

MONTHLY REPORT CENTRAL EUROPE JANUARY 2025



**ST.PETE
CLEARWATER**

**KAUS
MEDIA
SERVICES**



Marketing
Communications
Consulting

Contents

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1. Current State of the Tourism Industry in Central Europe

European International Travel Trends Update

Travel agencies look optimistically toward 2025

The tourism sales climate at the consulting firm Dr. Fried & Partner shows a positive trend at the beginning of the year. The majority of travel agencies view the current situation optimistically. While expectations for demand remain unchanged, future profitability is anticipated more positively.

Travel agencies start the new year in good spirits

In January, travel agencies show a significantly better assessment of the current situation. While 51 percent rated the situation as good in December, this figure rises to 57 percent at the beginning of the year. At the same time, only seven percent now rate their situation as poor (previous month: 9%). 35.5 percent consider the current situation to be satisfactory (previous month: 39.5%).

Looking at the sales of travel services in the last two to three months compared to the previous year, Dr. Fried & Partner reports a mixed picture. Around 34 percent of respondents saw an increase in sales, a slight decrease from the previous month (36%). The majority (43%) reported that sales remained unchanged (previous month: 39%). The percentage of those reporting a decline in sales decreased slightly to 23 percent (previous month: 25%).

Future outlook

Travel agencies are slightly more optimistic about the next six months than last month. 26 percent of respondents expect demand for travel services to increase in the next six months compared to the previous year. 56 percent forecast demand will remain the same (previous month: 55%), while 18 percent still expect demand to decrease.

Regarding profitability, 49 percent (previous month: 55%) expect the situation to remain unchanged in the next six months. 30 percent (previous month: 25%) expect an improvement, while around 20 percent predict a deterioration.

In January 2025, 154 travel agencies participated in the survey.

Summary

Overall, the sales climate for January presents an optimistic picture, according to Dr. Fried & Partner. Both the assessment of the current situation and expectations for the next six months show a positive trend compared to the previous month. Although the industry still faces challenges, the positive signals from the present suggest a solid year ahead.

Source: Reise vor 9

International tourism to reach pre-pandemic levels in 2024

According to the United Nations World Tourism Organization (UNWTO), international tourism in 2024 is expected to nearly return to pre-pandemic levels, with an estimated 1.4 billion international arrivals. The revenue amounted to 1.4 trillion US dollars – 93 percent of the 2019 value.

International tourism, here the famous Las Ramblas promenade in Barcelona, reached pre-COVID levels in 2024.

The number of arrivals represents an eleven percent increase compared to 2023. This is attributed to strong post-pandemic demand, robust performance from key source markets, and the ongoing recovery of destinations in Asia and the Pacific, according to the UNWTO.

The Middle East surpassed the 2019 level by 29 percent. Europe and Africa also reported strong results, with Europe one percent and Africa six percent above 2019 figures. North, Central, and South America recovered to 97 percent of pre-pandemic levels, while Asia and the Pacific reached 85 percent, which the UNWTO attributes to the gradual reopening and recovery in these regions.

The UNWTO forecasts further growth in international tourism this year, supported by continued demand and the further recovery of key markets. However, challenges remain, according to the report, including economic uncertainties, geopolitical tensions, and climate change, which could continue to affect the industry.

Source: Reise vor 9

2. Overview of Regional Activities

Germany

- On January 14, 2025, we promoted St. Pete-Clearwater in an one-hour long webinar hosted by the German tour operator Canusa in collaboration with Visit Tampa Bay (VTB). Canusa Touristik is one of the largest mid-size tour operators in the German speaking countries that is specialized in travels to North America.

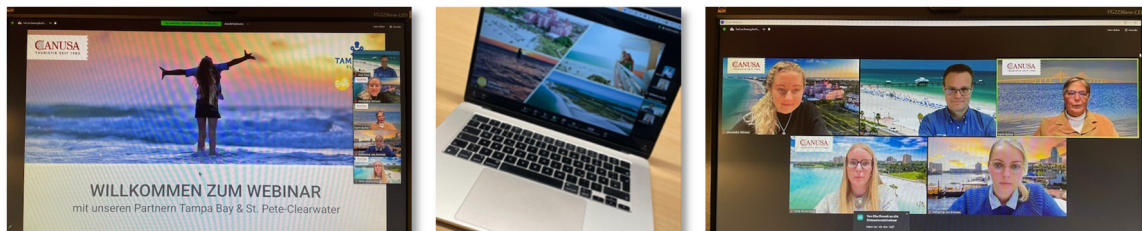
Prior to the webinar, we drafted a designated presentation including the "Let's Shine" video and completed a rehearsal with Canusa and VTB a day before the webinar.

The webinar was attended by 81 of their top consumers as well as their travel advisors.

The promotion of the webinar on the tour operator's Instagram social channel achieved 6,720 impressions and 4,582 impressions on the Instagram post. The tour operator's Facebook post resulted in 3,804 impressions.

A newsletter from the tour operator promoting the webinar reached around 250,000 readers with an opening rate of 31.56% and a click rate of 1.96%.

Between December 19, 2024 and January 26, 2025, the tour operator sent 139 travel proposals to its customers (+3.1% vs. the previous year) and Canusa sold 1,980 room nights in 2024 (+4.2% vs. 2023).



- For the planned promotion with DERTOUR, which will be starting at the beginning of March 2025, we completed a content advertorial template, including 3-5 USPs on which the social posts should focus, compiled and sent a selection of high-resolution photos to use for each social measure, and a short video for the Instagram story snippet, which was sent to DERTOUR.

As part of the campaign implementation, DERTOUR required information regarding the Digital Service Act (DSA). We consulted with Visit St. Pete-Clearwater to provide the correct information.

- After approval from Visit St. Pete-Clearwater, we registered VSPC for the *Campus Days*, a series of three consecutive evenings organized by *Dertour North America* to present the product highlights of the leading tour operator for travels to North America in the German speaking countries. The events will take place in the German cities of Cologne, Münster and Hamburg from April 1–3, 2025. We will be able to promote St. Pete-Clearwater to approximately 40 top-tier travel advisors per city. Only five preferred partners were invited to participate.
- We continued carrying out the Visit St. Pete-Clearwater promotion with the *Radio Group*, which is Germany’s second largest group of radio stations.

After we supported the *Radio Group* with content and other renderings for the spots, we assisted them with a destination video, selected high-resolution photos and additional content. We also discussed the concept for their planned two-hours long radio show about Visit St. Pete-Clearwater and they proposed to visit our destination for two nights in March 2025 for interviews with Mr. Brian Lowack or to conduct an interview with our office at their station in Frankfurt.

- For the ongoing promotion with *TUI Deutschland*, we received a template for a newsletter integration from Brand USA. We carefully reviewed the template and sent our suggested corrections.
- KMS forwarded a proposal from the travel magazine *America Journal* to Visit St. Pete-Clearwater on the topics of sports tourism and luxury travel. *America Journal* is a renowned magazine in Germany specializing in topics related to the United States. With a targeted readership interested in travel, culture, lifestyle, and business in the USA, it offers an excellent platform for advertising.
- For a planned collaboration with Delta Air Lines, we reminded the airline about the tickets for a media FAM trip that had already been requested.
- We received and reviewed a proposal from the German tour operator *Fairflight* that is specialized in trips to North America. We pre-selected four of their seven proposed promotions that we would like to present to Visit St. Pete-Clearwater. We requested an updated proposal and are awaiting the company’s response.
- We uploaded two articles with photos about Visit St. Pete-Clearwater on the website of the Visit USA Committee Germany. Since the Committee was looking for activity related topics, we supported them with the following articles: “*Running events and beautiful running routes in St. Pete-Clearwater*” and “*Rediscover art: The vibrant museum scene of St. Pete-Clearwater*”.

- During a conversation with the travel editor of RedaktionsNetzwerk Deutschland (RND), one of Germany's largest travel publishing houses, we learned that their team is no longer allowed to participate in press fam trips. RedaktionsNetzwerk Deutschland (RND) is a German media company that operates several large news portals and newspapers. It belongs to the Madsack Media Group and is one of the leading platforms for news, reporting, and journalistic content in Germany. RND provides content to numerous newspapers and online media outlets, covering topics such as politics, economics, culture, sports, and lifestyle.
- For a collaboration with the America Journal, we clarified invoicing issues with the magazine. For the Brand USA collaboration, we asked them for an invoice for two half-page ads in the current fiscal year and one half-page ad in the following fiscal year.
- After approval from VSPC, we scheduled dates for two planned media fam trips and an influencer trip to St. Pete-Clearwater. We created a shortlist of media representatives who could be invited for these trips.
- KMS has provided journalist Leonhard Steinberg with information about the St. Pete-Clearwater region and offered assistance with hotel searches. His managing director plans to visit our region in March.
- In coordination with Visit St. Pete-Clearwater, we asked *Discover Airlines* for a revised proposal to support the airline's non-stop route from Frankfurt to Tampa Bay. After we received the new proposal from Discover Airlines, we forwarded it with recommendations to VSPC for further evaluation.
- After McDonald's was not able to use the first destination video that we provided for the collaboration, we received a new video from VSPC and forwarded it to McDonald's. Since the new video met their criteria, they sent us the final version for approval. Background: We negotiated with McDonald's Germany a complimentary promotion for Visit St. Pete-Clearwater. VSPC will be able to broadcast a destination video in more than 700 selected McDonald's restaurants for a month. The video will be shown multiple times per hour on all TVs in these restaurants, reaching about 35 million consumer contacts with a media value of around 2.65 million dollars.
- We researched further travel trade opportunities as well as virtual or in-person events to promote St. Pete – Clearwater in the German market in the future.
- We assisted several travel agents with information about St. Pete-Clearwater. They contacted us after we distributed our newsletter.
- We attended the bi-weekly coordination calls with VSPC in January 2025 to synchronize our activities and to discuss upcoming promotions.

- After we promoted St. Pete-Clearwater at the Visit USA Committee’s Media Event in Munich in December 2024, we continued following up on all media professionals and provided detailed press information as well as story ideas about our destination. We will continue working with the top-tier media professionals to generate positive media coverage for St. Pete-Clearwater in the future.
- We coordinated the warehouse that we have subcontracted on behalf of VSPC, proofread their inventory report for January 2025 and forwarded it to VSPC.
- We further discussed an inquiry from Discover Airlines to support their partnership with the German beach volleyball league and sent them the hotel offers that VSPC requested from hotel partners in the destination. The airline plans the promotion as a content trip with professional players and the coach to a training camp in March 2025. The entire campaign will be accompanied by videos on YouTube and social media channels of Discover Airlines. Unfortunately, Discover Airlines informed us that they would have liked to visit St. Pete-Clearwater for the promotion, but selected a destination in Mexico due to the lower hotel rates that were offered from the other destination.
- 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 reviewed and updated our plan for promotional co-op activities with Brand USA.
- KMS attended a monthly Brand USA conference call to discuss opportunities for co-op programs for 2025.
- We drafted and submitted our activity report for December 2024.

Austria

- We were in 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 continued contacting targeted Austrian tour operators that all reported that the market is selling strong through the German wholesalers that cross-sell into the Austrian market (with liaison offices in the market, such as Ruefa Reisen, DER and TUI).

- After evaluating the proposals from Austrian travel industry partners, we will add selected activities in our proposed budget plan for fiscal year 2025/2026 for VSPC to review.
- We distributed promotional materials and photos of Visit St. Pete – Clearwater to interested travel agencies and tour operators in Austria.
- After consulting with VSPC, we will create a newsletter on the topic of the "Fun Shine Savings Passport". This newsletter will be sent to approximately 800 travel agents in Austria after approval from VSPC.
- We continued our preparations for the Visit USA Workshop in Linz, Austria on November 11, 2024. During the event, we will be able to train many travel agents about our destination. We started making all travel arrangement for the event.

Switzerland

- On January 29, 2025, we promoted Visit St. Pete-Clearwater at the one-day "Island Hopping" event to approximately 250 travel agents. The annual event is considered to be the largest B2B educational event for the U.S. in Switzerland, where travel agents from all over Switzerland meet with representatives from U.S. destinations.

To promote St. Pete-Clearwater, we requested to participate with a booth near other Florida destinations. Throughout the day, the agents moved from booth to booth, with each region being presented in 40-minute presentations. Our region consisted of three partners, each presenting their destination or services in seven rounds of ten minutes each. VSPC was grouped with Visit Tampa Bay and the airline Jet Blue. Additionally, Bradenton Gulf Islands, Florida Keys & Key West, Florida's Space Coast, as well as Fort Myers – Islands, Beaches and Neighborhoods, Visit Orlando, Walt Disney World Swan and Dolphin Resort, and Universal Destinations & Experiences completed the Florida delegation.

During the rotations, we met the participants in small groups of around 10-20 agents, and each attendee received detailed information about our destination and the tourism opportunities in St. Pete-Clearwater. Many of them are eager to recommend St. Pete-Clearwater to interested travelers in the future. A few of them had specific questions, including those related to hotels and activities.

Interest in the U.S., particularly for the Swiss market, remains high. Many of the attending travel professionals are very interested in working with us to maximize interest in our region as a premier leisure destination in Florida and the U.S.

Furthermore, we had the opportunity to engage in discussions with tour operators Knecht Reisen, Travelhouse, DERTOUR Suisse/Kuoni, and Go2Travel, as well as with Delta Airlines about the current booking situation in Florida.

Before the event, we reviewed the destination texts and contact information of a draft booklet prepared by the Visit USA Committee Switzerland, which was distributed to the participants during the event. In addition, we made all travel arrangements and organized the shipment of brochures and giveaways to the event.



Impressions from „Island Hopping“ in Zurich, Switzerland

- After approval from VSPC, we contracted the Swiss airline *Edelweiss* for a co-op promotion consisting of B2B and B2C promotions, including but not limited to destination specific newsletters, social media, and joint advertising with third-party providers. We also negotiated complimentary airfare for an upcoming group press fam trip in May 2025. In coordination with Edelweiss, we compiled all requested information as well as high-resolution photos, created destination content and submitted all renderings to Edelweiss. The campaign will start on February 17, 2025 to promote our destination during the main booking season for Swiss travelers.
- For a two days log media mission in Zurich, Switzerland from February 19-20, 2025, we contacted a large number of top-tier media professionals for individual appointments. In addition we contracted with a location for a promotional media event with shuffleboard games.

- KMS requested a proposal from the journalist Raphael Hadad for a media visit as part of a collaboration with Visit St. Pete-Clearwater and Visit Tampa Bay. Raphael works for *Display Magazine*, a leading Swiss GLBTQ+ publication. The planned cooperation with the media outlet will promote St. Pete-Clearwater and Tampa to the GLBTQ+ community in Switzerland. The cooperation will include a fam trip for Raphael as well. We are still awaiting his proposal.
- We distributed promotional materials and photos of Visit St. Pete-Clearwater to interested travel agencies and tour operators in Switzerland.
- 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 continued our collaboration with Prestige Magazine, requested a banner from Visit St. Pete-Clearwater and forwarded it to Prestige Magazine. The banner will appear on the website of Prestige Magazine for six months. For the same promotion, KMS reviewed the invoice and sent the supporting documents to Brand USA for payment. The promotion also included the cover story and a 12 pages long article that was published in the print magazine as well as online in December 2024.
- We were in contact with *Tourisme pour Tous* (the North America department of Travelhouse) regarding a fam trip to Florida at the end of October 2025 with 10 delegates and presented this inquiry to VSPC.
- We started drafting the next newsletter for VSPC after we researched suitable topics and high-resolution photos. The newsletter will be distributed to more than 400 travel agents in Switzerland in February 2025.

The Netherlands

- We requested information from Visit St. Pete-Clearwater for a newsletter promoting destination news for 2025 as well as an overview of festivals. The newsletter will be distributed to tour operators and travel agencies in Central Europe.
- KMS received a revised proposal from *America Only* that meets the requirements of Brand USA. At the request of Brand USA, America Only was also asked to postpone the starting date from January to February 2025.
- KMS has received a proposal from the Dutch tour operator HEY USA! and reviewed it. Since the proposal included very short deadlines that Visit St. Pete-Clearwater cannot meet, KMS followed up with HEY USA!. HEY USA! then explained that the activities are repeated several times a year and that the proposal can also be used for events in 2025.

- We distributed promotional materials and photos of Visit St. Pete – Clearwater to interested travel agencies and tour operators in the Netherlands.
- We continued following up on all travel trade professionals that we met during the USA & Canada Experience in the Netherlands in November 2024.
- We were in contact with several target tour operators and other industry partners in the Netherlands to promote our destination and to request marketing proposals for potential marketing co-ops with them.
- We supported the Visit USA Committee in the Netherlands with a drafted text to promote St. Pete - Clearwater on the website of the Visit USA Committee.
- We reviewed the media kit of the Visit USA Committee in the Netherlands for future promotional opportunities in the Dutch travel market in 2025. It includes newsletter promotions, social media activities, webinars among other promotions. We shared the media kit with VSPC.
- We continue working with TUI NL to see if there are branding opportunities for St. Pete - Clearwater.

Belgium

- For an additional newsletter promotion targeting consumers and travel trade professionals, we supported the Visit USA Committee Belgium with content and photos. VUSA Belgium sent the newsletter to its distribution list.
- We continued providing information on request about the situation in St. Pete-Clearwater following the two hurricanes Helene and Milton, adhering to the information we previously received from VSPC.
- We distributed promotional materials and photos of Visit St. Pete – Clearwater to interested travel agencies and tour operators in the Netherlands.

Poland

- We continued the communication with the Visit USA Committee in Poland regarding promotional activities. Since they had not sent us the intended marketing proposals, we kindly reminded them about our interest in a potential collaboration.

Czech Republic

- KMS asked the U.S. Commercial Service office of the Czech Republic for an overview of other promotional events in the Czech Republic where we may promote our destination in the future.
- KMS proactively contacted the tour operator America Tours for a potential marketing cooperation in the Czech Republic.

Hungary

- After approval from VSPC, we registered for the “Showcase Your Destination to the Hungarian Travel Trade” event organized by the U.S. Commercial Service in partnership with Brand USA targeting the Hungarian travel trade and media in Budapest, Hungary on May 21, 2025. The event will take at the Residence of the Commercial Counselor, U.S. Embassy in Budapest. Approximately 70-75 participants from travel trade, tour operators travel media are expected at the event.

3. Status of Sales Activities and Promotions in 2025

Advertising Promotion with America Journal (until October 2025)

- 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 2024 and will be concluded in fall 2025. Brand USA will support the promotion.

Promotion with Prestige Magazine (December 2024 to January 2025)

- In cooperation with Brand USA, Visit St. Pete-Clearwater is promoted in the Swiss *Prestige Magazine*. The promotion includes the cover story for the December 2024 issue, which will also be distributed in a higher circulation at Fespo in January 2025. Fespo is the largest travel show in Switzerland. The collaboration also includes a free banner on the website for six months, and the article will be published both in the print magazine and online.

Travel Trade and Consumer Promotion with TUI (November until February 2025)

- In collaboration with *Brand USA*, we will complete a multi-channel B2B and B2C promotion with *TUI Deutschland*. The promotion was slightly postponed due to the effects of hurricane Helene.

Visit St. Pete-Clearwater USA Expert Promotion, Germany (October 2024-March 2025, 2024)

- Promotion of Visit St. Pete-Clearwater in the *USA Experts program* of the leading German travel trade magazine FVW-Travel Talk for a duration of six months. *USA Experts program* is a travel advisors' training program.

FVW International-Travel Talk is the leading German travel trade magazine for the travel industry, offering comprehensive reports, analyses, and news. It targets travel professionals and decision-makers in the travel industry.

McDonald's Video Campaign, Germany (February 15-March 15, 2025)

- Visit St. Pete-Clearwater will broadcast a VSPC video in approximately 700 selected McDonald's restaurants for a one-month promotion. The video will be shown multiple times per hour on all TVs in these restaurants, reaching about 35 million consumer contacts with a media value of around 2.65 million dollars.

Media Promotion, Zurich, Switzerland (February 19-20, 2025)

- We will promote Visit St. Pete-Clearwater to top-tier media professionals during a two days long media mission in Zurich, Switzerland.

TravMedia's International Media Marketplace Germany (IMM) 2025, Berlin, Germany (March 03, 2025)

- We will promote our destination at IMM Germany, the leading travel media event in the German speaking countries. During the day-long event, approximately 125 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.

Visit Florida's PanAm Event at ITB Berlin 2025, Berlin, Germany (March 05, 2025)

- We will promote our destination at Visit Florida's traditional PanAm event during ITB Berlin 2025. Visit Florida will invite a large number of travel trade professionals as well as media professionals to the event.

Dertour Campus Day 2025, Germany (March 24-28, 2025, dates tbc)

- The Dertour Campus Days is a series of three consecutive evenings organized by Dertour North America to present the product highlights of the leading tour operator for travels to North America in the German speaking countries. The events will take place in the German cities of Cologne, Münster and Hamburg from April 1-3, 2025. We will be able to promote St. Pete-Clearwater to approximately 40 top-tier travel advisors per city. Only five preferred partners were invited to participate.

Destination Showcase, Hungary (May 21, 2025)

- We will promote VSPC at the “Showcase Your Destination to the Hungarian Travel Trade” event organized by the U.S. Commercial Service in partnership with Brand USA targeting the Hungarian travel trade and media in Budapest, Hungary on May 21, 2025. The event will take at the Residence of the Commercial Counselor, U.S. Embassy in Budapest. Approximately 70-75 participants from travel trade, tour operators travel media are expected at the event.

Travelhouse Fam Trip (October 2025)

- The Swiss tour operator *Travelhouse* will organize a group fam trip for 10 top-tier travel advisors from the French speaking part of Switzerland to our destination in October 2025. The tour operator plans to visit the State during a week-long fam trip. The other destinations that will be visited may include Naples / Marco Island, the Florida Keys, Fort Lauderdale and Cocoa Beach / Space Coast. Travelhouse confirmed to consider our destination for two days.

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 January 2025.

5. Market Updates

Passenger numbers at Frankfurt Airport still below pre-pandemic levels

Frankfurt Airport recorded a passenger volume of around 61.6 million passengers in 2024, which represents a 4 percent increase compared to the previous year. Despite this growth, the volume is still 13 percent below the pre-pandemic level of 2019, with over 70 million passengers.

The number of flight movements also remained below the 514,000 recorded in the pre-pandemic year, with 440,000 take-offs and landings. Particularly popular last year were destinations in the Mediterranean region. Greece, Spain, Portugal, and Italy saw high demand for medium-haul flights. On long-haul routes, North America, as well as the rapidly growing regions of East Asia and South America, dominated.

Frankfurt Airport remains the world's leading hub for connecting passengers. With a total of 311 destinations in 98 countries and flight services from 99 airlines, the airport offers the most comprehensive network of direct connections for transfer passengers.

"Frankfurt Airport offers a positive and important location advantage to the German economy with its wide range of connections," said Stefan Schulte, CEO of Fraport AG. However, Schulte warned of challenges due to rising location costs.

The economic downturn in Germany is also noticeable at Frankfurt Airport. In December 2024, passenger numbers were slightly below the previous year's figures, with 4.5 million passengers, a decrease of 1.1 percent. Flight movements also showed a slight decline.

Source: Reise vor 9

Caravaning market continues its growth trend

In 2024, 96,392 caravans and motorhomes were newly registered in Germany, according to the Caravaning Industry Association (CIVD). The industry continues to perform above pre-crisis levels. With a turnover of around 15.1 billion euros, it missed the record value from the previous year, but still achieved the second-highest revenue in its history.

Following the record results of the early COVID years, current new registration figures remain at a high level. In 2024, a total of 96,392 leisure vehicles were newly registered in Germany—an increase of 6.7 percent compared to the previous year and the third-best result in the industry’s history. This number includes both caravans (trailers) and motorhomes (vans). With 74,718 new registrations in the past twelve months, the motorhome segment surpassed last year’s result by a notable 9.1 percent. Caravan new registrations totalled 21,674 units (-1%), slightly below the previous year's figure.

Used vehicle market booming

In addition to new registrations, the industry recorded a total of 187,219 ownership transfers (sales of used leisure vehicles) last year—a 5.5 percent increase compared to the previous year. Both vehicle segments contributed to this growth: 106,631 used vans (+8.6%) and 80,588 caravans (+1.6%) changed owners in 2024.

A total of 118,641 leisure vehicles (-16.4%) were produced by German manufacturers last year. Of these, 46,490 vehicles (-15.8%) were exported. Motorhome production stood at 84,742 units, down 12.7 percent from the previous year. Of these, 31,041 units (-9.1%) were delivered abroad. Caravan production amounted to 33,899 units, a decrease of about 24 percent, with 15,449 units (-26.7%) exported.

Industry in difficulty

According to the CIVD, manufacturers of vans and caravans have faced significant challenges in recent years. The effects of the pandemic and the war in Ukraine led to massive production disruptions, particularly due to supply chain delays in the motorhome sector. The restricted capacities led to fewer vehicles being produced and delivered than originally planned.

Over the past 24 months, production conditions have noticeably stabilized, primarily due to improved availability of motorhome chassis. This initially led to a sharp increase in production numbers and a rapid buildup of inventory at dealerships. By the course of 2024, the market shifted from a phase of supply shortages to a phase of temporary oversupply of vehicles.

Temporary reduction in capacities

In response to this development, some vehicle manufacturers have temporarily adjusted their production by reducing production numbers or halting production temporarily. These measures have already shown visible success, according to the CIVD. The ongoing high new registration numbers and numerous ownership transfers emphasize the positive development, in their view. The vehicle stock at dealerships is steadily decreasing and is expected to normalize in the first half of 2025.

In 2024, the German caravanning industry achieved annual sales of around 15.1 billion euros. This represents a decline of about six percent compared to the record value of the previous year, which was attributed to lower production. Nevertheless, the industry has exceeded the 15-billion-euro mark for the second time.

Source: Reise vor 9

Is Trump's presidency driving tourists to Canada?

According to Timo Kohlenberg, CEO of America Unlimited, demand for vacations in the USA has slightly decreased this season, following a period of strong years. Currently, it is about five percent lower than last year. Meanwhile, demand for vacations in neighboring Canada has skyrocketed, with bookings increasing by around 70 percent.

Kohlenberg does not rule out that the booking trend may be linked to Trump's potential reelection as US president. "We don't know the exact cause of the contrasting developments in bookings for travel to the USA and Canada. However, it is quite unusual and noticeable how abruptly the demand situation has changed in such a short time in both countries."

Kohlenberg notes that there was a drop in vacation bookings at the beginning of Trump's first presidency, though it turned out to be a temporary phenomenon. The business quickly recovered. He expects a similar development this time as well.

According to America Unlimited, the strongest growth is currently being seen in Western Canada. The bestselling route is the West Canada route, with Vancouver Island as the highlight. Round trips through the Inside Passage, featuring whale and bear watching as well as ranch stays, are also in high demand. Polar bear watching in Manitoba at Hudson Bay and train journeys across Canada are also very popular. Older demographics tend to prefer Eastern Canada due to shorter flight durations, with Ontario and Quebec being particularly favored.

Source: Reise vor 9

First Trips by Urlaubsguru Touristik Now Available

The newly founded tour operator Urlaubsguru Touristik, established in November 2024, has reached its next major milestone: the first trips are now exclusively available for booking on the online platforms Urlaubsguru, Holidayguru, and 5vorFlug.

The current portfolio features attractive lifestyle trips to popular destinations, including Egypt, Albania, Greece, Spain, and Turkey. The inaugural trips will commence in April 2025, offering travelers unique vacation experiences in trendy destinations.

“We are thrilled that our offerings are now available for online booking. This significant step brings our vision to life and allows us to provide truly special lifestyle travel experiences. Our focus is now on continuously expanding and optimizing our portfolio. We are fully committed to working closely with the Urlaubsguru community and involving them actively in our development,” said Daniel Frick, CEO of Urlaubsguru Touristik.

In expanding its destination portfolio, Urlaubsguru Touristik plans to continue leveraging the strong community of its associated travel platform Urlaubsguru, tailoring its offerings to meet their needs and preferences. The selection will emphasize a strong lifestyle focus, highlighting trendy destinations and stylish boho-themed hotels.

Currently, the trips are exclusively bookable via the Urlaubsguru, Holidayguru, and 5vorFlug platforms. Plans are already underway to expand distribution channels and make the offerings accessible to an even broader audience.

Source: My Newsdesk

Economic News

Germany Remained in Recession in 2024

The German economy remained in recession in 2024. Weak consumer spending, high energy prices, and structural problems continue to weigh on economic development. Will 2025 bring a turnaround?

Economic Contraction Persists

Germany's economy contracted again in 2024, with GDP shrinking by 0.2% compared to the previous year. This marks the second consecutive year of decline for Europe's largest economy. "Cyclical and structural burdens hindered better economic development," said Ruth Brand, president of the Federal Statistical Office.

Businesses Feel the Impact

Entrepreneur Robin Balsler has long been feeling the effects of Germany's economic woes. The founder of the Mainz-based flea market startup "VinoKilo" has navigated through the pandemic and even survived insolvency. Now, he finds himself in the midst of a prolonged economic slump.

Balsler's company, which refurbishes and sells used clothing across more than ten countries, generating millions in revenue, struggles with rising costs and bureaucratic hurdles. Inflation has driven cost increases of up to 40%, further compounding challenges. "There's nothing I can point to right now and say it's going to work like a charm," he says. "And that's just very sad."

Consumers Tighten Their Wallets

Despite rising wages in recent years, many households are cutting back on spending. Private consumption grew by a mere 0.3%, and uncertainty in the job market is fueling additional caution. For many experts, this is disappointing, as private consumption is seen as a key driver of economic recovery, contributing about 50% to Germany's economic output.

Inflation and Bureaucracy as Key Issues

The rising cost of living continues to weigh on consumers, and bureaucratic inefficiencies hamper businesses. "Retail is the third-largest sector in Germany," notes Alexander von Preen, CEO of the German Retail Association. He highlights challenges such as international conflicts, Donald Trump's return to the U.S. presidency, and competition from low-cost online retailers. Bureaucratic costs, he says, remain one of the most significant barriers.

Weakness in Industry

The industrial sector, a cornerstone of Germany's economy, is particularly hard-hit, with value-added output declining by 3%. Key industries such as machinery and automotive manufacturing reduced production, and investments in machinery and equipment fell by 5.5%. The housing market crisis further exacerbates the construction industry's struggles.

Grim Outlook for 2025

Economic forecasts for 2025 remain muted, with only minimal growth expected. Political uncertainty surrounding February's federal elections adds to the hesitancy among businesses. "Many companies are waiting to see what the new economic policy framework will look like," explains Alexander Krüger of Hauck Aufhäuser Lampe Private Bank.

For entrepreneur Robin Balser, the future of his business in Germany looks bleak. The recession continues to hold the country in its grip, leaving companies and consumers alike searching for a way forward.

Source: zdf.de

The consumer sentiment in Germany is taking a hit

Consumer sentiment in Germany begins the new year with a false start. Both economic and income expectations, as well as the propensity to make purchases, have taken a downturn in January. However, the savings propensity has seen slight gains. Consequently, the consumption climate is expected to decline.

For February 2025, a decrease of one point to -22.4 points is forecasted compared to the previous month (revised to -21.4 points). These are the latest results from the GfK Consumer Climate powered by NIM. Since October 2023, the report has been jointly published by GfK and the Nuremberg Institute for Market Decisions (NIM), the founder of GfK.

In addition to the negative development of income expectations and the purchasing propensity, an increasing savings propensity is also contributing to the deterioration of the consumer climate: it has risen by 2.3 points compared to the last month of the previous year and now stands at 8.2 points.

“The consumer climate is facing a setback again, starting the new year on a somber note. The faint hopes for a cautious recovery that emerged after the previous month's increase have been immediately dashed. Since mid-last year, we've seen at best stagnation, while in the first half of 2024, there were still signs of recovery,” explains Rolf Bürkl, a consumer expert at NIM. “A sustainable recovery of the consumer climate is currently not in sight, especially since the inflation rate has also slightly increased again.”

Pessimism about the economy rises slightly at the beginning of the year

At the end of 2024, Germans' assessment of the general economic situation in Germany for the next 12 months had improved slightly. However, this was apparently short-lived. At the beginning of 2025, the indicator suffers a setback: it drops by 1.9 points and currently stands at -1.6 points.

According to preliminary calculations by the Federal Statistical Office, the German economy shrank by 0.2 percent last year. This would be the second consecutive year of recession, with a decline of 0.3 percent in 2023. Growth prospects for this year are also rather subdued. Forecasts have been consistently revised downward and are currently at around half a percent growth for real GDP.

Income expectations start the new year with slight losses

The assessments of how the financial situation of households will develop in the next 12 months have also become less optimistic. At the beginning of the year, income expectations lose about half of the gains made in the previous month. The indicator drops by 2.5 points to -1.1 points. In December 2024, it had gained 4.9 points.

Looking at the development of the income indicator over the past year, it is marked by two distinct phases: The first half of the year was characterized by a noticeable recovery in income expectations, but this was followed by a declining trend in the second half. This pattern corresponds with the real income development of private households, which was positive, especially in the first half of 2024.

Decreased propensity to purchase in the wake of lower income prospects

The declining income prospects are a key reason for the somewhat weaker purchasing propensity. The indicator loses 3 points, dropping to -8.4 points, the lowest value since August 2024 when it stood at -10.9 points.

Recently, the inflation rate in Germany has risen again. According to preliminary figures from the Federal Statistical Office, prices in December were up 2.6 percent compared to the previous year. This has likely had a dampening effect not only on income prospects but also on consumption. Additionally, ongoing reports of plant closures and production relocations are increasing concerns about job security among the public, further affecting consumer sentiment.

Source: GFK

ifo Business Climate Index Rises

Business sentiment in Germany has slightly improved. The ifo Business Climate Index rose to 85.1 points in January, up from 84.7 points in December. The increase was primarily the result of a more favorable assessment of the current situation. However, expectations have once again worsened. The German economy remains pessimistic.

In the manufacturing sector, business sentiment deteriorated further. Companies' skepticism about the upcoming months increased again. However, the current business situation was rated more positively. The number of new orders continues to decline. Capacity utilization remained almost unchanged at 76.5 percent, still significantly below the long-term average of 83.4 percent.

In the services sector, the index rose significantly. Companies were notably more satisfied with their ongoing business. Expectations also brightened but remained clouded with skepticism. The outlook improved notably, particularly for IT service providers.

In trade, business sentiment remained unchanged. Retailers rated their current situation better, especially in wholesale. However, expectations were slightly more pessimistic, driven by the retail sector.

In the construction industry, business sentiment has once again worsened. This was due to companies' more negative expectations. However, the current situation was assessed slightly better.

Source: ifo

Inflation Drops to Lowest Level Since 2021

The large wave of price increases is over, with cheaper oil driving many prices down—though not all.

Inflation in Germany is at its lowest in three and a half years. In September, consumer prices were only 1.6% higher than the same month the previous year, according to a preliminary estimate by the Federal Statistical Office. The last time the inflation rate was lower was in February 2021.

This continues a trend that has been ongoing for several months. In August, the inflation rate was 1.9%, and in July, it was 2.3%. "This suggests that inflationary pressures have eased," says Christoph Swonke from DZ Bank. However, lower inflation does not necessarily mean life is becoming cheaper. Although consumers paid significantly less for energy in September compared to August (down 7.6%), driven largely by falling oil prices, the prices for food (up 1.6%) and services increased. As a result, the overall price level remained unchanged compared to August. Economists expect the trend of declining inflation rates to continue. In their recently published autumn report, leading economic research institutes predict a rise in consumer prices of 2.2% for the current year—down from 5.9% in 2023. Next year, inflation is expected to settle at 2.0%.

According to a recent survey by the Ifo Institute, fewer and fewer companies in Germany plan to raise their prices. Price expectations fell in September to their lowest level since February 2021. The decreasing inflation could give the European Central Bank (ECB) more room to further lower interest rates in the eurozone. The ECB already announced its first rate cut since the inflation surge in June, and in the third week of September, it reduced the deposit rate by another 0.25 percentage points to 3.5%.

It is unclear whether the ECB will continue with another rate cut in its October decision. However, many observers expect at least one more cut by the end of the year. So far, the decline in inflation has not boosted consumer confidence. According to the latest GfK Consumer Climate Index, consumer sentiment in September remained at a very low level—despite rising wages. Many people are choosing to save their money rather than spend it on buying homes or consumer goods, according to the economists in their autumn report.

(Source: Hannoversche Allgemeine Zeitung)

The Government No Longer Expects Growth

Economics Minister to significantly lower forecast for this year – Habeck calls for swift implementation of the growth initiative.

Following the economic research institutes, the German government has apparently also abandoned its hopes for growth this year. In his autumn forecast, Economics Minister Robert Habeck (Green Party) is expected to predict a decline in gross domestic product (GDP) of 0.2%, reports the "Süddeutsche Zeitung." Last year, the economy had already shrunk by 0.3%. "There is still significant need for action," Habeck told the newspaper. "The first necessary step is the government's growth initiative."

2024 was supposed to be a year of recovery. Initially, major economic institutes predicted more than 1% growth, but by March they had revised their forecast to stagnation. Recently, they slightly adjusted their estimate to a decline of 0.1%. Habeck's revision is more drastic: while in the spring he predicted 0.3% growth, he now expects a 0.2% contraction. For 2025, he expects 1.1% growth—slightly more than the institutes predict.

The biggest drag on the economy is the uncertainty among businesses and citizens, for example, regarding energy policy and other transformation issues. Investments remain below projections, as do private consumption expenditures. High interest rates are also dampening investment, while companies are cautious due to the volatile economic and geopolitical environment, and the savings rate of private households remains unusually high.

Both the government and research institutes expect the situation to gradually improve next year, with the German economy returning to growth. Habeck places great hope in the government's growth initiative: In the summer, the coalition government agreed on a package of 49 initiatives, which are expected to boost growth by half a percentage point next year.

(Source: Hannoversche Allgemeine Zeitung)

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