



## **EMEA-Market Update- Q2 2023**

### **LEISURE TRAVEL**

#### **Iberian Peninsula & Mediterranean**

##### **INCOMING**

The strength of tourist demand intensifies in the second quarter, driven by both due to foreign demand (+12.7% in business sales April-June 2023 vs 2022), as by the Spanish (+10.6%), in a context of notable increase in final spending on destination, and a positive increase in the average stay.

The growth of the average stay of tourists (+4.2% Mar-May 2023 vs 2021) due to the combination of the increase in the supply of leisure, the recovery of events, the arrival of tourists from long-distance markets and the gradual rise in prices of transport expenses, which induces to amortize them with a greater stay at the destination

Strong increase in tourism from the American continent (USA +22.7% in hotel overnight stays Mar-May 2023 vs 2019, Mexico +58% in tourists, Canada +60% in tourists and rest +15%) Central European countries (Austria +17.5%, Luxembourg 13.6%, Holland +11.5% and Switzerland +10.1% in hotel overnight stays), Ireland (+25.5%) and proximity markets (Portugal +14.9% and France +8.7%), which offset the falls in Nordic (-17.5%), Germany (-4.7%), Italy (-2.4%) and Asian long distance (Japan -57.9% and China - 61.5%) still far from pre-pandemic levels.

##### **OUTGOING**

Spaniards have continued to give priority to travel expenses in this second quarter of 2023, with a new and surprising increase in its spending tourism, up to a +10.6% increase in sales of tourism companies Spanish from April to June vs. the same period of 2019.

The good performance of premium products is maintained among segments with greater spending capacity (+1.6% demand at 5\* and +1.9% at 4 stars).

\* European destinations preferred by Spaniards for summer 2023:

- |              |              |
|--------------|--------------|
| 1. Paris     | 6. Malta     |
| 2. Rome      | 7. Milan     |
| 3. London    | 8. Berlin    |
| 4. Athens    | 9. Lisbon    |
| 5. Amsterdam | 10. Brussels |

\* Long-distance destinations preferred by Spaniards for this summer

- |             |                  |
|-------------|------------------|
| 1. Bali     | 6. Buenos Aires  |
| 2. Bangkok  | 7. Istanbul      |
| 3. New York | 8. Miami         |
| 4. Havana   | 9. Santo Domingo |
| 5. Tokyo    | 10. Cancun       |

**Contact for this market is Eva Oller based in Barcelona, Spain**  
[eoller@preferredhotels.com](mailto:eoller@preferredhotels.com)

## **Italy**

In Summer 2023 the desire for holidays in Italy but especially abroad is growing. According to an analysis conducted by the Confcommercio Tourism Observatory, almost 30 million Italians are ready to pack their bags and leave for one or more trips between June and September. The study estimates an average of two trips per person and a total turnover of 45 billion euros.

Here are the most relevant trends:

- This year Italians confirm their preference for seaside resorts: 24% will spend their holidays by the sea while 15% will opt for cities of art. On the podium also the mountains with 11% of bookings just above the small villages selected by 9%.
- Demand for tourism abroad has picked up again, rising from 25% to 43% in one year. The Confcommercio study predicts a reversal of the trend compared to summer 2022 when 3 out of 4 Italians stayed in the Bel Paese while this year they will be 56%, just over half.
- Leading the bookings of Italians abroad are the neighbouring European countries such as France, Austria and Slovenia as well as Spain, Greece, the United Kingdom and Portugal, which enjoys the media effect of the World Youth Days in August.
- in 2023 the propensity of Italian tourists towards destinations outside Europe such as the Red Sea and the United States returns. The main obstacles here are the issue or renewal of passports.
- Compared to last summer, Italians are prepared to spend 10% more on their holidays: 1130 euro on average per person with peaks for the peak season in August.

**Contact for this market is Silvia Lavazza based in Milan, Italy**  
[slavazza@preferredhotels.com](mailto:slavazza@preferredhotels.com)

## **India**

- Over 20 million Indians traveled abroad last year. However, this was 18% lower than the pre-pandemic average of over 25 million seen between 2017 and 2019. Pace is growing: in the first four months of 2023, nearly 8.5 million have traveled abroad, already touching two-fifths of the full-year figure of 2022. Footfalls at India's international airports are also showing an upward trend.
- Dubai, London, Bangkok, and Toronto are among the foreign locales searched the most often by Indians this year.
  - a) The split between Asian and Western destinations is equal in the top 10 : Dubai, Bangkok, London, Bali, Toronto, Singapore, New York, Male, SFO, and Paris.
- Indians are also spending big. Foreign exchange outflows due to overseas travel under the Reserve Bank of India's liberalized remittance scheme topped \$13.7 billion in FY23, the highest ever.
- US visa processing delays continue at the top of the obstacle list. As of early July, visa wait times remained above 400 days for first-time applicants from top markets that do not qualify for visa waivers, according to US Travel.
- More Travel partners now prefer to book directly via Global sales, instead of OTAs because of the following factors:
  - a) To have better control when it comes to last-minute changes.
  - b) Have one point of contact for the whole portfolio
  - c) To build agency credibility & brand for themselves,
  - d) To become a part of Preferred programs & meet hoteliers one on one at shows like ILTM, T-Fest Dubai, LE Miami, Pure etc.

**Contact for this market is Mayank Tuteja based in New Delhi, India**  
[MTuteja@preferredhotels.com](mailto:MTuteja@preferredhotels.com)

## **CORPORATE/BUSINESS TRAVEL**

### **Iberian Peninsula & Mediterranean**

Corporate travel in Spain has experienced a notable recovery in the first and second quarter of 2023, according to the report from the GEBTA Observatory. This segment has reached 87% of the volume of movements compared to the same period in 2019, before the pandemic.

Short-haul trips are the ones that have grown the most, 88%; while those with long radius have grown by 85%, more than those with medium radius, with only 83%. This could be due to the strikes and transport incidents registered in France and Germany, two of the main destinations for Spanish companies, which would have caused some trips to be postponed.

**Contact for this market is Eva Oller based in Barcelona, Spain**  
[eoller@preferredhotels.com](mailto:eoller@preferredhotels.com)

### **Italy**

**Business Travel** indicates a general recovery in the segment, with more than 60% in Italy, confirming that they are willing to travel for work in the next 12 months.

This recovery that must, however, face some elements of uncertainty on the one hand, mainly due to the economic context, and at the same time respond to new challenges such as sustainability and equal opportunities.

- With regard to the economy, 72% business travellers in Italy believe that the uncertain economic environment will impact the business travel sector. The main risk factor is inflation.
- Other factors to consider include a commitment to sustainability. In Italy, 81% of business travellers will take action to reduce their environmental footprint in terms of CO2 emissions and 28% expect companies to offer the opportunity to make more sustainable travel choices.
- Finally, flexibility and security: 21% business travellers in Italy say they would refuse a business trip that did not include the flexibility to change travel outside of company rules. And 67% in Italy expect their company to allow them to make travel choices outside of policy for reasons such as security, supporting work balance and ensuring sustainable travel.

**Contact for this market is Silvia Lavazza based in Milan, Italy**  
[slavazza@preferredhotels.com](mailto:slavazza@preferredhotels.com)

### **India**

- Hotels are recommended to submit RFP's at least 3 days prior to the last due date.
- Any promotional materials or tactical offers are welcome, will call to action to reach out to PHG's India office contact details. We will share the flyers with any relevant parties and travel management companies.

**Contact for this market is Mayank Tuteja based in New Delhi, India**  
[MTuteja@preferredhotels.com](mailto:MTuteja@preferredhotels.com)