

MONTHLY REPORT CENTRAL EUROPE MAY 2024



**ST.PETE
CLEARWATER**

**KAUS
MEDIA
SERVICES**



Marketing
Communications
Consulting

Contents

1.	Current State of the Tourism Industry.....	3
2.	Overview of Regional Activities.....	10
3.	Status of Sales Activities and Promotions.....	20
4.	Public Relations Activities.....	25
5.	Market Updates	26

1. Current State of the Tourism Industry in Central Europe

European International Travel Trends Update

Sales Climate Improves in May

The Tourism Sales Climate Index from the consulting firm Dr. Fried & Partner shows improvement in May, both in terms of the current sales situation and expectations for the next six months. There is a "significant improvement in the assessment of the current sales situation," the report states.

Mood Among Travel Agencies More Positive in May Compared to Previous Month

The current situation in the sales of travel services is rated as predominantly good by industry participants, according to the authors. In May, 55 percent of respondents indicated that the situation was good, compared to 47 percent in the previous month. The number of those who rated the situation as satisfactory decreased from 44 percent in April to 39 percent in May. At the same time, the proportion of those who considered the situation to be poor decreased from nine percent in the previous month to seven percent.

Over the past two to three months, compared to the previous year, the sale of travel services has shown a varied picture, the analysis continues. While 34 percent of respondents indicated that sales had increased (April: 37%), the proportion of those who reported no change rose to 41 percent, compared to 37 percent in the previous month. The proportion of those reporting a decline in sales slightly decreased from 27 percent in April to 25 percent in May.

Positive Expectations

Expectations for the demand for travel services over the next six months are predominantly optimistic, according to the Sales Climate Index. In May, 30 percent of respondents stated that they expect demand to increase, a significant rise compared to 22 percent in the previous month. The proportion of those expecting steady demand decreased from 57 percent in April to 51 percent in May. At the same time, the proportion of those predicting a decline in demand slightly decreased from 21 percent in April to 19 percent in May.

The earnings situation over the next six months is also expected to be optimistic by most respondents, the analysis continues. In May, 28 percent of respondents expected their earnings to improve, a significant increase compared to 21 percent in April. The proportion of those expecting no change decreased from 58 percent in April to 50 percent in May. The proportion of those fearing a deterioration in earnings remains almost constant at 22 percent. In May, 157 travel agencies participated in the survey.

(Source: Reisevor9)

Germany is in Travel Fever – Tourism Expects Record Revenue

The travel enthusiasm is unbroken; more than that, Germans are traveling more intensely than ever before and spending a lot of money on it. It's a trend the tourism industry is celebrating.

For Silke Schmidt from Frankfurt, traveling is a top priority. Easter, summer, autumn, and winter – she spends around 15,000 euros on four vacations with her family. And she's not alone, says Helmut Wachowiak, a tourism expert at the International University in Berlin. "You could even say that Germans are traveling more intensively than ever," he says. According to recent studies, nearly 80 percent of all Germans over the age of 14 take at least one vacation a year.

Spending at Record Levels

And these travel enthusiasts are spending a lot: from 73 billion euros in 2019, spending increased to almost 87 billion euros in 2023, according to the 2024 Travel Analysis. This amounts to around seven percent of household net income. In terms of consumption priorities, vacations rank second – right behind food.

According to the German Tourism Analysis, Germans spent an average of 1,337 euros per person on their main vacation in 2023. A record. And airlines, travel companies, and travel agencies have noticed this: Anke Dannesberger from Berger Reisebüro in Frankfurt reports that sales figures have risen incredibly. "People just want to get away – at any cost," she says.

Early Booking Discounts Instead of Last-Minute Deals

And there's another change this year at Dannesberger's: after 30 years of travel agency experience, she can confidently say that customers have never booked so early as in this fiscal year. Prices are high, and those who want to travel at short notice risk paying even more.

According to Dannesberger, this is because tour operators no longer buy large contingents of flights and hotels but rather purchase them on the market minute by minute. "Last minute is completely out," she says. The new motto: the earlier, the cheaper.

Long-Distance and Air Travel Are Becoming Increasingly Popular

In 2023, Germans made 65 million vacations lasting five days or more. Their own country remains the favorite destination: 22 percent spend their main vacation in Germany.

But long-distance and air travel are clearly on the rise: Spain with Mallorca and Turkey are leading. The airplane has overtaken the car as the most popular mode of transportation, says tourism researcher Wachowiak. Internationally, it is expected that air traffic will increase significantly again over the next ten years.

Sustainability Important to Many Only in Theory

And what about flight shame? In a recent survey commissioned by HolidayCheck, 45 percent of respondents stated that they place more value on sustainability. At the same time, the number of flights is higher than ever before. "There is a big gap between desire and reality," says Wachowiak.

Dannesberger has had similar experiences: when it comes to concrete bookings, sustainability plays a very minor to no role at all. However, she sees the responsibility primarily with the tourism industry: airplanes need to be built that emit less kerosene, and more investment should be made in sustainable projects and tourism concepts on-site. Overall, it remains clear that the travel enthusiasm of Germans is unbroken and crisis-proof.

(Source: Tagesschau.de)

AÖV: Austrian Aviation Continues to Climb

According to the Working Group of Austrian Commercial Airports (AÖV), a total of 7.2 million passengers were transported in the first quarter of 2024—an increase of 10.4% compared to the previous year.

"Austrian airports are continuing their upward trend this year, as evidenced by the strong passenger growth in the first quarter," said Mag. Julian Jäger, President of the AÖV and Executive Board Member of Flughafen Wien AG. "Air freight is already above the level of the comparable period in the pre-crisis year 2019, recovering even better than passenger development. Seat occupancy rates are also increasing significantly, meaning that planes are fuller and the demand for air travel is high. This underscores the important role of Austrian commercial airports for their respective tourism and economic regions."

Around 7.2 Million Passengers in Q1 2024

In total, approximately 7,237,788 passengers were counted at all six Austrian commercial airports (Graz, Innsbruck, Klagenfurt, Linz, Salzburg, and Vienna) in the first quarter of 2024, representing a 10.4% increase over the previous year. The number of flight movements in scheduled and charter traffic increased by 4.9% compared to the previous year, with 58,337 take-offs and landings.

The average aircraft load factor also increased, reaching 75.4%, an improvement of 1.7 percentage points compared to Q1 2023. Notably, air freight saw a significant increase, with 85,219 tons transported, marking a 16.0% rise over Q1 2023 and even surpassing the level of the same period in the record year of 2019.

Details on Passenger Development at Austrian Commercial Airports:

Vienna Airport: The number of passengers increased from 5,325,201 in Q1 2023 to 5,910,251 in Q1 2024 (+11.0%).

Salzburg Airport: Passenger volume increased by 3.9% to 613,149.

Innsbruck Airport: The number of passengers rose to 526,716 in Q1 2024 (+9.6%).

Graz Airport: Passenger volume increased by 36.5% to 149,642.

Linz Airport: Passenger numbers grew by 5.7% to 20,703 in 2023.

Klagenfurt Airport: The number of passengers decreased by 42.3% to 17,327 due to the previously announced cancellations of routes to Cologne, Dublin, Manchester, Rotterdam, and Brussels Charleroi.

Increase in Load Factors at All Commercial Airports

It is noteworthy that the load factor of aircraft increased at all six commercial airports in the first quarter of 2024: the most in Graz by 8.0%, followed by Klagenfurt by 5.7%, and Salzburg by 4.0%. In Innsbruck, the load factor increased by 3.0%, in Linz by 2.7%, and in Vienna by 0.9%.

Development in Flight Movements

The number of flight movements increased in the first quarter of 2024 at all Austrian commercial airports except Klagenfurt and Salzburg. In Vienna, the number of take-offs and landings rose by 6.5% to 46,294, while in Salzburg, flight movements decreased by 3.2% to 4,906. Graz Airport saw a 4.0% increase to 1,959, and Innsbruck Airport experienced a 4.6% rise to 4,176 take-offs and landings. Flight movements at Linz Airport increased by 1.1% to 754, whereas Klagenfurt Airport saw a decrease in flight movements to 248 (-42.5%).

(Source: www.tip-online.at)

1.5 Million More Passengers in the First Quarter

From January to March 2024, 19% more passengers traveled through Swiss airports. According to the Federal Statistical Office (BfS), Swiss airports recorded a total of 12.4 million arriving or departing passengers (local and transfer passengers) in scheduled and charter traffic from January to March 2024.

This represents 1.5 million more passengers or a 13% increase compared to the same months of the previous year, but still 4% less than in 2019, the year before the start of the Covid-19 pandemic.

The number of flight movements (takeoffs and landings) also increased in the first quarter of 2024 compared to 2023, by 12% to 98,000.

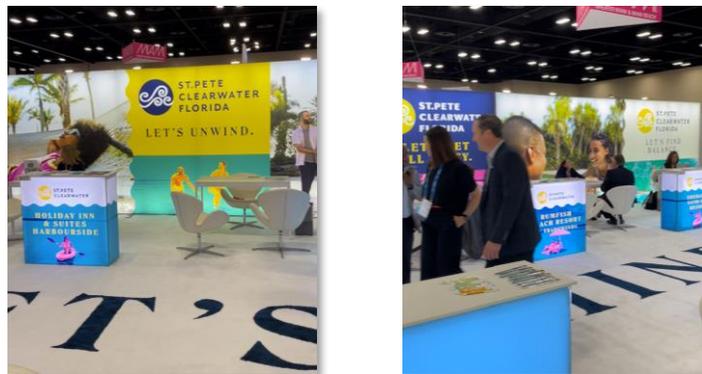
(Source: www.travelnews.ch)

2. Overview of Regional Activities

Germany

- We continued making preparations for ipw 2024 in Los Angeles, CA in May 2024 and continued supporting the appointment scheduling with key tour operators and media professionals from Central Europe.

From May 3-7, 2024, we attended ipw 2024 in Los Angeles, CA and supported VSPC with the coordination of key tour operator and media meetings with travel trade professionals from Central Europe as well as other global markets. In addition, we supported VSPC with media interviews as well as onsite representation. Please see our ipw 2024 report for further information.



- KMS attended a strategic Brand USA meeting at ipw in Los Angeles in order to discuss opportunities for joint promotions in the future.
- We continued our preparations for the Visit USA Bowling Roadshow that will take place between June 3 to 13, 2024 and making stops in eight German cities. The Visit USA Committee Germany gave all participating partners the opportunity to attend up to four of the eight events. Due to a very high demand from its members, the Visit USA Committee determined the cities and dates for all interested parties by lottery. Visit St. Pete – Clearwater was selected for the following cities:
 - Friedrichshafen, June 6th, 2024
 - Luebeck, June 10th, 2024
 - Berlin, June 11th, 2024
 - Hannover, June 12th, 2024

The details of the roadshow concept are as follows:

- A workshop format with eight partners per city.
- During the event, we will be able to train many travel agents about our destination. Travel agents will be divided into groups and attend 15-minute workshops with each partner.
- Presentations will be conducted using screens provided by Visit USA.
- Anticipated participation of 30-50 travel agents per city.

- Networking opportunities include an American buffet and a bowling tournament after the workshops.
- Events are scheduled from 5:30 p.m. to 10:30 p.m.

We prepared the promotion for Visit St. Pete – Clearwater, updated our existing presentations, booked hotels and train rides, ordered new Gulf to Bay magazines from VSPC and sent all materials to the respective cities.

- After approval from VSPC, we registered for the USA Experts Events of the Visit USA Committee in Dusseldorf, Germany on July 3, 2024. Approximately 60 - 100 senior travel agents with expert U.S. knowledge will be trained at this new concept of training events. Only 20 Visit USA members were given the opportunity to hold 15 minutes long presentations on an advanced level.

During the event, two partners will present their destination or services in separate rooms at the same time. The travel agents can choose their preferred presentations and book the respective slot on a first come, first served basis. The Visit USA Committee will ensure that there will be an equal number of attendees in both presentations. Each participant will attend ten presentations in total during the day.

Extensive travel market sessions in between the presentations will provide the opportunity to network with all participants. The day will be completed by an evening event with live music and special activities.

This event is conducted in very close cooperation with Brand USA, since event invitations will be sent out to the most advanced participants of the USA Discovery Program by Brand USA.

- The Visit USA Committee Germany will distribute a newsletter about the "Pride Month" in June 2024 and we supported the Visit USA Committee with content and photos of St. Pete – Clearwater. The newsletter will be distributed to more than 23,000 travel agents and media professionals. We will also upload the same content to the Visit St. Pete – Clearwater section of the Visit USA Committee Germany's website. We have also uploaded the same content on the website of the Visit USA Committee Germany.
- In April, we registered Visit St. Pete – Clearwater for a promotion with Visit Florida and the America Journal (June issue). The insert "Florida Stars Volume 2" in the summer edition of the B2C magazine AMERICA Journal comprises 40,000 copies and will be released on June 28, 2024. We approved our two-page feature on Visit St. Pete – Clearwater, which the AMERICA Journal created for this booklet. Additionally, as part of this campaign, we prepared a 1,000 characters long text, a destination photo, and the Visit St. Pete - Clearwater logo for a planned B2C newsletter in August 2024. We sent all materials to America Journal in time for it further use.
- On the occasion of the celebration of the Independence Day, we received and invitation of Brand USA's office in Germany. We will represent Visit St. Pete – Clearwater at the event.

- On the occasion of the celebration of the Independence Day, we received an invitation from the U.S. Consulate General in Frankfurt, Germany. We will represent Visit St. Pete – Clearwater at the event.
- We coordinated the regular coordination of the warehouse that we have subcontracted on behalf of VSPC, proofread their inventory report for April 2024 and forwarded it to VSPC.

In addition, we placed another material order for destination magazines and promotional items through Simpleview to have sufficient materials available for upcoming promotions.

- For a poster as the final component of a promotion with the tour operator Faszination Fernweh, we selected photos and provided them to the tour operator.
- For our joint promotion with Brand USA and the German tour operator Canusa we assisted Brand USA with more proofreading of various posts and 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.
- After IPW, we received a proposal from the tour operator DERTOURISTIK. We carefully reviewed this proposal and found that it mainly included storefront advertisements in travel agencies and spots on travel agency TV, which did not meet our expectations. Therefore, we requested new marketing activities from DERTOURISTIK that focus on the B2C sector and include a call-to-action. After ten days without a response from DERTOUR, we followed up on this proposal.
- We drafted the newsletter *St. Pete – Clearwater Gets Closer: New Nonstop-Flight with Delta Airlines from Amsterdam*. We researched suitable topics and high-resolution photos and submitted it to VSPC for approval. After we received approval, we distributed it to more than 3,500 travel agencies and tour operators in Germany.
- 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.
- For the planned Agency Meeting in St. Petersburg – Clearwater on September 11 and 12, KMS can conduct extensive research on the demand for long-haul travel from German-speaking countries, the economic situation in German-speaking countries, and the marketing activities of competitors in St. Pete – Clearwater.
- For a planned promotion with Blu Media, a leading the publisher for the LGBTQ+ community, we started preparations for the promotion that is expected to start in June 2024. The German tour operator *Die Reisebotschafter* will be incorporated in the promotion for a measurable call to action and return on investment for our destination.

- Following a meeting at the IPW, KMS received marketing proposals from TUI Germany and Urlaubstracker and reviewed it for suitable activities.
- We were informed by Visit Florida that the planned co-operation with the German tour operator FTI was cancelled.
- 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 several marketing activities to Visit St. Pete – Clearwater.
- We continued our support for Visit St. Pete – Clearwater’s participation in campaign with TUI and Visit Florida.
- 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 attended the bi-weekly coordination calls with VSPC in May 2024 to synchronize our activities and to discuss upcoming promotions.
- KMS attended a monthly Brand USA conference call 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.
- We drafted and submitted our activity report for May 2024.

Austria

- We drafted the newsletter *St. Pete – Clearwater Gets Closer: New Nonstop-Flight with Delta Airlines from Amsterdam*. We researched suitable topics and high-resolution photos and submitted it to VSPC for approval. After we received approval, we distributed it to more than 800 travel agencies and tour operators in Austria.
- We distributed promotional materials and photos of Visit St. Pete – Clearwater to interested travel agencies and tour operators in Austria.
- We followed up with the Visit USA Committee Austria to request when we will receive a proposal for the planned Visit USA Workshop in Linz, Austria, scheduled for November 11, 2024.

- We met with several Austrian tour operators at ipw 2024 in Los Angeles, CA and discussed tourism development as well as media opportunities to promote our destination in the Austrian market. We started following up on all appointments after the show.

Switzerland

- Due to the increase in frequency of the flight connection from Zurich to Tampa Bay, VSPC and Visit Tampa Bay have entered into a joint promotion with the Swiss airline *Edelweiss*. This includes our participation in a co-funded travel trade event organized by Edelweiss in Zurich on June 5, 2024. For this purpose, KMS has provided Edelweiss Air with a selection of photos for a banner to be displayed during the event. Originally, Edelweiss intended to produce a banner for our region that did not include any photos from St. Pete – Clearwater. We ordered new brochures from Visit St. Pete – Clearwater, which are to be distributed to participants during the Edelweiss Event. We will send additional giveaways and brochures to the event.
- On the occasion of the increased flight connections between Zurich and Tampa Bay provided by Edelweiss, Visit St. Pete – Clearwater and Visit Tampa Bay have agreed on a joint promotion with the online travel seller *Expedia*. For a planned landing page with a call-to-action, KMS provided photos and texts. Expedia submitted a concept for approval. Since the *Expedia* landing page was not well-balanced for St. Pete – Clearwater, we had to ask Expedia several times for changes before approval could be given.
- Further marketing and PR activities for the Edelweiss promotions included but were not limited to:
 - We were in contact with the Swiss tour operator Knecht Reisen to include the company in our promotional activities. We are awaiting Knecht Reisen’s timeline for the individual promotional tactics.
 - We resent our advertising offer from Prestige Travel, one of the leading consumer travel magazines in the Swiss market, to Visit Tampa Bay (VTB). We are still awaiting VTB’s feedback.
 - We completed several conference calls with Visit Tampa Bay’s representation office in order coordinate and synchronize our efforts for the promotion. This also included a meeting at ipw in Los Angeles, CA.
- For planned site inspections by the Swiss tour operator Go2Travel, we requested support for a program and hotel rooms from VSPC. The visit is planned from June 23-25, 2024.

- We asked the Visit USA Committee Switzerland whether Visit St. Pete – Clearwater can participate in a roadshow planned from September 17-19, 2024. The roadshow will make stops in the German-speaking part of Switzerland (including the cities of St. Gallen, Zurich, Lucerne and Basel) and in the French-speaking part of Switzerland (Lausanne). Each day two cities will be visited. The participation in the roadshow enables Visit St. Pete – Clearwater to train approximately 300 travel agents in the valuable Swiss tourism market. We would be able to give multiple 15 minutes long product presentations to small groups of travel agents, increase their knowledge about our destination and enable them to pro-actively offer St. Pete – Clearwater to potential travelers. We are awaiting the Visit USA Committees feedback.
- We drafted the newsletter *St. Pete-Clearwater Gets Closer: New Nonstop-Flight with Delta Airlines from Amsterdam*. We researched suitable topics and high-resolution photos and submitted it to VSPC for approval. After we received approval, we distributed it to more than 400 travel agencies and tour operators in Switzerland.
- In coordination with the Swiss tour operator Knecht Reisen we continued 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.
- We met with several Swiss tour operators at ipw 2024 in Los Angeles, CA and discussed tourism development as well as media opportunities to promote our destination in the Swiss market. We started following up on all appointments after the show.
- KMS received a proposal from the Swiss tour operator Go2Travel and reviewed it. We forwarded the proposal to VSPC for approval.
- We drafted the newsletter *St. Pete – Clearwater Gets Closer: New Nonstop-Flight with Delta Airlines from Amsterdam* and submitted it to VSPC for review. After we received approval, we distributed it to approximately 400 travel agencies and tour operators in Switzerland.
- 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.

The Netherlands

- After we learned that the Delta Airlines will start offering daily non-stop service from Amsterdam's Schiphol Airport (AMS) to Tampa Bay (TPA) in October 2024, we researched a contact person at Delta Airlines and requested an online meeting with them to discuss potential marketing opportunities together. We are awaiting the airline's reply.
- For the promotion of the new Delta flight from Amsterdam to Tampa Bay, we were in contact with several 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 drafted the newsletter *St. Pete-Clearwater Gets Closer: New Nonstop-Flight with Delta Airlines from Amsterdam* and submitted it to VSPC for review. After we received approval, we distributed it to approximately 800 travel agencies and tour operators in the Netherlands.
- After approval from VSPC, we have registered Visit St. Pete – Clearwater for the two-day B2B trade show *USA Canada Experience* and the consumer show *Reisbeurs* in Zeist, Netherlands. While the USA Canada Experience takes place from October 31 to November 1, 2024, Reisbeurs will be held from November 2-3, 2024.

The USA Canada Experience is a two-day workshop for media, tour operators, and travel agencies. During the two days, there is a marketplace where American and Canadian providers meet Dutch tour operators, media, travel agencies, and reservation staff operating in the Dutch market.

The Reisbeurs is a consumer event for potential travelers to the USA. It opened its doors on both days from 10 am to 6 pm, and we can introduce St. Pete - Clearwater to many potential Dutch travelers. Approximately 1,200 visitors are expected at the Reisbeurs during one weekend.

- As part of our Visit USA membership, the Visit USA Committee Netherlands requested content for two annual posts on their social media channels.

We supported the Visit USA Committee with the corresponding content with 60 words as well as related photos and we highlighted St. Pete – Clearwater as a top beach and cultural destination.

- As part of our Visit USA membership, the Visit USA Committee Netherlands also requested content for a newsletter.

We supported the Visit USA Committee with the corresponding content with 50 words as well as related photos and we highlighted St. Pete – Clearwater's breweries and its Gulp Coast program.

- We asked the Visit USA Committee Netherlands dates for a planned roadshow. We were informed that the two events are scheduled for September 25-26, 2024. We were promised to receive invitations shortly.
- We distributed promotional materials and photos of Visit St. Pete – Clearwater to interested travel agencies and tour operators in the Netherlands.
- We met with several Dutch tour operators at ipw 2024 in Los Angeles, CA and discussed tourism development as well as media opportunities to promote our destination in the Dutch market. We started following up on all appointments after the show.

Belgium

- During a meeting at ipw in Los Angeles, CA, the Visit USA Committee Belgium informed us that the participation in the Visit USA Workshop in Mechelen would be complimentary for VSPC. We subsequently verified this information and found that we did not book the appropriate membership level that would entitle us for a free participation.
- We requested a proposal from the Belgian tour operator Joker Reizen, focusing on B2C and a call to action. We followed up on the operators after we have not heard back from them.
- We drafted the newsletter *St. Pete – Clearwater Gets Closer: New Nonstop-Flight with Delta Airlines from Amsterdam* and submitted it to VSPC for review. After we received approval, we distributed it to approximately 500 travel agencies and tour operators in Belgium.
- We met with several Belgian tour operators at ipw 2024 in Los Angeles, CA and discussed tourism development as well as media opportunities to promote our destination in the Belgian market. We started following up on all appointments after the show.

Poland

- We drafted the newsletter *St. Pete-Clearwater Gets Closer: New Nonstop-Flight with Delta Airlines from Amsterdam* and submitted it to VSPC for review. After we received approval, we distributed it to approximately 500 travel agencies and tour operators in Poland.

- We met with several Polish tour operators at ipw 2024 in Los Angeles, CA and discussed tourism development as well as media opportunities to promote our destination in the Polish market. We started following up on all appointments after the show.

Czech Republic

- We drafted the newsletter *St. Pete – Clearwater Gets Closer: New Nonstop-Flight with Delta Airlines from Amsterdam* and submitted it to VSPC for review. After we received approval, we distributed it to approximately 500 travel agencies and tour operators in the Czech Republic.
- We met with several Czech tour operators at ipw 2024 in Los Angeles, CA and discussed tourism development as well as media opportunities to promote our destination in the Czech market. We started following up on all appointments after the show.

Hungary

- We drafted the newsletter *St. Pete-Clearwater Gets Closer: New Nonstop-Flight with Delta Airlines from Amsterdam* and submitted it to VSPC for review. After we received approval, we distributed it to a large number of travel agencies and tour operators in Hungary.

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)

- We were informed by Visit Florida that the planned co-operation with the German tour operator FTI was cancelled.

Advertising Promotion with Visit Florida and America Journal (June 2024)

- In co-operation with Visit Florida and the German travel consumer magazine America Journal we will carry out an advertising promotion. Both partners plan a dedicated Florida magazine supplement designed to build awareness and inspire travel planning.

Visit USA "Bowling" Roadshow, Germany (June 6, 11-13, 2024)

- We will promote Visit St. Pete - Clearwater at the German Visit USA Committee's roadshow that will make stops in the cities of Stuttgart, Friedrichshafen, Hannover, Berlin and Hamburg. During the events, we will be able to train a large number of travel agents about our destination.

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.

Go2Travel Trade Fam Trip (June 23-25, 2024)

- In coordination with the Swiss tour operator Go2Travel we will support a travel trade trip to Florida and the travel trade managers will be in our destination from June 23-25, 2024. Go2Travel is newer Swiss tour operators for travels to the U.S. and to Florida. VSPC will highlight our destination during the fam trip.

Co-op Media Event with Visit Tampa Bay, Zurich / Switzerland (tbs)

- As part of our promotional support of Edelweiss increased flight frequency from Zurich to Tampa Bay (TPA), we will organize a media event in June or July 2024 (date and place to be decided).

Visit USA Expert Event in Dusseldorf, Germany (July 3, 2024)

- Visit St. Pete – Clearwater will be promoted at the USA Experts Event organized by the Visit USA Committee Germany. Approximately 60 - 100 senior travel agents with expert U.S. knowledge will be trained at this new concept of training events.

Brand USA's Fourth of July presentation in Frankfurt (July 04, 2024)

- On the occasion of the celebration of the Independence Day, we received an invitation of Brand USA's office in Germany. We will represent Visit St. Pete - Clearwater at the event.

U.S. Consulate's Fourth of July celebration in Frankfurt (July 04, 2024)

- On the occasion of the celebration of the Independence Day, we received an invitation from the U.S. Consulate General in Frankfurt, Germany. We will represent Visit St. Pete – Clearwater at the event.

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.

Visit USA Switzerland Roadshow, Switzerland (September 17-19, 2024)

- We will promote St. Pete – Clearwater at the roadshow of the Visit USA Committee Switzerland that will make stops in the German-speaking part of Switzerland (including the cities of St. Gallen, Zurich, Lucerne and Basel) and in the French-speaking part of Switzerland (Lausanne). Each day two cities will be visited. The participation in the roadshow enables Visit St. Pete – Clearwater to train approximately 300 travel agents in the valuable Swiss tourism market.

USA-Canada Experience, The Netherlands (Oct. 31 – Nov. 01, 2024)

- A B2B event is a combined two days long workshop for media, tour operators and travel agents. During the two days there will be a marketplace where the American and Canadian suppliers meet the Dutch tour operators, media, travel agents and reservation staff operating in the Dutch market.

USA & Canada Reisbeurs, The Netherlands (November 02-03, 2024)

- The Reisbeurs is a consumer event for potential travelers to the USA. For the 12th time this largest North America travel fair will be organized for consumers as a dedicated travel show for North American suppliers.

- There will be product presentations of 20 minutes so that we can present our destination to potential travelers in the Netherlands. Approximately 1,200 visitors are expected at the Reisbeurs during one weekend.

Reisewelten (November 21-23, 2024)

- As part of our multi-channel co-operation with the Swiss tour operator Knecht Reisen, we will participate in the tour operators day-long shows designated to consumers (November 21-22, 2024) and travel trade professionals (November 23, 2024).

The tour operator welcomes over 50 partners and specialists from all over the world to its travel center in Windisch, Switzerland. In over 35 travel presentations on a wide variety of destinations, interested parties will learn news about the exhibiting destinations.

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 May 2024.

5. Market Updates

Germany – Economic news

Dispute over the State of the German Economy Controversy between the Chancellor and the Industry President – Initial Economic Brightening or Continued Stagnation?

In this lifetime, Federal Chancellor Olaf Scholz and Industry President Siegfried Russwurm are unlikely to become friends. During a gathering with leading representatives of the economy, the Chancellor reportedly dismissed their warning that Germany was losing ground as the usual lamentation of merchants. In retaliation, Russwurm publicly accused Scholz of having brought "two lost years" upon companies in Germany. In turn, the Chancellor refused to let this accusation stand and, at the opening of the Hanover Trade Fair, lectured Russwurm that it had been two years of steering the ship in the right direction and now the country should not be disparaged.

The disagreement between the Federal Chancellor and the economy is unprecedented. And it inevitably raises the question of who is right. Is the German economy really doing so poorly? Or are its representatives simply complaining at a high level?

Bare numbers on the status quo were presented on Tuesday by the Federal Statistical Office: Compared to the first quarter of the previous year, economic output in the first three months of this year was 0.2 percent higher. Although the data for the final quarter of the previous year was revised downward by one-tenth of a percentage point to -0.5, at least Germany narrowly avoided a technical recession, said economic expert Achim Truger to the RedaktionsNetzwerk Deutschland (RND).

"The situation is still not good for the economy," says the economist, who usually finds a sympathetic ear among Social Democrats like Scholz. The pandemic, energy crisis, and interest rate turnaround have left deep marks. Business is particularly sluggish in the industry, and even the rebounding economies of China and the USA have not yet translated into improved order levels. "And in construction, the situation is still bad, primarily in residential construction due to interest rates," explains Truger.

Correspondingly, the Federal Employment Agency announced on Tuesday that the unemployment rate in April was 0.3 percentage points higher than in April of the previous year. Nevertheless, economist Truger is cautiously optimistic about the future. "The signs of an economic turnaround are becoming clearer," he says. Nearly all forecasts expect economic growth to pick up in the coming months, especially in the second half of the year: The decreasing energy prices are increasingly noticeable, even in the chemical industry, which was hard hit by the energy crisis, production has recently increased again. The looming interest rate cut in June is already stimulating the construction industry, and overall, the Ifo Business Climate Index has been trending upwards for several months. Consumers are also getting back into a buying mood; since January, the GfK Consumer Climate Index has been steadily improving.

However, there is still no reason for euphoria. Even the federal government remains cautious. According to its forecast, economic growth will increase slightly on an annual basis to 0.3 percent. Compared to earlier times, this is virtually stagnation; between 2010 and 2020, gross domestic product increased by an average of 1.2 percent annually.

But does stagnation justify the excitement, especially since independent forecasts expect more than one percent growth again by 2025? Sometimes it seems that entrepreneurs simply need a love token again, Truger suggests. "And of course, there are also lobbying interests at play." In addition, the current excitement is not only about the current figures but also about long-term forecasts. And there is a term making the rounds that both the Greens and the FDP use to justify their demand for reforms: "Potential growth."

This describes how an economy would develop under normal capacity utilization. And by 2028, the Council of Economic Experts, to which Truger also belongs, expects potential growth of only 0.4 percent.

(Source: Hannoversche Allgemeine Zeitung)

Experts See No Recovery Yet

The Council of Economic Experts considers the budget dispute one of the biggest economic risks – Chancellor and businesses squabble over working hours.

While the economy may be dissatisfied with the policies of the Chancellor, business leaders have nothing but praise for Olaf Scholz's work ethic. Peter Adrian, President of the Association of German Chambers of Industry and Commerce, expressed it this way at the IHK Day on Wednesday: "There should be no taboos, so we discuss everything here – from retirement at 69 for those who can handle it to a 45-hour workweek." He hopes for Scholz's understanding, as the Chancellor himself works well over 45 hours a week and is still "in good shape."

It is an adept blend of flattery, teasing, and criticism. Of course, Social Democrat Scholz has a problem with these economic remedies for the labor shortage. Just last weekend, he dismissed considerations for a higher retirement age as "absurd" during a talk hosted by the RedaktionsNetzwerk Deutschland (RND).

However, the Chancellor is aiming for harmony and plays along a bit. "Personally, I plan to work well beyond the statutory retirement age voluntarily," says Scholz, who will soon celebrate his 66th birthday.

But the key is voluntariness. And the economy must also deliver. He has the impression that more and more people want to work beyond retirement age, but suitable jobs are often lacking. "Companies need to be enthusiastic about hiring 62-year-olds," demands Scholz.

That is about the extent of mutual criticism. After the marked tensions of recent weeks, both sides are clearly striving for de-escalation.

This also applies to the five women and men Scholz met with shortly before. The Council of Economic Experts presented its spring report on Wednesday, and even among these so-called "economic sages," there is discord to resolve.

The appointment of Nuremberg economist Veronika Grimm to the supervisory board of energy technology group Siemens Energy had upset the other four council members due to concerns of a conflict of interest. Grimm's dissenting opinion on hydrogen, a critical issue for Siemens Energy, in the current spring report seems to confirm their worries.

However, during their public appearance, both sides tried to downplay their differences. After all, the focus was on the state of the German economy. While it is slowly recovering, it is not yet gaining significant momentum. The three female and two male professors have therefore lowered their forecast for 2024. In the fall, they predicted Europe's largest economy to grow by 0.7 percent; now they expect just 0.2 percent. For the following year, they predict a growth of 0.9 percent.

"The German export economy has cooled significantly," says Veronika Grimm. Given the importance of exports to German companies, this contributes substantially to the economic weakness. The economic experts are also concerned about the restrained consumption by private households, which is not expected to pick up until the second half of the year.

However, there is optimism due to expected ECB interest rate cuts this year, as inflation is declining: The experts predict a 2.4 percent inflation rate for 2024 and 2.1 percent for the following year. Additionally, global trade and industrial production are expected to increase again.

One of the biggest risks, according to the council, is ironically political. The forecast had to be lowered partly because of ongoing uncertainties about budget cuts for 2025, said the council's chairwoman Monika Schnitzer to the RedaktionsNetzwerk Deutschland (RND): "Everyone who now fears cuts or is worried about subsidies holds back on investments."

(Source: Hannoversche Allgemeine Zeitung)

Concerns About the Location Germany OECD Revises Forecast for Germany Downward Again

The Organisation for Economic Co-operation and Development (OECD) has once again revised its forecast for economic growth in Germany downward. According to the economic outlook released on Thursday in Paris, economic experts now expect growth of only 0.2 percent for the current year.

The German government had recently slightly revised its growth forecast upward to 0.3 percent. This week, the Federal Statistical Office unexpectedly reported growth of 0.2 percent for the first three months compared to the final quarter of 2023.

The OECD identifies the lack of investment in the green transformation of the economy as the biggest impediment to growth. It explicitly mentions the budget ruling of the Federal Constitutional Court, which led to the removal of 60 billion euros from the Climate and Transformation Fund. As a result, planned tax incentives for investments were scrapped, damaging investor confidence in Germany as a location, according to the OECD.

(Source: Hannoversche Allgemeine Zeitung)

Inflation no longer falling: Price increases expected to pick up slightly

Inflation did not decline further in April. Consumer prices remained 2.2 percent above the level of the same month last year, as reported by the Federal Statistical Office. Economists anticipate a slight increase in rates again in the coming months. Many businesses intend to raise prices, particularly in the hospitality sector or in drugstores.

From March to April 2024, consumer prices in the country increased by 0.5 percent. Once again, this confirms preliminary data from late April, according to statisticians in Wiesbaden.

A potential driver of prices in the coming months could be energy, as since the beginning of April, the regular VAT rate of 19 percent has been reinstated for natural gas and district heating, after having been reduced to 7 percent for one and a half years.

In April, household energy became cheaper not as significantly as in March. On average, food prices increased by 0.5 percent compared to a year earlier; in March, food prices had still declined.

(Source: Hannoversche Allgemeine Zeitung)

ZEW Index Exceeds Expectations

The economic expectations of German financial experts improved more than expected in May. The sentiment gauge of the Mannheim Center for European Economic Research (ZEW) rose by 4.2 points compared to the previous month, reaching 47.1 points.

This is the highest level since the start of the Ukraine war in February 2022 and marks the tenth consecutive increase. Although the indicator for the current situation remains negative, it also performed better than expected.

"There are thus increasing signs of an economic recovery," commented ZEW President Achim Wambach. "This is likely to be supported by the improved economic assessment for the euro area as a whole, as well as for the important export market of China."

(Source: Hannoversche Allgemeine Zeitung)

Tour Operator News

Eurowings anticipates a strong summer and a "special economic boom."

Jens Bischof, CEO of the Lufthansa subsidiary, expects strong demand this summer in both the tourism and business travel sectors. The European Football Championship is also expected to bring Eurowings a "special economic boom."

Positive Effects for Eurowings from the European Football Championship

The trends from the previous year have "stabilized," says Bischof. The desire to travel in Germany and Europe remains high. The comeback of business travelers is also contributing to this. The business sector is expected to grow by three to five percent this year. Overall, Eurowings has increased its seat capacity by 13 percent compared to 2023, with Bischof expecting a load factor "well over 80 percent."

The European Football Championship in Germany is expected to be a strong driver for the summer business even before the actual peak season begins. Eurowings has already added over 70 additional flights with 13,000 seats across Europe to bring football fans to the venues. These capacities could be expanded further if needed, emphasizes Bischof.

Up to 600 Flights a Day

The focus remains on destinations around the Mediterranean. Mallorca alone will be served up to 426 times per week from 26 airports in Europe this season, says Bischof. Across the entire network, he expects up to 600 flights per day during the peak season. Additionally, the growing A320 Neo fleet, which currently comprises 13 aircraft, allows for a "new structure and different flight planning" due to their greater range. This means new medium-haul destinations such as Dubai or Jeddah in Saudi Arabia, as well as northern European destinations in Norway or Finland, can be served.

Bischof also expects additional momentum in the tourism business from the tour operator subsidiary Eurowings Holidays. The airline currently sells about 1,000 trips per day through it. To better exploit the potential of the operator as a last-minute provider, Bischof plans further collaborations with tour operators, following the example of the recently launched partnership with Dertour. However, whether Eurowings Holidays will continue to package trips through Karlheinz Kögel's HLX Group in the long term or shift to producing trips themselves remains unclear, as Bischof does not provide a clear answer to this question when asked.

Rising costs are causing headaches for the Eurowings CEO. The increase in the air traffic tax, a potential increase in security fees, and the mandatory blending of SAF from 2025 will have to be reflected in prices, he says. Currently, they are satisfied with the yield level and can pass the costs on to customers. However, a "glass ceiling" is slowly being reached concerning the price level for flights and its impact on demand.

(Source: Reisevor9)

TUI Improves Earnings in the Second Quarter

TUI served 2.8 million guests across the group in the second quarter, generating revenue of 3.6 billion euros – a 16 percent increase compared to the same quarter last year.

According to CEO Sebastian Ebel, the main drivers of this growth were the Hotels & Resorts and Cruises divisions. The group loss in the first half of the year decreased from 558 million euros to 330 million euros.

Record Results for Hotels & Resorts and Cruises

The Hotels & Resorts and Cruises divisions achieved record results from January to March, significantly improving the adjusted operating result (EBIT) in the industry-typically weaker second business quarter by 54 million euros to minus 189 million euros, Ebel stated.

"We see particularly high demand for package holidays, which we are producing increasingly flexibly and dynamically," explained the CEO further. This confirms the company's expectations for the full year. TUI aims to grow revenue by at least ten percent and increase the adjusted operating result by at least 25 percent.

Strong Performance from Hotels and Cruises

According to TUI, the Hotels & Resorts division achieved a record result of 117.4 million euros from January to March. Adjusted EBIT more than doubled compared to the previous year (78 million euros). The division also achieved the highest total revenue to date with 247 million euros, representing a 13 percent increase. The reasons for this development were nine percent higher overnight stays (7.6 million), increased rates, and overall strong operational performance of the main hotel brands, especially Riu. The overall occupancy rate of the division was 81 percent, while the average bed rate increased by nine percent year-on-year to 109 euros.

The Cruises division more than quadrupled its operating result compared to the previous year, reaching a record 70 million euros, according to TUI. The reasons for this performance were higher occupancy and significantly improved average rates. Occupancy increased by six percentage points to 98 percent, and the average rate across all cruise brands improved by 20 percent to 221 euros.

Decline in Results for Musement and Tour Operators

The TUI Musement division, which focuses on excursions and activities, increased revenue by 15 percent to 150 million euros in the second business quarter.

However, the adjusted operating result was weaker by 3.7 million euros compared to the same period last year, at minus 16.5 million euros. TUI attributed this to the expansion of the B2C experience offerings and investments in more B2B offerings with partners.

The Markets & Airlines segment, which includes airlines and tour operators, benefited from higher demand and prices as well as a return to normal hedging conditions for aircraft fuel. However, the results in the second business quarter were impacted by the fact that the previous year still included positive earnings from the stake in the Canadian tour operator, which was sold in May 2023. Therefore, the adjusted operating result decreased by 17.6 million euros to minus 326.1 million euros. Guest volume increased by 339,000 to 2.8 million.

Good Numbers for German-speaking Markets

The Central Region, including tour operators in Germany, Austria, Switzerland, and Poland, recorded a "good operational development with higher guest numbers and increased prices," according to CEO Ebel. Adjusted EBIT improved by 13 million euros to minus 89 million euros. For the upcoming summer, average prices are four percent higher compared to the previous year, according to TUI. Medium and short-haul destinations continue to drive bookings for the summer. Greece, Turkey, and the Balearic Islands remain the most popular destinations for summer holidays. In Germany, the number of bookings is seven percent higher than last year, and 60 percent of the program has already been sold.

(Source: Reisevor9)

Wealthy Countries Benefit Disproportionately from Tourism

The latest Travel and Tourism Development Index, launched by the World Economic Forum (WEF), confirms that high-income economies benefit significantly from tourism. In a recent evaluation, the USA, Spain, Japan, France, Australia, Germany, the United Kingdom, China, Italy, and Switzerland are leading the way.

Wealthy Countries Benefit More from Tourism than Poorer Ones, Reports the World Economic Forum

The growth of the tourism sector continues post-pandemic, but recovery is uneven, and conditions are challenging, notes the WEF. Of the 119 evaluated economies, 71 have improved their scores between 2019 and 2024, but the average index value is only slightly (0.7%) above the pre-pandemic level.

There is a global recovery in travel demand, accompanied by an increase in global flight capacities and connectivity, improved international openness, and heightened demand and investment in tourism-promoting natural and cultural resources, according to the WEF. However, business travel demand lags behind leisure travel demand.

Labor Shortages Hamper Development

Moreover, there is a labor shortage on the international stage, and aviation capacity and connectivity, capital investments, productivity, and other supply factors of the sector have "not kept pace with demand," according to the World Economic Forum's analysis. This resulting imbalance between supply and demand, along with general inflationary pressure, has led to "reduced price competitiveness and service disruptions."

Poorer Countries Benefit Less

In general, Europe and the Asia-Pacific, particularly high-income economies, continue to offer the best conditions for the development of the tourism sector, according to the WEF. Of the top 30 in the current index, 26 are high-income countries, with 19 in Europe, seven in the Asia-Pacific region, three in North and South America, and one in the Middle East and North Africa region.

The highest-rated economies are the USA, Spain, Japan, France, Australia, Germany, the United Kingdom, China, Italy, and Switzerland. These countries benefit from advantages such as a favorable business environment, open travel policies, well-developed transport and tourism infrastructure, and "natural and cultural attractions." According to the WEF, the top 30 countries contribute over 75 percent to the economic output of the travel industry in 2022 and to growth between 2020 and 2022.

Of the 71 economies that have improved their index values since 2019, 52 are low- to upper-middle-income countries, according to the WEF. In contrast, nearly 90 percent of the below-average index values are found in non-high-income economies.

This underscores the need for further investments to close existing gaps in conditions, urges the World Economic Forum. Only then can these economies increase their share of the tourism market and improve their positions.

(Source: Reisevor9)

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