



MONTHLY REPORT CENTRAL EUROPE MARCH 2024



**ST.PETE
CLEARWATER**

**KAUS
MEDIA
SERVICES**



Marketing
Communications
Consulting

Contents

1.	Current State of the Tourism Industry.....	3
2.	Overview of Regional Activities.....	7
3.	Status of Sales Activities and Promotions.....	15
4.	Public Relations Activities.....	18
5.	Market Updates	19

1. Current State of the Tourism Industry in Central Europe

European International Travel Trends Update

January brings record sales for the industry

In January, German citizens booked organized vacations for around 3.3 billion euros, according to figures from market researchers Travel Data + Analytics (TDA). Almost half of the monthly turnover is already attributable to the summer season of the new year. The only drawback is the 14 percent drop in the number of travelers.

According to TDA, January last year had already broken sales records when Germans' desire to go on vacation returned in force after a meagre early booking phase. The fact that January 2024 surpassed the previous year's month despite the number of early bookings speaks for a remarkably stable demand for vacations in the German market. In January 2024, German citizens spent around 3.3 billion euros on vacation trips organized as packages or building blocks. This corresponds to an increase of seven percent compared to the same month last year, according to the TDA market researchers.

Sales increase due to higher travel prices

The growth in turnover in January 2024 is due to the upcoming summer season and is made up of an average increase in travel prices and expenditure of just under four percent plus an increase in the number of people booked of around three percent compared to the same month last year. Cumulatively, the 2024 summer season could improve by three percentage points compared to summer 2019, resulting in an increase in sales of eleven percent. The lead over the previous year's summer, which was weak in terms of early bookings, would decrease by six percent to a plus of 30 percent.

January is by far the strongest booking month of the year in the German vacation travel market. Just how important it is is shown by the fact that the new summer season had already reached 26% of the previous summer season's volume by the end of December 2023. At the current booking status at the end of January 2024, this figure is already 42%. January sales are almost double those of the previous month of December.

Germans book summer holidays at the start of the year

According to TDA estimates, the current 2023/24 winter season has not benefited from the January boom. Incoming sales are three percent behind the same month last year and - due to the price increase - 21 percent above the pre-corona level. This brings the cumulative increase to 13% compared to the winter of 2018/19, up one percent and up seven percent to 24% compared to the same winter last year. At 27% of sales, only just over a quarter of monthly sales in January are attributable to winter vacations.

Still fewer travelers

According to TDA, the gap between sales and people booked remains. Compared to the previous year, significantly more holidaymakers are once again travelling with an organized tour operator: In terms of the tourism year, i.e. the current winter and upcoming summer seasons combined, growth amounted to 22 percent. However, the booking figures do not stand up to comparison with the pre-corona level as a standard year - according to TDA's analysis, there is still a 14% shortfall in terms of people booked.

(Source: www.reisevor9.de)

Switzerland: Positive outlook for the 2024 travel year

Strong early booking figures for 2024 give DERTOUR Group (formerly DER Touristik) cause for optimism.

The strong early booking figures for 2024 reflect the great desire to travel. "After a year of significant growth in the travel market, we are seeing that the pent-up demand for travel is continuing. Consumers are still very keen to travel and are taking advantage of early bookings," explains Ingo Burmester, CEO Central Europe DERTOUR Group.

The DERTOUR Group's booking analysis highlights the trends for the current 2023/24 winter season for its 16 European markets, showing a 24% increase in sales compared to the previous winter season (2022/23) and a 17% increase in guest numbers. The most popular winter destinations for short and medium-haul trips currently include Spain, Egypt, Germany, Italy and Turkey.

DERTOUR Group's booking figures for the 2024 summer season paint an optimistic picture with a significant increase in sales of 30% and a 24% increase in guest numbers compared to the 2023 summer season. This increase in guest numbers reflects the strong demand for summer vacations, especially in the Mediterranean region.

The short- and medium-haul favorites of European guests in summer include Greece, Turkey, Spain, Tunisia and Egypt. In terms of long-haul destinations, the Indian Ocean, North America, the Caribbean, the Middle East (including the UAE, Jordan and Oman) and Thailand are in the lead.

(Source: www.abouttravel.ch)

2. Overview of Regional Activities

Germany

- KMS supported the Visit USA Committee Germany with its planned travel trade newsletter providing U.S. travel news and highlights in March 2024. The newsletter was distributed to more than 23,000 travel agents and media professionals.
- KMS continued requesting proposals for joint promotional activities from several targeted tour operators in all three German speaking countries. Based on the most qualified proposals, we recommended a number of marketing activities to Visit St. Pete/Clearwater.
- KMS drafted a German Visit St. Pete/Clearwater travel trade newsletter. We researched suitable topics and high-resolution photos and requested missing information and photos from Visit St. Pete/Clearwater. The newsletter will be distributed to approximately 3,700 travel trade professionals in Germany after approval in March 2024.
- For the campaign with TUI and Visit Florida, KMS received the print templates for the Facebook ads from TUI. We initially had a minor revision request. Later we sent our approval to TUI.
- After approval from VSPC, we registered for a campaign with Visit Florida and FTI. This campaign includes the following services:
 - Digital info screens in subway and local transport stations in Cologne and Frankfurt.
 - Single teasers, double teasers, a Visit Florida landing page, and display ads on www.fti.de
 - Off-Page advertising including display advertising, SEA and social media.
 - B2B2C Digital Signage in more than 200 travel agencies for a duration of four weeks.
- We coordinated the regular coordination of the warehouse that we have sub-contracted on behalf of VSPC, proofread their inventory report for February 2024 and forwarded it to VSPC.
- For our joint promotion with Brand USA and the German tour operator Canusa we assisted Brand USA with comprehensive proofreading of facebook ads, scratch ads, Instagram posts and pinterest ads. Since some of the materials required significant correction, we provided additional high-resolution photos and texts for St. Pete / Clearwater. 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 following up on all meetings with Central European tour operators that VSPC met at Florida Huddle.
- 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 supported VSPC with a detailed overview of our planned activities and budgets for a FY 2025 Budget Book that is required for a TDC meeting.
- 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.
- On request of VSPC, we provided an additional 15 meeting requests in the appointment making tool of ipw 2024 in Los Angeles. 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 discussed the booth set-up, attire for the show and organizational themes with VSPC. On request of VSPC, we also recommended two tour operators to be invited for an IPW VIP reception..

- We researched further travel trade training opportunities – either as a virtual or in-person events in the future.
- KMS developed ideas for targeted B2C promotions in order to develop joint promotions in order to promote our destination to a maximum number of potential travelers to St. Pete / Clearwater from Central Europe. In this regard, we proactively contacted a large number of non-traditional consumer goods companies. These included but were not limited to suppliers of sun protection products, drugstores, swimwear companies, sports stores and suppliers of beachwear.
- We attended the bi-weekly coordination calls with VSPC in March 2024 in order to synchronize our activities and to discuss upcoming promotions.
- KMS attended a monthly Brand USA conference call in order to discuss opportunities for co-op programs for 2024.
- We received several proposals for joint marketing activities and forwarded them for evaluation and discussion to VSPC.

- KMS completed a conference call with Visit Tampa's representative in Germany in order to discuss joint opportunities for non-competing promotional activities.
- We maintained a strong communication with the German airline Discover in order to support the airline with their increased flight capacity from Frankfurt to Tampa. We discussed joint promotional opportunities such as travel trade and press fam trips among other activities.
- We drafted and submitted our activity report for March 2024.

Austria

- KMS contacted the Visit USA Committee in Austria and asked whether they are planning to host events in 2024 in which Visit St. Pete/Clearwater can participate. The Visit USA Committee in Austria informed us that a workshop in Linz will be organized on November 11, 2024.
- We distributed promotional materials and photos of Visit St. Pete/Clearwater to interested travel agencies and tour operators in Austria.
- KMS prepared a Visit St. Pete/Clearwater travel trade newsletter. We researched suitable topics and high-resolution photos, and requested missing information and photos from Visit St. Pete/Clearwater. The newsletter was distributed to approximately 800 travel trade professionals in Austria after approval in March 2024.

Switzerland

- After a positive response from Edelweiss regarding our revised proposal that we had sent to the airline in cooperation with Visit Tampa Bay, we continued contacting a targeted number of Swiss tour operators to request proposals for a potential co-operation in our destination promotion. We received qualified proposals from two operators in Switzerland and discussed them with VSPC. Visit St. Pete / Clearwater and Visit Tampa Bay made a final selection for one of the operators.

We also met with Visit Tampa Bay's Director of Global Markets at ITB Berlin and discussed the various elements of the proposed campaign. In addition, we evaluated several OTA proposals that will be part of the campaign and gave our recommendations to VSPC. Lastly, we completed several virtual meetings with VSPC and VTB to coordinate the campaign.

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.

- In coordination with the Swiss tour operator Knecht Reisen we started organizing a travel trade trip to Florida and the fam group will be in our destination from August 25-27, 2024. Knecht Reisen is one of the leading Swiss tour operators for travels to the U.S. and to Florida. The fam trip will be attended by 18 top selling travel agents and two Knecht Reisen escorts. VSPC will highlight our destination during the fam trip.
- KMS contacted the Visit USA Committee in Switzerland and asked whether they are planning to host events in 2024 in which Visit St. Pete/Clearwater can participate. VUSA Switzerland offers the newsletter four times a year, but it is only created by the Visit USA Committee in Germany and sent to 3,200 travel agents in Switzerland. However, this is included in the annual membership fee, which is paid by Visit St. Pete/Clearwater.
- KMS drafted a German Visit St. Pete/Clearwater travel trade newsletter. We researched suitable topics and high-resolution photos and requested missing information and photos from Visit St. Pete/Clearwater. The newsletter was distributed to approximately 800 travel trade professionals in Switzerland after approval.
- 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.
- We distributed promotional materials and photos of Visit St. Pete/Clearwater to interested travel agencies and tour operators in Switzerland.

The Netherlands

- KMS contacted the Visit USA Committee in the Netherlands and asked whether they are planning to host events in 2024 in which Visit St. Pete/Clearwater can participate. We are awaiting their reply.
- KMS drafted a Visit St. Pete/Clearwater travel trade newsletter. We researched suitable topics and high-resolution photos and requested missing information and photos from Visit St. Pete/Clearwater. The newsletter will be distributed to approximately 800 travel trade professionals in the Netherlands after approval in March 2024.
- We distributed promotional materials and photos of Visit St. Pete/Clearwater to interested travel agencies and tour operators in the Netherlands.

Belgium

- KMS received a proposal of the Belgium tour operator Joker Reisbeurs USA & Canada, which will take place on October 20, 2024 in Mechelen. It is the biggest B2C-travel event in Belgium (1,700 visitors in 2023). The participation for visitors is free but they have to register in advance. Joker Reisbeurs reach over 750,000 consumers with the promotion of the event on Social Media, Google & through other (media) partnerships. Exhibitors have the opportunity to book an own booth at the show. They also have the opportunity to present their destinations.
- KMS drafted a Visit St. Pete/Clearwater travel trade newsletter. We researched suitable topics and high-resolution photos and requested missing information and photos from Visit St. Pete/Clearwater. The newsletter was distributed to approximately 500 travel trade professionals in Belgium and Luxembourg after approval in March 2024.
- KMS contacted the Visit USA Committee in Belgium and asked whether they are planning to host events in 2024 in which Visit St. Pete/Clearwater can participate. KMS is waiting for an answer. The Visit USA Committee in Belgium recommends an American Workshop planned on October 17, 2024.
- KMS followed up with several tour operators in Belgium. Most have websites in both Dutch and French to accommodate for both regions of the country.

Poland

- KMS contacted the Visit USA Committee in Poland and asked whether they are planning to host events in 2024 in which Visit St. Pete/Clearwater can participate. We are awaiting their reply.
- KMS drafted a Visit St. Pete/Clearwater travel trade newsletter. We researched suitable topics and high-resolution photos and requested missing information and photos from Visit St. Pete/Clearwater. The newsletter was distributed to approximately 500 travel trade professionals in Poland after approval in March 2024.
- 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.

Czech Republic

- KMS contacted the Visit USA Committee in the Czech Republic and asked whether they are planning to host events in 2024 in which Visit St. Pete/Clearwater can participate. The Visit USA Committee in the Czech Republic does not plan their traditional Destination Showcase this fall. They will most probably plan for early 2025 as pre-season timing seems to be a better fit. KMS asked the Visit USA Committee if they offer alternative activities this year (e.g., social media, newsletters). We are awaiting their reply.
- We researched further travel trade training opportunities – either as a virtual or in-person events in the future.
- KMS drafted a Visit St. Pete/Clearwater travel trade newsletter. We researched suitable topics and high-resolution photos and requested missing information and photos from Visit St. Pete/Clearwater. The newsletter was distributed to approximately 500 travel trade professionals in the Czech Republic after approval in March 2024.
- We distributed promotional materials and photos of Visit St. Pete/Clearwater to interested travel agencies and tour operators in the Czech Republic.

Hungary

- KMS contacted the Visit USA Committee in Hungary and asked whether they are planning to host events in 2024 in which Visit St. Pete/Clearwater can participate. The Visit USA Committee Hungary offers personal events starting from September. KMS asked about the costs and the number of participants.
- KMS drafted a Visit St. Pete/Clearwater travel trade newsletter. We researched suitable topics and high-resolution photos and requested missing information and photos from Visit St. Pete/Clearwater. The newsletter was distributed to a large number of travel trade professionals in the Czech Republic after approval in March 2024.

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.

Consumer Promotion with Visit Florida and FTI Touristik (April / May 2024)

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

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.

Edelweiss Event, Zurich / Switzerland (June 05, 2024)

- On June 05, 2024, Edelweiss will be hosting a major networking event for the tourism industry. It will be designed as a special networking format.

Travel Trade and Consumer Promotion with Edelweiss (until the end of 2024)

- In co-operation with the Swiss Airline Edelweiss, a Swiss tour operator, an international OTS, the TPA Airport and Visit Tampa Bay, we will coordinate a concentrated multichannel promotion in the Swiss market to increase the visibility of our destination and the increased flights offered by Edelweiss as well as to increase the number of bookings in St. Pete / Clearwater from the Swiss market.

Knecht Reisen Trade Fam Trip (August 25-27, 2024)

- In coordination with the Swiss tour operator Knecht Reisen we will support a travel trade trip to Florida and the fam group will be in our destination from August 25-27, 2024. Knecht Reisen is one of the leading Swiss tour operators for travels to the U.S. and to Florida. The fam trip will be attended by 18 top selling travel agents and two Knecht Reisen escorts. VSPC will highlight our destination during the fam trip.

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 March 2024.

5. Market Updates

Travel News

These are the Germans' favorite travel destinations

Bavaria, Benelux or Bali? While some prefer vacations in their own country, others are drawn to neighboring countries or overseas. But there are clear favorites. We provide an overview of the most popular vacation destinations for Germans.

Vacations in Germany: mountains and sea

Germany was the most popular travel destination for Germans in 2023 - a good 37% spent their main vacation of at least five days between Sylt and Lake Constance. This is mainly due to the fact that many people cannot afford a vacation far away: last year, a domestic vacation cost EUR 1,242, a trip to Europe averaged EUR 1,437 and a long-distance trip EUR 2,489.

Most domestic holidaymakers were drawn to the mountains or the sea, namely Bavaria and Mecklenburg-Western Pomerania. Both federal states were able to maintain 1st and 2nd place (as in 2022), but they lost ground in the holidaymaker rankings, as did Schleswig-Holstein, which fell from 3rd to 5th place. Lower Saxony and Baden-Württemberg, on the other hand, attracted more visitors, putting them in 3rd and 4th place respectively in 2023.

The Bavarian State Statistical Office cites one reason for the downward trend in Bavaria: inns and guesthouses recorded fewer overnight stays in 2023 than in the previous year. Lower Saxony, on the other hand, reported significant increases in overnight stays in the Braunschweig region and the Weserbergland.

European tourism: Spain at the top

There is no country that Germans love (and travel to) as much as Spain - in 2023, it was the most popular destination for main vacations, ahead of Italy and Scandinavia. Mallorca and the Canary Islands were the most popular Spanish vacation destinations.

Scandinavia is the big winner, overtaking Turkey and Greece in 2023. Why? "Many travelers associate the Nordic countries with nature, safety, high quality standards, atmosphere and great hospitality," says Ulrich Reinhardt, Scientific Director of the Foundation for Future Studies, which conducted the Tourism Analysis 2024 on which the figures shown here are based.

According to Reinhardt, the losses in Greece and Turkey are mainly due to increased costs in the two Mediterranean countries; in Greece, the devastating forest fires in the summer are also likely to have changed some vacation plans. Poland, on the other hand, has grown - the reasons for travel here are nature, culture and low prices.

Long-distance travel: Asia and North America are booming

The reluctance of the corona years has been overcome: Germans are booking long-haul trips more enthusiastically than they have for a long time. The Far East saw the most significant increase in 2023 compared to the previous year - Japan, Thailand and Vietnam are particularly popular, with Bali leading the way in Indonesia. China was weak in terms of tourism in 2023, but is expected to grow significantly in 2024 thanks to visa facilitation.

Beyond Asia, the USA remains a big hit for Germans: according to the tourism organization Brand USA, 1.8 million Germans travelled to the United States in 2023, the same number as before coronavirus. Florida, New York and California are the most popular destinations. The fact that the increase compared to 2022 was not huge is probably due to the strong dollar, which makes trips to the USA expensive.

(Source: www.welt.de)

This is how much money Germans spend on vacation

After the corona pandemic, not even war and inflation are stopping Germans from traveling. On the contrary: more and more Germans are traveling - and vacation costs are rising to record levels.

Ulf Sonntag had actually expected something different in this year's analysis of the travel market. The project manager at the Research Association for Holidays and Travel expected inflation and recession to have an even greater impact, especially on low-income people. And that fewer Germans would go on vacation as a result.

In fact, things turned out differently. There were slightly fewer vacation trips overall last year, namely around 65 million. However, the number of people who went on vacation at least once increased to over 54 million. In the previous year, over one million fewer Germans went on holiday. This means that the pre-corona level was almost reached again.

In 2019, just over 55 million people traveled in Germany. "Despite the current crises, the pendulum of the pandemic is still swinging: 2023 was the first completely corona-free year and people took advantage of that", says Sonntag.

This is the 54th time that the travel analysis of the Forschungsgemeinschaft Urlaub und Reisen has been conducted. Over 13,000 people were surveyed. According to its own information, the research association is the largest non-commercial organizer and client of tourism research in Germany. Its travel analysis is a participation survey in which partners of the research association can participate, such as tour operators, transport companies, associations and universities. The travel analysis also revealed that spending on vacation trips has risen dramatically - reaching a new high of almost 87 billion euros. A year earlier, Germans had only cracked the 80 billion mark. In comparison: during the coronavirus peak in 2020, German holidaymakers only spent 45 billion euros.

According to the analysis, Germans paid around 1,300 euros per person per trip. However, they would accept the price increase: "Going on vacation at least once a year is almost sacred to most people in this country," says Sonntag. "Our surveys show that Germans would rather save money elsewhere in their lives or on vacation than not go at all."

According to Sonntag, there are no major differences between income brackets when it comes to vacation budgets in relation to income: Everywhere, around six to eight percent of annual net income is spent on vacations.

Germans travel longer - and fly further

According to the analysis, the money is mainly spent abroad. Trips abroad accounted for over three quarters of all vacations in 2023. Almost 51 million trips went beyond national borders - a record figure. The leader in the table of favorite destinations is Spain, followed by Italy, Turkey, Croatia and Greece.

Despite the wars, there are still good reasons to travel abroad. "Many things no longer seem as safe as we imagined five years ago, which is why many people prefer to travel abroad now rather than immediately, before there are restrictions again," says Sonntag. "And in any case, many people can switch off better where the same TV program isn't on and the same language is spoken."

It therefore makes sense that long-distance travel has also reached a record level. They now account for over nine percent of trips abroad, compared to just under seven percent in the previous year. The most popular destinations for Germans were North America, the Caribbean and South East Asia. According to Sonntag, another coronavirus effect is also evident here: "Before the pandemic, travelers were more interested in relaxing or spending time with their families," he says.

"However, we are now seeing that the reasons for traveling are more in the direction of curiosity and interest in foreign countries, because this was not so easily possible for so long."

Germany as a travel destination is at an all-time low with a share of 22%. According to the analysis, Germany can only score points as a travel destination when it comes to short vacation trips. And the travel analysis refers to trips lasting between two and four days. The average travel time for Germans as a whole was just over 13 days in 2023 - almost one day more than in 2022. In the case of short breaks, almost 80 percent of trips do not go beyond the country's borders. If they want to stay within Germany, Germans prefer to travel to Bavaria, Schleswig-Holstein or Mecklenburg-Western Pomerania.

Are these positive trends reaching their limits? The travel analysis suggests that a distinction needs to be made: It is true that over half of those surveyed believe that the general economic situation will deteriorate this year. However, when it comes to their personal economic situation, travelers paint a more optimistic picture: Over two thirds expect their own situation to remain stable or even improve.

This optimism is also reflected in the fact that, according to the travel analysis, almost three quarters of those surveyed have made firm plans to travel despite all the crises. In fact, 41 percent have already decided on a destination. According to Ulf Sonntag, these are good conditions for a successful tourism year: "Experience shows that people become even more optimistic as the vacation season approaches," he says. "These figures are similar to those before the pandemic, so it looks like it will be a good year."

(source: www.wiwo.de)

Germany – Economic news

German economy likely to shrink due to debt brake

Economic researchers at the Hans Böckler Foundation are warning of gloomy economic times ahead. The German economy could shrink again in 2024, partly due to Germany's rigid budgetary policy.

The government wants to adhere to the debt brake in the 2024 budget - and make extensive savings to do so. According to the Institute for Macroeconomics and Business Cycle Research (IMK), however, this will also be at the expense of the economy.

The German economy will shrink this year - by 0.3 percent, according to the institute, which is part of the Hans Böckler Foundation, which is close to the trade unions. The IMK is therefore more pessimistic than other major institutes such as DIW, IfW and Ifo. Growth of 0.8 percent is now predicted for 2025.

According to the researchers, one of the reasons for the persistently weak economy is Germany's budgetary policy. While the weak growth last year could still be attributed to energy price shocks, the situation is now different. "This year and next, it is the debt brake that is making Germany the economic laggard among industrialized countries," the researchers argue.

To counteract the slump, the Düsseldorf-based IMK is calling for more government investment and a reform of the debt brake enshrined in the German constitution, which only allows a low level of new borrowing. "While an easing of monetary policy is in sight, there are no signs of an economic turnaround in German fiscal policy," it said.

It is necessary to expand infrastructure investments and promote transformative investments directly and through more favorable depreciation options. In this context, the price of electricity should also be lowered, for example by the federal budget taking over grid fees, in order to secure domestic production and support the shift away from fossil fuels in the transport sector and for heat generation in households.

However, rapid progress is not in sight. Within the federal government, the Social Democrats and Greens want to change the rules, while the FDP is sticking to them. Since the budget ruling by the Federal Constitutional Court, there have been repeated discussions about changes, and in particular the Council of Economic Experts has also made reform proposals. Instead of a reform, however, there has recently been increasing discussion of circumventing the debt brake by means of "special funds", which are also enshrined in the constitution.

Overall, the IMK researchers are skeptical that it will be possible in the foreseeable future to reform the debt brake "at least to the extent that investments are excluded". This is despite the fact that "the fiscal rules at European level have recently been changed to this effect".

According to the IMK, the situation on the labor market should remain relatively stable despite the economic downturn. According to the forecast, unemployment is set to rise by around 140,000 people on average over the year and then by a further 30,000 in 2025. At 2.4 percent, the inflation rate is expected to be close to the European Central Bank's (ECB) target again and reach 2.0 percent on average in 2025.

(source: www.spiegel.de)

Travel News

Number of trips abroad approaching pre-crisis level

According to the IPK 2023 World Travel Monitor, the number of international trips abroad has grown by 33% and travel is now twelve percent below the 2019 level. Growth was driven by the return of Asian travelers.

The number of trips from Asia rose by a good 140% in 2023 compared to the previous year. Compared to 2019, however, there is still a 37% shortfall. Travel by Europeans increased by 18% compared to 2022, North Americans by 31% and Latin Americans by 27%. In 2023, most trips abroad were made by US Americans - followed by travelers from Germany and the UK.

According to the market researchers at IPK, these three highest-volume source markets together accounted for almost a third of the total global international travel volume last year.

Spain has the most travelers

With a share of just under ten percent, Spain once again ranks first among the most visited destinations worldwide in 2023, followed by the USA in second place. Compared to the previous year, the market share of vacation trips has increased again. Three quarters of all international trips worldwide in 2023 were therefore vacation trips. Within this segment, sun & beach vacations and city breaks are the two main types of holiday, each with a third of the market share. Round trips follow in third place. According to IPK, it is striking that the market shares of these three types of vacation have developed differently over the last three years, but are now similar to 2019. The main reasons for vacation trips abroad in 2023 were relaxation, sightseeing, good food and shopping.

Air fares drive prices upwards

Unsurprisingly, over 60 percent of all trips abroad were made by plane. As a result of higher travel prices, particularly in the airline sector, travel expenditure for 2023 also showed an above-average increase, while the average length of stay remained stable at around nine nights. When travellers were asked which factors they liked best or worst, the price-performance ratio was cited as the most important factor, both positively and negatively. Other factors that are important to travelers are accommodation, the gastronomic offer and the scenery at the destination.

IPK rates the intentions to travel abroad for the next twelve months, which are currently recorded as part of the World Travel Monitor, as positive on all continents. They are "the basis for a complete recovery in almost all areas by the end of 2024", it says.

(Source: www.reisevor9.de)

What inflation means for your vacation in Turkey

Turkey is one of the most popular travel destinations for Germans. But now inflation has risen again - along with hotel prices. What holidaymakers need to be prepared for this year.

Wide beaches, blue sea and good food. Many Germans appreciate the benefits of a vacation in Turkey - the country is one of their top five travel destinations. In a global comparison, Turkey is the fourth most visited country. The country has enjoyed growing popularity for 25 years.

For a long time, Turkey, with its southern and western coasts, was the top destination for package tourists, offering impressive value for money. However, inflation has not stopped at this important economic sector. Before the coronavirus pandemic, tourism accounted for 11% of gross domestic product. In 2022, the sector generated 41.4 billion US dollars.

The income is important for the country to make up for the current account deficit. The sector also provides around 2.3 million jobs.

In February, the inflation rate rose to 67.07 percent. Inflation was therefore higher than expected by experts. They had predicted inflation of 65.7 percent. Particularly affected: Hotel accommodation and food. The country's most important source of foreign currency is currently flowing relatively unaffected by economic developments. Could this change soon? What does this mean for holidaymakers?

"We are currently seeing that bookings for Turkey remain at a high level. However, if the price increases continue, it could become less competitive," summarizes Bernd Eisenstein, Director of the German Institute for Tourism Research. At present, it is not expected that the industry will collapse this year. Although holidaymakers will have to dig deeper into their pockets than in previous years. This is because the Turkish lira regularly plummeted in euros and US dollars. Prices, on the other hand, rose only slowly. Holidaymakers were therefore able to get good bargains. Currently, however, prices are rising rapidly.

Hotel prices increased by 10 to 15 percent, depending on the region. Is this why holidaymakers are foregoing a vacation in Turkey? "We know from previous experience that German holidaymakers do not immediately forego a vacation, but rather save money on the vacation itself," explains Eisenstein.

In addition to the price increase in the hotel sector, holidaymakers must also expect to spend more on food and drink. Prices have doubled compared to the previous year. However, this is not a reason to forgo a vacation.

"Of course, a tipping point can also be reached because people lack sufficient relief from typical everyday tasks, such as cooking. Then the vacation destination becomes less attractive," explains Eisenstein. There is currently no data on price elasticity, which measures holidaymakers' on-site spending. "Initially, it is to be expected that people will stick to their coveted vacation destination and live with certain restrictions.

Weak lira provides compensation

The weak lira has an advantage for tourists. Last year alone, the lira depreciated by 37 percent against the dollar. And the downward trend continues: one euro currently buys 34 lira - a record low for the Turkish currency. "The euro currently has a high purchasing power in Turkey. This reduces Turkish inflation from the Germans' point of view," explains the tourism researcher.

As Turkey imports more than it exports, the lira is under constant pressure to depreciate. In order to stop the currency's decline, the central bank raised its key interest rate to 45 percentage points in January, albeit with little success. Since the resignation of Hafize Gaye Erkan as head of the central bank, Fatih Karahan has been the head of the central bank. While his predecessor has been aggressively raising interest rates since last June in the fight against inflation, Karahan is trying to maintain the current interest rate level.

However, there is little room for optimism as to how effective the central bank will be against inflation. Experts expect inflation to fall slightly by the end of the year. However, even in the most optimistic scenario, it would still remain well above the 40% threshold.

(source: www.wiwo.de)

Austrian Travel boom: 8 million go on vacation this year

Despite the rise in prices, Austrians are once again determined to get away this year. According to a new TUI travel study, four out of five want to go on vacation this year

Austrians' desire to travel remains unbroken despite the weakening economy and global crises. This was the result of a YouGov survey commissioned by tour operator TUI Austria and presented in Vienna on Thursday, March 14, 2024.

According to the survey, four out of five respondents want to travel this year. Beach vacations are very popular. Almost half of those surveyed are longing for sun, beach and sea. Vacations around the Mediterranean are particularly popular.

Beach vacation before city breaks and mountains

According to the study, a third of respondents have already booked. Although almost half are still without a booking, they are planning one or more vacation trips. A trip abroad is planned by 77 percent of respondents, with just under half wanting to go to a neighboring country.

In addition to beach vacations, city breaks (33%) and vacations in the mountains or countryside (22%) are also very popular.

Antalya the most popular destination

The Turkish Riviera around Antalya is the most popular destination for TUI guests, with a current year-on-year increase in bookings of 28 percent, closely followed by the Greek island of Crete and the Spanish island of Majorca.

The most popular country by far is Greece, for long-distance travel it is the USA and for cities it is the US metropolis of New York. Croatia is particularly popular among self-guided travelers.

"Summer bookings at TUI are currently up by double digits," said Gottfried Math, Managing Director of TUI Austria, at the presentation.

(Source: www.oe25.at)

Tour Operator News

Some travel prices fall in the high season

According to an analysis by the portal operator Holidaycheck, Turkey recorded a 13 percent drop in prices for families during the summer vacations compared to the previous year. For Egypt, Holidaycheck reports a fall of eleven percent. In other regions, however, such as Spain and Bulgaria, prices continue to rise.

For the analysis, Holidaycheck calculated the average prices for a ten-day package holiday for families during the summer vacation between July 18 and September 9, including flights and meals. The price increase for Greece is three percent. For Spain, families will have to dig deeper into their pockets due to a twelve percent increase. According to the survey, Mallorca is the exception, with a price increase of just three percent.

According to Holidaycheck, family vacations on the Turkish Riviera (-8%), Rhodes (-8%) and Hurghada (-6%) will be cheaper. It will be more expensive in Tunisia (+9%), Bulgaria (+12%) and especially on Crete (+16%).

Some significant price increases for couples' holidays

For couples, the price trend is extremely heterogeneous, but overall there is still an upward trend. Holidaycheck calculated average prices for a ten-day package holiday including flights and meals with a year-round departure period. It emerged that the price increase for some destinations remains as strong as ever. The average rates for Crete (+16%), Majorca (+14%), Rhodes (+14%), Lanzarote (+13%) and the Turkish Riviera (+10%) are significantly higher than last year. Hurghada and Thailand (+9%) are also becoming significantly more expensive, as are trips to Fuerteventura (+8%) and vacations in the Dominican Republic (+7%).

The price increase is more moderate for Bulgaria (+5%) and Gran Canaria, Madeira and Tunisia remain stable, while trips to the Portuguese Algarve are becoming cheaper.

This means that some destinations are apparently continuing to raise prices all year round, but at the same time have realized that their high season prices are threatening to overburden families. At any rate, this is how the development for the Turkish Riviera, Rhodes and Hurghada can be interpreted.

(Source: www.reisevor9.de)

FTI sees investor talks on the final straight

The company is entering into "exclusive negotiations with an international financial investor with many years of experience in the tourism sector", according to FTI. The name of the investor is not disclosed in the press release.

The agreement provides for the FTI Group to receive fresh capital "to further invest in the digital transformation of the company" and to ensure the assumption of financial liabilities, explains FTI. All parties involved are "working together towards a swift completion of the transaction".

The company's financial situation had recently been the subject of debate in the industry after FTI published its balance sheet for the 2021/22 financial year. In this context, the FTI Group referred to "earnings in the double-digit millions" that were generated in the following year on a turnover of 4.1 billion euros. For the current financial year 2023/2024, the Group expects "another double-digit percentage increase in sales and earnings compared to the previous year".

Takeover speculation surrounding FTI has been doing the rounds since the beginning of 2023; initially, Rewe was being discussed as the parent company of the Dertour Group. Later, the name of US investor Certares occasionally emerged. FTI has not yet provided any information on the identity of the interested parties when asked.

A commitment to Certares, founded in 2012, would certainly be a good fit. The investor already holds numerous tourism investments, including in Amex GBT, Ama Waterways, G Adventures, Hertz, several hotel groups and Latam Airlines. Company founder Greg O'Hara is Chairman of the World Travel & Tourism Council.

(source: www.reisevor9.de)

Airtours identifies trend towards luxury vacations

Airtours is further expanding its offering in the upper luxury segment. "In the ultra-luxury segment, we have added many new and exceptional products to our portfolio and are offering the largest selection of carefully curated and hand-picked travel experiences this year," said Steffen Boehnke, Director Airtours at the International Tourism Exchange (ITB) in Berlin.

The luxury travel market is growing rapidly. According to forecasts, global spending on luxury travel will reach an all-time high of 1.5 trillion US dollars this year. Airtours,

Tui's luxury travel brand, is also seeing a sharp rise in demand for unique experiences in the ultra-luxury sector.

Top climbers in winter

Demand is currently strongest for exotic destinations. The top climber in the current winter season is Qatar with an increase in guests of 68 percent and a rapidly growing range of first-class hotels. It is the perfect destination for a relaxed luxury vacation with a wide range of wellness options and good flight connections from Germany and Austria. In South America, the focus is currently on Peru, Chile and Argentina. Demand is particularly high for individual, privately guided round trips with extraordinary experiences. These include traditional rituals with a shaman or "star gazing" on a tour of Chile over the Atacama Desert, because nowhere else are the stars more impressive.

Sri Lanka is also among the top 3 rising destinations for luxury travelers in winter, recording high double-digit growth. The island off the southern tip of India offers an ideal combination of discovery and relaxation.

The rising star in summer is Mauritius with an increase in bookings of over 50 percent. This summer, the volcanic island in the Indian Ocean with its white dream beaches and green hinterland is attracting a particularly large number of families from the luxury segment. Mauritius is also becoming an increasingly popular year-round destination.

There is also strong demand for luxury vacations in Europe next summer. The top rising destination among Airtours customers is Croatia with an increase in bookings of 54 percent. The country on the Adriatic Sea scores with its unique island landscape, but also with an expanded range of top hotels, easy accessibility by plane and car and its famous hospitality. Portugal is also one of the rising stars in summer. With their high-quality hotels, Lisbon and Porto are the hub for discerning travelers. Active luxury guests appreciate the Algarve with its many golfing opportunities and the flower island of Madeira.

(source: www.aviation.direct)

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

KAUS
MEDIA
SERVICES



Marketing
Communications
Consulting