USA - making the country one of the most popular travel destinations in the world. The United States is expecting 77.7 million international visitors in 2024. That would be 15 percent more than in the previous year, reports the US Travel Association, citing official forecasts from the US government.

And the upward trend continues: the number of foreign visitors is expected to reach 85.2 million in 2025 and 91.1 million in 2026, according to estimates by the National Travel and Tourism Office (NTTO). The popularity of a vacation in the USA appears to be unbroken - neither the high dollar exchange rate nor bureaucratic entry hurdles, including long visa waiting times, are deterring foreign tourists.

However, the pre-corona level is not expected to be reached in 2024 despite the large increase but will clearly be exceeded in 2025. For comparison: 79 million foreign visitors were counted in the USA in 2019.

The USA is the most popular long-haul destination for Germans

German citizens are likely to perform even better than the international average in 2024: the official tourism organization Brand USA assumes that the number of arrivals from Germany will return to the pre-pandemic level of 2019 as early as this year, at a good two million. Around 1.8 million Germans traveled to the USA in 2023.

This makes the United States the most popular long-haul destination for German holidaymakers. And the wanderlust continues: according to the latest tourism analysis by the Stiftung für Zukunftsfragen, 16.4% of Germans are planning a long-distance trip in 2024.

The tourism organization Brand USA has good news when it comes to costs. Spending on a vacation in America is not expected to rise as much in 2024 as it did in 2023: "We expect prices to remain stable on balance," Jackie Ennis, Vice President of Brand USA, told the portal Touristik Aktuell.

And how much does a vacation in the USA cost? The travel cost comparison portal budgetyourtrip.com currently assumes average travel costs of 284 US dollars (263 euros) per day. A one-week trip to the USA for two therefore costs around 4000 dollars (3684 euros). If you want to travel in the luxury segment, you will have to spend considerably more, namely 815 dollars (756 euros) per day. Costs for the transatlantic flight are added to this.

If you want to save money, you should avoid the most expensive American cities. According to financial blog InsiderMonkey.com, these five are at the top of the list: New York City is the most expensive place in the USA for tourists with an average daily budget of 510 dollars/474 euros, followed by San Francisco (492 dollars/457 euros), Key West/Florida (451 dollars/419 euros), Boston (410 dollars/381 euros) and Los Angeles (396 dollars/368 euros).

(Source: www.welt.de)

Study: Germans are willing to spend a lot of money on vacations

Inflation, ever-increasing travel prices, wars - you would think that Germans would have less and less desire to travel. But the 40th German Tourism Analysis by the Hamburg Foundation for Future Studies shows a completely different picture.

Two thirds want to travel

63 percent of Germans want to take at least one or more vacation trips lasting longer than five days this year. That is almost two thirds of Germans. What's more, the figure for the current year is even three percentage points higher than last year.

"These figures illustrate how willing Germans are to turn their dreams into reality despite the ongoing uncertainties," explains Ulrich Reinhardt, head of the representative study. A total of around 3,000 German adults were surveyed for the study in December 2023 and January 2024.

Germany remains the number one travel destination

In terms of destinations, Germany remains the most popular travel destination for Germans this year. Reinhardt expects 37% of holidaymakers to have spent their main vacation in Germany by the end of the year. According to the survey results, Spain, Italy and Scandinavia, which edged out Turkey by one place last year, follow in second place.

16.4 percent of all respondents are planning a long-distance trip. According to Reinhardt, this is the highest long-distance travel rate measured by the foundation in the past 40 years. Just under one in five respondents are still undecided (17 percent). In addition, the cruise boom is "unbroken". According to the head of the study, the booking figures for this year look "excellent".

Despite all the adversity, people are not cutting back on vacations

Despite high prices, vacation bookings in Germany remain high. "I don't expect Germans to spend less money on their vacations," says Ulrich Reinhardt. Perhaps there will be a shift in the choice of vacation destination or some holidaymakers will shorten the length of their stay.

Reinhardt summarizes the results of the 40th Tourism Analysis as follows: "Despite all the challenges, travel will remain a central part of many people's lives in 2024, and they are prepared to spend a lot of money on it."

(Source: www.touristik-aktuell.de)

2. Overview of Regional Activities

Germany

- From January 31 to February 4, 2024, we promoted St. Pete / Clearwater at the leisure travel show ABF in Hannover, Germany as a co-exhibitor of the German tour operator America Unlimited. Over the course of the five days long trade show, more than 86,000 visitors came to the exhibition grounds in Hannover to receive information about destinations and vacation opportunities from over 530 exhibitors. Both the high number of visitors and, in particular, their interest in the U.S. and Florida were remarkable since a high number of vacationers were looking to book a trip to Florida in 2024 or had already booked a trip to the state.

In addition to promoting St. Pete / Clearwater at our own booth, we had a chance to present our destination to a large audience of interested consumers on stage every day, highlighting the attractions in St. Pete / Clearwater and encouraging potential travelers to visit our destination.

While many travelers were aware of our destination, others required detailed information about the attractions in our area – from the vibrant arts and culture in the destination as well as diverse culinary experiences to our amazing beaches and further vacation opportunities. We assisted visitors in finding accommodations that best suited their vacation and budget needs. Many inquired about favorable travel times and also about the weather during school holidays here in Germany.



- For the campaign with TUI and Visit Florida, KMS received the print templates for the instore TV and social media promotion from TUI as well as their weekly newsletter integration and out-of-home advertising. We corrected all promotional materials based on the drafts, forwarded the requested changes and sent our approvals for the final materials.

- We continued preparations for our promotion for St. Pete / Clearwater at the German travel show f.re.e in Munich, Germany from February 14-18, 2024.

VSPC participated as a co-exhibitor of the Visit USA Committee Germany in the travel consumer show. During the five days long trade show, a high number of potential travelers attended the show: Approximately 1,000 exhibitors from over 50 countries and more than 140,000 visitors came to Bavaria's biggest show for travel and leisure at the Munich exhibition grounds. Other Florida partners included Tampa, Bradenton and Ft. Myers.

Both the high number of visitors and in particular their quality was remarkable. We were extremely happy with the amount of people who are looking to book, or already booked a vacation in Florida for the year 2024.

We were able to give many destination presentations encouraging potential travelers to visit our destination. In addition, we very often had a chance to explain the differences between the east coast and west coast of Florida and especially the significance of St: Pete / Clearwater and why visitors should stay with us.

The quality of the visitors received top marks from exhibitors across all subject areas. In addition, 94 percent of visitors rated f.re.e as good to excellent. Ninety-five percent of visitors also stated that they would visit the trade fair again.



- After we ordered brochures and giveaways for future promotions from Visit St. Pete / Clearwater to restock the inventory of VSPC's German warehouse for future promotions, the shipment was held up by German customs. We researched the reasons and assisted both VSPC as well as the German warehouse until the shipment was cleared and delivered to the warehouse.
- We also coordinated the regular coordination of the warehouse that we have subcontracted on behalf of VSPC, proofread their inventory report for January 2024 and forwarded it to VSPC.
- We were in contact with target tour operators and other industry partners to promote our destination and to request marketing proposals for potential marketing co-ops with them.
- For our joint promotion with Brand USA and the German tour operator Canusa we assisted Brand USA with additional high-resolution photos and themed texts for St. Pete / Clearwater. In addition, we assisted with proofreading of the drafted native ads and banners as well as their correction. We also approved all promotional materials after their corrections.
- We distributed promotional materials and photos of Visit St. Pete/Clearwater to interested travel agencies and tour operators in Germany. Inquiries have also been received via the website of the Visit USA Committee Germany.
- We continued contacting many tour operators offering the U.S. and Florida in Germany and we discussed potential co-op activities. These included tour operators specialized in cultural travels to promote the arts in our destination.
- We received notes from VSPC about meetings with Central European tour operators at Florida Huddle and started following up with their requests.
- For our Brand USA supported radio co-op promotion in Germany we discussed the marketing proposal that we have received from the Radio Group, the second largest group of radio stations in the German-speaking countries. The Radio Groups will revise their proposal so that we will be able to incorporate the German airline Discover. Since Discover will increase its number of flights from Frankfurt to our destination, we would like to support them with these additional capacities.
- Continually engaging various tour operators in Germany offering U.S. and Florida travel, we explored potential co-op activities, including those specializing in cultural travels to promote our destination's arts and cultural offers.

- We assisted VSPC with drafting a German text for the new St. Pete / Clearwater ad in the Spring 2024 issue of the German travel magazine *America Journal* and provided approval for the final version of the ad.
- We continued discussing a potential collaboration with several German tour operators for the co-op proposal from Blu Media, the leading media company for the GLBTQ+ market in the German-speaking countries. We would like to incorporate a tour operator in the overall promotion for a measurable call to action and return on investment for our destination.
- After the appointment request tool of ipw 2024 in Los Angeles was opened, we listed all tour operators from the Central European markets that should be met during the show. As soon as the appointment scheduling will be closed, we will send an additional email to all these operators in order to ask them to mutually request meetings with VSPC and to ensure that we will have a chance to see them at the show.

In addition, we booked the hotel room from one of the ipw delegation hotels and informed VSPC accordingly.

- We received and forwarded a newsletter from the Visit USA Committee France to VSPC.
- We attended the bi-weekly coordination calls with VSPC in February 2024 in order to synchronize our activities and to discuss upcoming promotions.
- We drafted and submitted our activity report for February 2024.

Austria

- We maintained the contact with the Visit USA Committee Austria as well as several target tour operators and other industry partners in Austria to promote our destination and to request marketing proposals for potential marketing co-ops with them. We asked the Visit USA Committee Austria about the availability of B2B workshops or roadshows in 2024 in which Visit St. Pete/Clearwater can participate.
- We maintained a close communication with several Austrian tour operators through conference calls. As we will not be attending ITB Berlin 2024, we felt it important to contact the industry for various trends and updates moving forward into the year.

After speaking to several travel industry partners, the trends show that 2024 will be another successful year for travels to the U.S. since many industry partners are reporting that bookings are increasing.

- We distributed promotional materials and photos of Visit St. Pete/Clearwater to interested travel agencies and tour operators in Austria.

Switzerland

- After promoting our destination at the one-day long “Island Hopping” event to approximately 250 travel agents on January 31, 2024, we thoroughly followed up on all attending agents in February 2024 and assisted them with additional information about vacation opportunities and attractions found in St. Pete / Clearwater. The event is considered to be the largest B2B education event for the U.S. in Switzerland where travel agents from all over Switzerland meet destination representative from the U.S.
- We maintained a close communication with several Swiss tour operators since we will not be attending ITB Berlin 2024. We felt it important to contact the industry for various trends and updates moving forward into the year. The interest in the USA, especially for the Swiss market continues to remain high. Many of the attending travel trade are very interested in working with us to maximize interest in our area as a premier destination for leisure travel in Florida and in the U.S.
- We were in contact with target tour operators and other industry partners to promote our destination and to request marketing proposals for potential marketing co-ops with them.
- After a positive response from Edelweiss regarding our revised proposal that we had sent to the airline in cooperation with Visit Tampa Bay, we started contacting a targeted number of Swiss tour operators to request proposals for a potential co-operation in our destination promotion. Since the Swiss airline Edelweiss announced an increased seat capacity from Zurich to the Tampa Bay Airport (TPA) starting in 2024, VSPC and Visit Tampa Bay agreed on a joined promotion.
- We distributed promotional materials and photos of Visit St. Pete/Clearwater to interested travel agencies and tour operators in Switzerland.

The Netherlands

- We followed up on all travel trade professionals that we trained during our promotion for St. Pete / Clearwater at the Dutch travel show Vakantiebeurs in Utrecht, The Netherlands in January 2024.

Vakantiebeurs is the largest leisure and tourism trade show in the Dutch market. It takes place at the Jaarbeurs fairground in Utrecht every year. The show targets experts from the travel and tourism industry and – as a consumer show – also interested consumers. The show is held annually in January.

- We discussed the promotions of the Visit USA Committee in the Netherlands for future promotional opportunities in the Dutch travel market in 2024. Their media kit includes newsletter promotions, social media activities, webinars among other promotions.
- We distributed promotional materials and photos of Visit St. Pete/Clearwater to interested travel agencies and tour operators in the Netherlands.

Belgium

- We were in contact with the Visit USA Committee Belgium as well as several target Belgian tour operators and other industry partners to promote our destination and to request marketing proposals for potential marketing co-ops with them.
- From February 1-4, 2024, we promoted St. Pete / Clearwater at the leisure travel show "Brussels Holiday Fair" in Brussels, Belgium as a co-exhibitor of the Visit USA Committee Belgium. Over the course of the four days long trade show, approximately 100,000 visitors came to the exhibition grounds to receive information about destinations and vacation opportunities from exhibitors around the world. The high number of visitors and their interest in a trip to the U.S. and to Florida in 2024 or 2025 were very high.

We had a chance to promote St. Pete / Clearwater to many potential travelers that were interested in our destination and we also highlighted the attractions in St. Pete / Clearwater these travelers to visit our destination.



- We continued contacting many tour operators offering the U.S. and Florida in Belgium and we discussed potential co-op activities. These included tour operators specialized in cultural travels to promote the arts in our destination.
- We maintained a close communication with several tour operators from Belgium since we will not be attending ITB Berlin 2024. We felt it important to contact the industry for various trends and updates moving forward into the year. The interest in the USA, especially for the Belgian market continues to remain high.

The operators reported a recent study that 78% percent of Belgians choose a destination abroad while 22% prefer to travel in Belgium. Among Belgians who choose to travel outside Belgium, 84% stay within Europe and 16% prefer to discover a distant destination where the USA is the most popular long-haul destination.

Travel destination

78 % travel abroad
(84 % in Europe en
16% long haul) and
22 % in Belgium



Preferred destinations

In Europe

France	31 %
Belgium	29 %
Spain	9 %
Holland	7 %
Italy	4 %

Out of Europe

Turkey	16 %
USA	7 %
Morocco	4 %
Egypt	4 %
UAE	4 %

Number of trips

per year

3

3 trips including
min. 2 weeks in
the summer

Poland, Czech Republic and Hungary

- We asked the VUSA Committees in Poland, Hungary and the Czech Republic about planned marketing activities that Visit St. Pete/Clearwater can participate in during the next few months. We are still awaiting a response from the Visit USA Committees. We will continue following up.

3. Status of Sales Activities and Promotions

Consumer Promotion with Visit Florida and TUI Germany (starting in January 2024)

- In co-operation with Visit Florida and the German tour operator TUI we will carry out a consumer promotion.

Consumer Promotion with Canusa Touristik (starting in January 2024)

- In co-operation with the German tour operator Canusa Touristik and Brand USA, we will carry out a planned promotion targeting potential travelers to our destination.

Advertising Promotion with America Journal (until October 2024)

- In cooperation with VSPC and Brand USA, we continued a multiple months long advertising campaign with the travel consumer magazine America Journal. The promotion includes media coverage provided by the magazine, as well as advertorials and digital marketing opportunities. It started in fall 2023 and will be concluded in fall 2024. Brand USA will support the promotion.

TravMedia's International Media Marketplace Germany (IMM) 2024, Berlin, Germany (March 04, 2024)

- We will promote our destination at IMM Germany, the leading travel media event in the German speaking countries. During the day-long event, approximately 120 leading travel brands meet with 200 top-tier media and influencers in Germany, Austria and Switzerland. We will be able to meet leading media outlets in up to 24 pre-scheduled meetings as well as networking functions. The event takes place in Berlin, Germany on the day before ITB Berlin will start.

IPW Los Angeles, CA (May 03-07, 2024)

- Support of VSPC during IPW 2024 with pre-scheduling and coordinating meetings with travel trade professionals and media interviews as well as onsite representation.
- We started preparations for the show and supported the appointment scheduling with media from Central Europe.

Further sales activities and promotions will be added after approval.

4. Public Relations Activities

Please see our separate PR Activity Plan for an overview of all our public relations and media relations activities in February 2024.

5. Market Updates

Travel and Economic News

German holidaymakers are very open to sustainable travel - but there is one point where they fail

According to the World Travel and Tourism Council (WTTC), up to eleven percent of global CO₂ emissions are attributable to tourism. Nevertheless, travel is something that few Germans want to do without - as the German Travel Association (DRV) also predicts for the current year. Vacation demand for the summer months is high and the industry is expecting sales growth of four percent. The association also sees an upturn in long-haul travel - for example to the USA, Thailand or Indonesia - of eleven percent compared to the previous summer following the coronavirus pandemic. Long-haul flights are considered to be particularly harmful to the climate.

German travelers are open to more sustainability

However, a representative study of 1,002 people aged 16 to 69 commissioned by the booking portal HolidayCheck shows that German holidaymakers are not indifferent to sustainable travel. It revealed that 45 percent of respondents now place more importance on sustainability when choosing a travel destination than in previous years. With regard to travel planning in the next twelve months, a total of 58 percent would like to pay more attention to sustainability or climate and environmental protection at their vacation destination. Only 13 percent do not want to consider sustainable travel at all.

However, sustainability is still not the top priority for travelers. Safety from natural disasters (90 percent) and extreme weather events (79 percent) are more important to German holidaymakers. The numerous forest fires, earthquakes and heat alerts in popular vacation destinations such as Greece and Italy in the past seem to have stuck in the minds of travelers - more than half want to avoid travel destinations that have been affected by extreme weather events in recent years. An intact natural environment also plays a major role in travel planning (85 percent). This is reflected, among other things, in the fact that more and more holidaymakers are being drawn to Scandinavia.

The issue of sustainability when traveling seems to have reached the younger generation in particular: Half of them would even be willing to spend up to 20 percent more of the total travel price if it paid into it.

Sustainable travel: Too little knowledge available

The sticking point seems to be that many Germans feel poorly informed about sustainable travel. According to the survey, 24 percent of respondents do not even know what sustainable travel options are available. Only just under 20 percent have heard that accommodation and package tour providers offer sustainable certifications.

And when it comes to the question of which certifications and seals of approval exist in the travel industry, around 61% of survey participants are in the dark.

However, the willingness to adapt their travel behavior is clearly there. Two thirds would forego cruises in order to make their vacation more sustainable. More than half are also prepared to forego air travel or longer car journeys and use alternative means of transportation. However, there is reluctance when it comes to the aforementioned sustainability certificates and CO₂ compensation payments - respondents do not feel they can make a difference by booking sustainable accommodation and they do not know what the CO₂ surcharge is used for. According to HolidayCheck, the travel industry still needs to do a lot of educational work here.

(Source: www.merkur.de)

Germans' most popular travel destinations: Scandinavia surprisingly overtakes Turkey

Thanks to its good value for money, Turkey has been a top travel destination for Germans for years. Now the cold north of Europe is giving it a run for its money.

When people think of vacations, they usually think of beautiful beaches, azure waters and lots of sunshine. This is also reflected in bookings every year, as Mediterranean destinations are always at the top of the list for Germans. This can also be seen in 2024, as many holidaymakers are once again drawn to Turkey and Greece, according to the German Travel Association (DRV). The Spanish archipelagos of the Balearic and Canary Islands and the Spanish mainland are also popular. However, German travelers no longer seem to be focusing solely on warm vacation destinations.

Fjords and forests instead of beaches and sunshine: Turkey is overtaken by Scandinavia

Scandinavia overtook Turkey as the most popular European vacation destination last year, according to the latest tourism analysis by the BAT Foundation for Future Studies. It is based on a representative survey of 3,000 people aged 18 and over from Germany on their travel behavior in 2023.

Around 4.8 percent of respondents stated that they had spent their main vacation in Norway, Sweden, Finland or Denmark. This puts the Nordic countries in third place among the top travel destinations - just behind the classics Spain (9.1 percent) and Italy (7 percent). Turkey, on the other hand, was pushed down to fourth place (4.6%) compared to the previous year. Greece also recorded a decline with 2.9 percent instead of 4.2 percent.

"Many travelers associate the Nordic countries with nature, safety, a high standard of quality, atmosphere and great hospitality," says Prof. Ulrich Reinhardt, Scientific Director of the BAT Foundation for Future Studies. According to him, the possibility of traveling by car is also likely to play a role. According to Reinhardt, the fact that vacation enthusiasm for Turkish and Greek travel regions has decreased is due to the increased costs on site.

Scandinavia could still be one of the top travel destinations in 2024

An outlook for the 2024 travel year shows that Scandinavia is here to stay as the new top destination. 3.8 percent of respondents in the tourism analysis by the Stiftung für Zukunftsfragen (Foundation for Future Studies) said they were planning a trip to the Nordic countries. This once again puts them in third place among European destinations after the frontrunners Spain and Italy and ahead of Turkey in fourth place. However, Germany is still ahead of the foreign vacation destinations: 28.2% of respondents plan to spend their vacation in Germany in 2024.

(Source: www.merkur.de)

Germany – Economic news

Ifo business climate brightens a little

The Ifo business climate brightened slightly in February. "The economy is stabilizing at a low level," commented Ifo President Clemens Fuest. The economy remains stagnant.

The economic situation in Germany remains stagnant at the beginning of the year. According to the latest survey by the Munich-based Ifo Institute, the business climate brightened somewhat in February. The institute's business climate index rose slightly from 85.2 to 85.5 points. "The economy is stabilizing at a low level," commented Ifo President Clemens Fuest. The almost 9,000 companies surveyed were slightly less pessimistic about future developments than before.

Their assessment of the current situation remained almost unchanged. Hopes for a turnaround in the business climate, which emerged in the fall, have not yet been fulfilled.

At the end of 2023, economic output in the final quarter of 2023 had shrunk by 0.3% compared to the previous quarter, as confirmed by the Federal Statistical Office on Friday. In the first quarter of this year, economic output could decline again slightly, the Deutsche Bundesbank expects. The economy has remained stagnant since spring 2022, with gross domestic product either growing slightly or shrinking slightly.

In 2023 as a whole, real gross domestic product fell by 0.3 percent. For this year, the German government is only expecting meagre growth of 0.2%.

Among the major industrialized nations, Germany is in the red with a 0.3% drop in gross domestic product in the final quarter of the year. France reported stagnation, Italy slight growth of 0.2% and Spain an increase of 0.6%. The US economy grew by 0.8% compared to the previous quarter. Japan's economy shrank by 0.1 percent.

Investment weakness deepens

Gross fixed capital formation proved to be the biggest brake on growth at the end of the year, shrinking by 1.9% compared to the previous quarter. The weakness in investment that has persisted since the coronavirus pandemic is thus deepening. This applies in particular to the construction industry, which is in crisis as a result of high interest rates, among other things.

In the period from October to December, construction investment fell by 1.7% and shrank for the third quarter in a row. A rapid improvement is not in sight. Statisticians did report that incoming orders in the main construction sector rose in December and were 4.2 percent higher than in the previous year. However, the trend has been pointing downwards for months. For the year as a whole, incoming orders in the main construction sector fell by 4.4 percent.

Investment in equipment, which includes machinery and vehicles, was even weaker than construction investment in the final quarter of the year. They fell by 3.5 percent compared to the previous quarter. In surveys, companies are not only complaining about poor framework conditions in Germany, but also about the great uncertainty surrounding the fluctuating economic policy course of the red-green-yellow coalition government. For example, the Growth Opportunities Act, which would provide some relief for the economy, is still a long way off.

Exports shrink for the fifth consecutive quarter

In the final quarter of the year, consumption increased slightly by 0.3% compared to the previous quarter, with private and government consumption growing at a similar rate. Private households in particular continue to be burdened by inflation and past price increases. Meanwhile, the downward trend in German foreign trade continues. At the end of the year, exports shrank for the fifth consecutive quarter, namely by 1.6%. Imports fell by 1.7 percent. Net exports remained neutral in the fourth quarter.

(Source: www.faz.net)

Travel News

New record: almost 18 million holidaymakers on the Balearic Islands, 4.6 million of them Germans

In 2023, more guests came to the islands than ever before. Majorca vacations are booming, especially in Switzerland

Once again a new holidaymaker record for Mallorca and the neighboring islands: In 2023, 17.8 million tourists came to the Balearic Islands - eight percent more than in the previous year. 70 percent of holidaymakers choose Mallorca over the other Balearic Islands as their vacation destination. Spending by holidaymakers has risen even more sharply, with almost 20 billion euros spent on the islands. This corresponds to an increase of 15 percent.

Germany, the UK and Spain remain the most important source markets, albeit with varying growth rates. Demand for Majorca vacations has risen particularly strongly in Switzerland, where an increase of 19% was recorded. The number of British holidaymakers increased by almost 11 percent. Interest fell most sharply in Belgium and Scandinavia.

Leader in the occupancy rate of guest beds

These figures are based on the recently published annual report of the Balearic Islands Tourism Strategy Agency (Aetib). Based on data from the Spanish Statistics Institute (INE), the Balearic Islands Statistics Institute (Ibestat) and the airport operator Aena, this results in a fairly complete collection of data relating to tourism on the islands. The Frontur figures for international tourism from the INE statistics institute were only published at the beginning of February.

In 2023, the Balearic Islands led Spain in terms of bed occupancy. On average, 76% of beds were occupied on the islands (2.4% more than in 2022). The Canary Islands (72%) followed in second place, ahead of Catalonia (61%). Demand for vacation apartments continued to increase. The occupancy rate was just under 61%, an increase of 5.6% compared to the previous year.

Germans make up 25 percent of Balearic vacationers

The loyalty of Germans to Mallorca continues to know no bounds. In 2023, almost 7 percent more German holidaymakers came to the Balearic Islands than in the previous year.

With almost 4.6 million visitors, German travelers make up a quarter of all holidaymakers on the islands. In addition, half of the Germans who chose Spain as their vacation destination spent their vacation on the Balearic Islands.

The second largest group of visitors were once again the British with 3.7 million vacationers and a market share of 21 percent. Spanish visitors ranked third with 3.4 million travelers and an increase of 4 percent. The Spanish are the market leaders in Menorca (41 percent) and the Pitiusas with Ibiza and Formentera (26 percent).

Upturn among the French continues

The French have now moved into fourth place. Tourism from France experienced an upswing during the pandemic, partly due to good accessibility by car and ferry, and this is continuing. In 2023, around one million French holidaymakers visited the islands, an increase of 9.6 percent. The Italian market, with more than 780,000 guests and growth of 6.6%, ranks fifth among the most important source markets.

The Italians were followed by the Dutch with more than 670,000 visitors (an increase of 6%). In seventh place are holidaymakers from the Scandinavian countries with almost 600,000 travelers (-2.7 percent). The Swiss market took eighth place with more than 490,000 travelers, ahead of the Belgians with around 271,000 visitors. The sharpest decline was recorded there in 2023 (-9.3 percent).

How much do holidaymakers spend?

In 2023, holidaymakers in the Balearics spent more money per person on the islands than in the previous year. Spending increased by 15 percent to 19.98 billion euros. Around 70 percent of this sum remained in Mallorca.

The largest increase was seen among international holidaymakers, who spent more than 16% more (€17.72 billion) and were responsible for around 89% of total spending. Germans spent the most on their vacations (5.17 billion euros, +8.7% in 2023). This was followed by the British (4.28 billion euros, +15%).

Vacations are getting shorter and shorter

On average, a traveler spent 1,120 euros on a vacation in the Balearics, an increase of 6 percent. However, this average figure is unlikely to be very meaningful given the very different lengths of trips and demands on accommodation.

The average length of stay for holidaymakers has fallen further in 2023. The average Balearic vacation is 6.5 days, a decrease of 1.6 percent.

(source: www.mallorcazeitung.es)

Tour Operator News

Rising income for TUI: Germans are reluctant to save on travel

After the near-bankruptcy in Corona times, business at the travel group TUI is going well again. Even a sharp rise in prices or problems at the airport are not deterring customers from booking.

There are actually many reasons why holidaymakers are losing the joy of traveling: there is a staff shortage in hotels and restaurants, airlines are experiencing hours of delays - or flights are being cancelled altogether due to never-ending strikes. There are also complaints about poor service or luggage chaos at the airport. Rarely has the industry offered such poor service for so much money as it does today, according to consumer associations, and yet tourism is booming. After the experiences of the coronavirus years, customers are apparently prepared to put up with anything. The desire to travel - especially among Germans - is unbroken. Even if high inflation is dampening consumption, people are reluctant to save on travel. This is also noticeable at the world's largest travel group TUI, which in any case has no reason to complain.

Pre-tax profit even in the winter season

The Group, which was badly hit during the pandemic and could only be kept alive with taxpayers' money, is back on course for growth. It flexed its muscles at today's virtual Annual General Meeting: Revenue is bubbling up like never before. According to the industry giant, customers are very willing to dig deeper into their pockets for their vacations, but the truth is that TUI has succeeded in pushing through its massive price increases without much resistance.

Behind the scenes at the European Central Bank, the travel provider is regarded as one of the German companies that indulges in "greed inflation" - i.e. raising prices significantly more than would be necessary due to increased costs.

Although TUI continues to make net losses, there is a plus of six million euros in adjusted pre-tax earnings in the past quarter after a loss of 153 million euros in the same period of the previous year. A good performance from an analyst's point of view, as the winter season is normally rather weak. In the entire past financial year, 20.7 million people traveled with the TUI Group - as many as before Corona. The tax aid was repaid. The booking situation for the summer is impressive.

New aircraft are needed

TUI is back, and it wants to continue to grow operationally - by seven to ten percent every year. To achieve this, it also needs new aircraft. However, the Group has opted for the 737 MAX series from Boeing, some of which have been in operation since summer 2021, which most customers are not even aware of. In other words, exactly the type of aircraft that has caused one crisis after another for US aircraft manufacturer Boeing due to defects and production problems.

346 people lost their lives when two first-generation 737-MAX models crashed. Now a door flew out of the cabin panel on take-off at Alaska Airlines, presumably because bolts on the successor model were incorrectly seated and screws were not properly tightened. The passengers escaped with a scare. As a precaution, 170 jets had to remain on the ground for a time.

Boeing will probably not be able to deliver on time

"We are highly satisfied with the Boeings that we fly, they are very high-performance aircraft," says TUI Group CEO Sebastian Ebel, praising his aircraft nonetheless. They belong to different series than the ill-fated jets. He is waiting for 46 new MAX-8 and MAX-10 models. There is an option for 32 more.

But Boeing will probably not be able to deliver on time, partly because the wrong holes were drilled in many of the aircraft and the authorities are now carrying out stricter checks. This, in turn, could put a damper on TUI's ambitious growth plans - and soon put a dent in the share price.

Share to be listed in Frankfurt again

The share is now to move again and regain its main listing in Frankfurt. For ten years, the TUI share had its main listing on the London Stock Exchange. As a second-line stock in Frankfurt and Hanover, the company's headquarters, it played only a minor role.

At that time, the German TUI and the British TUI Travel merged to form the world's largest tour operator. There were many reasons for the costly triple listing with a focus on London: London's stock market was particularly important in Europe at the time, a merger of the London and Frankfurt stock exchanges was repeatedly discussed and also - unsuccessfully - attempted, the UK had not yet left the EU, and the English, Scots, Welsh and Northern Irish like to travel just as much as the Germans - if not more.

This is now a thing of the past. Today, TUI's shareholders are deciding to move the main listing back to Frankfurt. 75 percent of the shareholders must vote in favor. That is considered certain. After returning to the Main, the share, which has been badly ripped apart by Corona, can look forward to a place in the M-DAX, the prestigious stock exchange league of medium-sized companies. At some point, it may even be possible to return to the glory days: for 18 years, TUI - which was still called Preussag for most of that time - was an integral part of the DAX.

(Source: www.tagesschau.de)

Travel agencies worry about FTI Touristik

In a 6-year plan, FTI assumes that revenue development will gradually return to the base year 2018/2019. The sales performance to date and the booking figures for the 2023 summer season are not inconsistent with this planning.

The capital paid in by the shareholder, the Sawiris family office, and the funds from the stabilization measures together with the bank financing as well as bank and supplier loans should be sufficient to secure the financing of the FTI Group until the end of the 2024 summer season. The management has also developed a catalog of measures to counter any liquidity shortfalls that may arise after this period. travel agencies are concerned about FTI Touristik

The consolidated financial statements 2021-2022 of FTI Touristik published on February 16, 2024 are worrying travel agencies.

As is well known, the financial years of the major German tourism companies, including FTI Touristik GmbH, run from November to October. Consequently, FTI Touristik GmbH is already in the 2023/24 financial year.

On February 16, 2024, the annual report of FTI Touristik GmbH for the 2021/22 financial year was published in the "Bundesanzeiger" published by the German Federal Ministry of Justice.

Disturbing findings

The accumulated loss of the FTI Group amounted to EUR 308,964,012.83 in the 2021/22 financial year and the consolidated result shows a minus of EUR 91.5 million.

The findings of the auditor Deloitte GmbH with regard to the continuation of business activities are worrying. Their report states verbatim:

"As stated in the notes to the consolidated financial statements and in the Group management report, these events and circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and that constitutes a going concern risk within the meaning of Section 322 (2) sentence 3 HGB."

Group management report less drastic

This statement refers to the 'Group management report' and in this to the section 'Going concern'. In it, the managing directors Ralf Schiller and Lars Creutzmann state that the coronavirus pandemic led to a significant unplanned liquidity requirement that could only be bridged by a combination of shareholder funds, government-backed loans and stabilization measures from the economic stabilization fund as well as savings and cost-cutting measures.

Additional liquidity requirements were triggered by the deposits required from 1 November 2021 for insolvency protection with the Travel Protection Fund, which were made after liquidity was provided by the Economic Stabilization Fund.

However, risks could arise due to financing gaps that could jeopardize the continued existence of the company and the Group if the assumed framework conditions on which the liquidity planning to overcome the effects of the coronavirus crisis were based change significantly. Changes to the framework conditions can result, for example, from parameters that deviate significantly from the planning assumptions, such as incoming bookings and cash inflows.

Depending on the extent of the deviations from the plan, closing the resulting financing gaps could require further external liquidity injections in the form of equity and debt capital, which does not appear necessary from today's perspective.

In this respect, FTI and the FTI Group as a whole continue to face uncertainties in connection with the continuation of business activities, albeit with a decreasing tendency.

Travel agencies worried

Marija Linnhoff, Chairwoman of the Association of Independent and Self-Employed Travel Agencies (VUSR), is now calling on FTI Touristik to provide clarity about its future ability to continue as a going concern.

"In the interests of the industry and travelers, FTI must provide clarity, especially about the actual booking developments in the current year, as these are decisive for the future viability of the Group. According to the 2022 financial statements, FTI is heavily burdened. It is important for travel agencies and customers to know, especially before the important sales season, whether FTI is a well-financed and therefore reliable partner and whether the revenue and debt situation can be reconciled with expected bookings."

The following financial years

Of course, it can be assumed that the 2022/23 financial years and the current 2023/24 financial year will help stabilize FTI's finances under the new Managing Director Karl Markgraf.

After all, they are no longer affected by the coronavirus pandemic. On the other hand, there are certain uncertainties due to the conflicts in Ukraine and the Middle East and the strong inflation in most of FTI's source markets.

(Source: www.abouttravel.ch)

PLEASE CONTACT US.



IF YOU HAVE ANY QUESTIONS REGARDING THIS REPORT, PLEASE DO NOT HESITATE TO CONTACT US:

KAUS MEDIA SERVICES

SOPHIENSTRASSE 6
30159 HANNOVER
GERMANY

AXEL KAUS, M.A.
MANAGING DIRECTOR
E-MAIL: TEAMVSPC@KAUS.EU
PHONE: +49 511 899 89 00

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MEDIA
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