

MONTHLY REPORT CENTRAL EUROPE OCTOBER 2022



**ST.PETE
CLEARWATER**

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

European International Travel Trends

Key trends to watch in 2023 include:

- Global tourism arrivals will rise by 30% in 2023, following 60% growth in 2022, but they will still not return to pre-pandemic levels.
- The economic downturn, sanctions on Russia and, above all, China's zero-covid strategy will be among the factors weighing on the industry.
- Hotels, restaurants and airports will struggle to cope with labour shortages, wage demands, and high food and energy prices.
- Even so, international airlines are expected to return to profitability, benefiting from continued pent-up demand.
- The impact of climate change on the industry will become more apparent, with high temperatures, water shortages and floods forcing tourism destinations to take action.

CEO Lufthansa Spohr expects another difficult summer in 2023 for the EU market

The Corona crisis is not yet over for the aviation industry. Lufthansa is flying in profits again, but remains cautious. Too steep a climb could lead to renewed chaos, says its chief executive.

The question marks behind economic development are a major topic at the DRV Capital Congress. Nevertheless, tourism experts were optimistic for 2023 - things could not get any worse than they did during the pandemic.

This 10 percentage point increase will already push everyone to the limits of what they can handle in terms of growth, CEO Carsten Spohr said in a dpa interview.

"By not yet fully increasing our supply next year to the level of 2019, this already gives us the first buffer," Spohr said. He said his company is currently hiring around 1,000 new people every month and has invested heavily in IT systems. Ultimately, he said, you have to rely on all the service providers, manufacturers and authorities involved doing their homework.

"Air traffic is a highly complex system and a major challenge day after day, especially due to scarce resources. Probably next year as well."

In principle, the Lufthansa CEO expects business to continue to recover despite Corona, the energy price crisis and the Ukraine war. He said, "People around the world want to fly again. We are experiencing strong growth in demand and are currently flying at capacity." Moreover, the upcoming recession is not a global one. The Lufthansa Group now sells only one in three tickets on the German market. "Demand from the U.S. is booming, and positive signals are also coming from Southeast Asia," Spohr described.

DRV's Capital Conference

Higher energy prices are making flights and hotels more expensive, and the weak exchange rate of the euro is having a further negative impact, especially on long-haul destinations. Still, there was no gloom and doom at a panel discussion at the DRV's Capital Conference. "We are no longer afraid of anything in the travel industry," FTI CEO Ralph Schiller alluded to the pandemic and also numerous crises before it. "It won't be as bad in 2023 as it used to be."

The travel market has not yet fully recovered from pre-Corona levels, with last winter's season still 34 percent below 2018/19 levels due to lingering travel restrictions, according to figures from market researcher TDA. This gives a potential for the coming tourism year, said Schiller.

"We're going to see a lot of last-minute bookings for 2023, just like this summer," said DER Touristik general manager Mark Tantz. Bookings were also already coming in for summer 2023. He attributed this primarily to flex packages, which give vacationers security. For the winter, all tour operators would also advertise long-term vacations. But the potential is limited "and hopefully no vacationer will turn off his heating when he travels.

RTK boss Thomas Bösl observes that the booking deadlines have recently been somewhat longer again. He also said that prices for the winter are not prohibitive due to early purchasing by tour operators. "We're optimistic, but that doesn't mean we're not watching the situation closely and preparing for all eventualities."

Earlier, DRV President Norbert Fiebig had also expressed confidence in his keynote speech. "More than 80 percent of Germans say that travel is very or even extremely important to them," he quoted a survey. Two-thirds of member companies rate the economic outlook for the coming year as "medium to good," according to the results of a survey of DRV members.

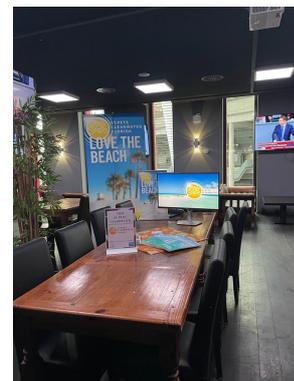
2. Overview of Regional Activities

Germany

- On October 10, 2022, we promoted our destination at the Visit USA Media and Trade Networking Event in Hamburg. The event consisted of two parts: a media networking session in the morning and a B2B travel trade networking session in the afternoon. VSPC received an own table that was used for discussions with the attending journalists, tour operators and travel agents. After the event, started following up on all participants and added all interested professionals so they will receive our VSPC newsletter in the future.



- Brand USA in cooperation with the Visit USA Committee Germany held a week-long road show through Germany. Visit St Pete / Clearwater was able to join for the day in Stuttgart on October 13, 2022. This was a workshop-style roadshow with 8 partners. Travel agents could register for either a breakfast or a lunch session, depending on their personal preference. The travel agents of each session were split up evenly in groups and attend 15-minute workshops of each partner. Presentations were held on screens provided by VUSA. Up to 40 travel agents participated per session. After the event, we received the contacts of all participants. After the event, started following up on all participants and added all interested professionals so they will receive our VSPC newsletter in the future. For more information please see the separate event report.



Visit St. Pete / Clearwater

- On October 18, 2022, we promoted our destination at the Visit USA Media and Trade Networking Event in Munich. The event consisted of two parts: a media networking session in the morning and a B2B travel trade networking session in the afternoon. VSPC received an own table that was used for discussions with the attending journalists, tour operators and travel agents. After the event, started following up on all participants and added all interested professionals so they will receive our VSPC newsletter in the future.



- From September 26-29, 2022, we promoted our destination at the Brand USA Travel Week in Germany. In October, we followed up on all travel trade professionals from several European countries, provided the requested information and supported co-op opportunities whenever possible.
- We continued organizing our promotion at "Reiselust", a consumer travel show in Bremen, Germany to be held from November 4-6, 2022.
- In preparation of the Tampa Buccaneer`s Football Game in Munich, Germany on November 13, 2022 we continued working on alternative B2C promotional activities. We contacted a) Hirmer, a fashion department store for men's goods b) Munich Airport regarding a customer promotion stand in the terminal c) Intersport, another sporting goods chain d) Bäckerei Rischart, a bakery chain with over 500 branches in the Munich region and e) the city of Munich regarding an outdoor promotion stand. In addition, KMS also obtained information on the possibilities of passenger advertising at Munich Airport.
- For the event at Munich's Allianz Arena, we assisted in the acquisition of suitable guests. KMS personally called trade and media professionals from a VIP invitation list and invited them for the event. The goal of the joint promotion is to highlight our destination to a broad audience of potential travelers to St. Pete / Clearwater in Germany.
- After approval from VSPC, we registered as a co-exhibitor of Visit USA Germany for the consumer show f.re.e in Munich (February 22-26, 2023).

- We assisted several travel agents with information about St. Pete/Clearwater. They contacted us after we distributed our newsletter. Some travel agents were concerned about the storm damage in the St. Pete/Clearwater area because they or their clients would like to travel there soon.
- We coordinated the warehouse that we have subcontracted on behalf of VSPC, proofread their inventory report for October 2022 and forwarded it to VSPC. In addition, we asked VSPC to review the inventory and send us additional brochures and give-aways that we will require for our upcoming promotional events.
- Visit USA Germany will be holding a series of Cinema workshops throughout Germany. VSPC will be participating in Frankfurt on November 16, 2022. Partners will hold a 15-minute presentation in cinema halls on the big screen in front of all participating travel agents. In addition, every partner will have its own table at a travel market in front of the cinema hall for one-on-one conversations with the participants. A maximum of 80 travel agents can participate per city. After an American buffet dinner, Brand USA's 45-minute IMAX movie "Into America's Wild" will be broadcasted as grand finale of the evening. Participating travel agents, tour operators and all participating partners will be able to invite their own customers from the region to join us for the movie. All partners will have the chance to get in contact with these consumers before and after the movie at the travel market. Thus, a B2C component is added to this B2B event. We continued supporting the Visit USA Committee Germany with the requested information and materials.
- In cooperation with the specialized U.S. and Canada tour operator America Unlimited, we prepared for promoting our destination at the travel consumer show "ReiseLust" in the City of Bremen, German in the Northern part of Germany. The show was visited by approximately 30,000 visitors in 2021. This year's show will highlight the U.S. as its "Partner Country 2022" so that there will be a strong focus on the U.S. exhibitors.
- KMS completed several conference calls with Visit Tampa's representative in Germany in order to discuss joint opportunities for non-competing promotional activities.
- We attended the bi-weekly coordination calls with VSPC in October 2022 in order to synchronize our activities and to discuss upcoming promotions.
- We attended the monthly conference call with Brand USA in October 2022 in order to discuss upcoming promotions and promotional opportunities.
- In October 2022, we drafted the travel trade newsletter „Hurricane Ian – Update from St. Pete/Clearwater, Florida“ and distributed it to a very large number of travel agencies and U.S. selling tour operators in Germany, Switzerland, Austria, the Netherlands, Belgium, Poland, the Czech Republic and Hungary.

- We assisted several travel agents with information about St. Pete/Clearwater. They contacted us after we distributed our newsletter.
- On October 27, 2022, we attended the Visit USA Germany's General Assembly in Frankfurt, Germany.
- We continued preparing for the Campus Live Event in Orlando, Florida from December 5-9, 2022. DERTOURISTIK invites about 100 of their best travel agencies, who are distinguished by an outstanding turnover as well as their participation in their Campus training program (seminars, webinars, e-learnings). The events take place directly after the site inspections of 16 travel agents in St. Pete/Clearwater from December 2-5, 2022.

Austria

- In October 2022, we drafted the travel trade newsletter „Hurricane Ian – Update from St. Pete/Clearwater, Florida“ and distributed it to approximately 800 travel agencies in Austria after approval from VSPC.
- We continued organizing the Visit USA workshop in Graz, Austria on November 10, 2022. We will promote St. Pete / Clearwater at the Visit USA Seminar with an own booth and travel trade training opportunities. About 80-100 travel agents as well as further tour operators and media professionals are expected to attend the event and learn about our destination. A marketplace will immediately follow the presentations with agents able to visit the various areas in case they have any questions or would like more detailed information. Lastly the market place will fade into a standing appetizer / dinner buffet where agents are still free to walk around and mingle. At the end of the evening, VUSA will hold a prize draw for some lucky winners.
- We followed up on all Austrian travel trade professionals that we met during the Brand USA Travel Week in September, provided the requested information and supported co-op opportunities whenever possible.

Switzerland

- In October 2022, we drafted the travel trade newsletter „Hurricane Ian – Update from St. Pete/Clearwater, Florida“ and distributed it to approximately 400 travel agencies in Switzerland after approval from VSPC.

- We assisted several travel agents with information about St. Pete/Clearwater. They contacted us after we distributed our newsletter. Some travel agents were concerned about the storm damage in the St. Pete/Clearwater area because they or their clients would like to travel there soon.
- After receiving approval for the proposed co-operation with the Swiss tour operator Knecht Reisen for multichannel joint marketing activities, we continued to work with the tour operator to implement all marketing activities.
- 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 04, 2022) and travel trade professionals (November 05, 2022). 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.
- We followed up on all Swiss travel trade professionals that we met during the Brand USA Travel Week in September, provided the requested information and supported co-op opportunities whenever possible.

The Netherlands

- In October 2022, we drafted the travel trade newsletter „Hurricane Ian – Update from St. Pete/Clearwater, Florida“ and distributed it to approximately 750 travel agencies in The Netherlands after approval from VSPC.
- We assisted several travel agents with information about St. Pete/Clearwater. They contacted us after we distributed our newsletter. Some travel agents were concerned about the storm damage in the St. Pete/Clearwater area because they or their clients would like to travel there soon.
- After approval from VSPC, we registered as a co-exhibitor of Visit USA Germany for the consumer show Vakantiebeurs in Utrecht, The Netherlands (January 12-15, 2023).
- We followed up on all Dutch travel trade professionals that we met during the Brand USA Travel Week in September, provided the requested information and supported co-op opportunities whenever possible.
- In October 2022, KMS attend the General Assembly of the Visit USA Committee to get an overview of planned marketing activities in 2023.

- KMS asked the Visit USA Committee Netherlands how to register Visit St. Pete/Clearwater for the Vakantiebeurs in January 2023.
- KMS requested information from Visit USA Committee Netherlands about a planned roadshow in April 2023.
- We continued preparing our attendance at the trade and consumer shows "USA Canada Experience" (B2B, November 3-4, 2022) and "Reisbeurs" (B2C, November 5-6, 2022). We will be one of several exhibitors in the 16th edition of this efficient and effective event. Thus far Florida will be represented by VSPC as well as Naples, Marco Island & Everglades.

Belgium

- In October 2022, we drafted the travel trade newsletter „Hurricane Ian – Update from St. Pete/Clearwater, Florida” and distributed it to approximately 450 travel agencies in Belgium after approval from VSPC.
- We followed up on all Belgian travel trade professionals that we met during the Brand USA Travel Week in September, provided the requested information and supported co-op opportunities whenever possible.

Czech Republic

- In October 2022, we drafted the travel trade newsletter „Hurricane Ian – Update from St. Pete/Clearwater, Florida” and distributed it to approximately 520 travel agencies in the Czech Republic after approval from VSPC.
- We followed up on all Czech travel trade professionals that we met during the Brand USA Travel Week in September, provided the requested information and supported co-op opportunities whenever possible.

Hungary

- We reminded the Visit USA team in Hungary if there are any other promotional activities planned for the current and next year in which Visit St. Pete/Clearwater can participate. We received the information that the U.S: Department of Commerce in partnership with the Discover America Committee organizes webinars.

Each webinar has about 25 guests joining, tour operators, travel agents, travel guides and journalists. They recommend a presentation for 30 minutes followed by a Q&A session The next available time would be in the second half of January 2023.

- In October 2022, we drafted the travel trade newsletter „Hurricane Ian – Update from St. Pete/Clearwater, Florida” and distributed it to a large number of travel agencies in the Hungary after approval from VSPC.

Poland

- In October 2022, we drafted the travel trade newsletter „Hurricane Ian – Update from St. Pete/Clearwater, Florida” and distributed it to approximately 440 travel agencies in the Poland after approval from VSPC.
- We reminded the Visit USA team in Poland if there are any other promotional activities planned for the current and next year in which Visit St. Pete/Clearwater can participate.
- We maintained a strong communication with tour operators such as DERTouristik and TUI that have a strong hold in the Eastern European countries, most of the packaged Florida tour sales come from subsidy travel agencies in those markets. Sales are routed through the main HQ office using xml connectivity.

3. Status of Sales Activities and Promotions

USA-Canada Experience, The Netherlands (November 03-04, 2022)

- 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.
- Planned to occur immediately prior to World Travel Market in London, this program provides American and Canadian PMO's, DMO's, Airline partners and supplier partners with an opportunity to inform and educate the Dutch travel trade as well as meeting directly with product managers and media.

USA & Canada Reisbeurs, The Netherlands (November 05-06, 2022)

- For the 10th time this largest North America travel fair will be organized for consumers as a dedicated travel show for North American suppliers.
- Location the USA & Canada travel show will take place at a central location in the middle of the country to allow easy accessible by car and train.
- Detailed information can be found at www.usacanadareisbeurs.nl.
- There will be product presentations of 20 minutes so that we can present our destination to potential travelers in the Netherlands.

ReiseLust Bremen (November 04-06, 2022)

- In cooperation with the specialized U.S. and Canada tour operator America Unlimited, we will promote our destination at the travel consumer show "ReiseLust" in the City of Bremen, German in the Northern part of Germany.
- The show was visited by approximately 30,000 visitors in 2021. This year's show will highlight the U.S. as its "Partner Country 2022" so that there will be a strong focus on the U.S. exhibitors.

Reisewelten (November 04-05, 2022)

- 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 04, 2022) and travel trade professionals (November 05, 2022).

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.

Visit USA Seminar 2022, Austria (November 10, 2022)

- We will promote St. Pete / Clearwater at the Visit USA Seminar with an own booth and travel trade training opportunities in Graz, Styria on November 10, 2022. About 80-100 travel agents as well as further tour operators and media professionals are expected to attend the event and learn about our destination.

NFL Game Tampa Bay Buccaneers vs. Seattle Seahawks in Munich, Germany (November 10-13, 2022)

- In cooperation with Visit Tampa, we plan target promotions in regard to the Tampa Bay Buccaneers' first game in Germany on November 13, 2022. The goal of the joint promotion is to highlight our destination to a broad audience of potential travelers to St. Pete / Clearwater in Germany.

Visit USA Cinema Road Show in Frankfurt, Germany (November 16, 2022)

- Every partner of the road show has the opportunity to hold a 15-minute presentation in cinema halls on the big screen in front of all participating travel agents. In addition, every partner has its own table at a travel market in front of the cinema hall for one-on-one conversations with the participants. A maximum of 80 travel agents can participate per city.
- After an American buffet dinner, Brand USA's 45-minute IMAX movie "Into America's Wild" will be aired as grand finale of the evening. Participating travel agents, tour operators and all participating partners will be able to invite their own customers from the region to join us for the movie. All partners will have the chance to get in touch with these consumers before and after the movie at the travel market. Thus, a B2C component is added to this B2B event.

Dertouristik Trade Fam Trip (December 02-05, 2022)

- We will support a travel trade trip of the German tour wholesaler Dertouristik to Florida and the fam group will be in our destination from December 02-05, 2022. Dertouristik is the largest Central European tour operator for travels to the U.S. and to Florida. The fam trip will be attended by 16 top selling travel agents, one Dertouristik escort and a KMS escort. VSPC will highlight our destination during the fam trip.

Dertouristik Campus Live Event in Orlando, Florida (December 05-09, 2022)

- Dertouristik invites 100 of their best travel agencies, who are distinguished by an outstanding turnover as well as their participation in their Campus training program (seminars, webinars, e-learning). The aim of the event is to provide their travel agencies with detailed destination and product knowledge as well as sales arguments, resulting in active selling. We will receive one of a total 24 partner tables to present our destination during an organized "Round Table Talk". The travel agents will appear in small groups of 4 to 5 participants and will visit all the presenter booths according to a fixed rotation plan. The presentation time per group is 8 minutes. Since each group consists of a small number of participants, an intensive exchange and dialogue with the participants is guaranteed.

Vakantiebeurs, The Netherlands (January 12-15, 2023)

- We will promote our destination at the Netherlands' largest consumer shows for tourism and leisure.

Free Munich (February 22-26, 2023)

- We will promote our destination at one of the most visited consumer shows for tourism and leisure. In 2020, approximately 130,000 visitors attended the show.
- The target group consists of consumers with a high demographic profile as Munich is an excellent economic location, home to companies such as Siemens and BMW and the largest German insurance companies, such as Allianz.

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 October 2022.

5. Market Updates

The travel industry is not giving up hope

War, inflation, energy shortages, climate crisis, uncertainty - the signs are truly not good for the travel industry. But DRV President Norbert Fiebig (photo) and representatives of tour operators and travel agencies remain optimistic at the association's annual conference. Things could not get any worse than the worldwide shutdown during the pandemic.

Hooray, we're still alive, could sum up the mood at the DRV annual conference. The industry had survived a complete shutdown caused by the travel bans during the Corona honeymoon, he said. What's coming now certainly won't be easy, said FTI CEO Ralph Schiller, but it can't get any worse than the past two years. Thomas Bösl, head of travel agency cooperation RTK, agrees with Schiller. "We have passed our stress test."

Gloomy outlook for society

For society as a whole, however, it is only just ahead. Bundesbank board member Johannes Beermann painted a gloomy picture of the coming year for the tourism industry. The inflation rate would remain in double digits for the rest of the year and would continue to hover between six and eight percent in 2023. A noticeable decline is not expected until 2024, he said.

"All signs point to recession," Beermann says. Instead of growth, the Bundesbank expects the economy to contract by 0.4 percent next year. However, Beermann does not see a sharp rise in insolvencies and unemployment. Instead, he believes there will be a decline in private consumption. The money saved during the pandemic was also spent on travel this year, he says, and next year's purchasing power will be significantly lower.

Despite this poor outlook, DRV President Fiebig is also optimistic. The question is whether people still have enough money in their wallets, but more importantly, what they spend it on. "I am sure that if there is money, people will travel and Germans will continue to realize their vacation plans in 2023," Fiebig believes. "The past has often proven that - even in times of recession."

Travel prices will rise

However, the travel industry itself is also affected by galloping energy prices, he said. Price increases for tour operator travel are still moderate, Fiebig said. "But rising costs will have to lead to rising prices in perspective, despite all efforts - there's no way around it."

In addition, the euro has lost more than 20 percent of its value against the U.S. dollar in the past twelve months alone. "Long-haul travel in particular is suffering from this."

"2023 will not be a foregone conclusion," says Fiebig. In the short phase of recovery after Corona, the industry has not been able to put on any winter flab, he adds. Nevertheless, "According to our current industry check, two-thirds of the companies surveyed assess the economic outlook for the coming year as medium to good. And - more than 80 percent say this - travel is very or even extremely important to Germans." That's why, he said, he's confident despite all the gathering clouds. "We have positioned ourselves well and we will be able to trade possible fluctuations in consumer spending."

(Source: www.reisevor9.de)

German government expects recession in 2023

According to information from ARD television, the German government expects growth of only 1.4 percent in 2022, and the economy could even shrink in 2023. The inflation rate could rise to eight percent.

The German government is apparently assuming a significantly worse economic development than at the beginning of the year. This is according to the key figures of the 2022 fall projection, which are exclusively available to the ARD capital studio.

According to these, the German government now expects growth of only 1.4 percent in 2022. This is 0.8 percentage points less than assumed in the spring projection. In the fall 2021 projection, the government had even assumed growth of 4.1 percent.

2023 even worse

The outlook for 2023 is even bleaker. Here, the German government expects the German economy to shrink by 0.4 percent. In addition, the government anticipates an even higher inflation rate. Instead of the 6.1 percent forecast in the spring, consumer prices will rise by an average of 8.0 percent, according to the key figures.

(Source: www.tagesschau.de)

No further crash in consumer confidence for the time being

Following the turbulent developments of recent months, consumer sentiment stabilized in October - at least for the time being. While economic expectations suffered minimal losses, both income expectations and propensity to buy increased. GfK forecasts the consumer climate for November 2022 to be -41.9 points, 0.9 points higher than in October this year (revised -42.8). These are the findings of the GfK consumer climate survey for October 2022.

After a prolonged period of declines, some of which were sharp, sentiment calmed down somewhat in October. Consequently, the consumer climate is ending its crash - at least for the time being.

"It is certainly too early to speak of a trend reversal at the moment. The situation remains very tense for consumer sentiment," explains Rolf Bürkl, GfK consumer expert. "Inflation recently rose to ten percent in Germany, and concerns about energy security are not diminishing. It therefore remains to be seen whether the current stabilization will last or whether, in view of the coming winter, there is reason to fear a further worsening of the situation."

The extent to which the measures adopted to cap energy prices will dampen inflation cannot be assessed at present. As long as inflation remains high and there are doubts about an unrestricted energy supply, the consumer climate will not be able to recover noticeably and sustainably.

Crash in income expectations halted - at least for the time being

After plummeting to a historic record low in the previous month, income expectations recovered slightly in October. However, an increase of 7.2 points only compensates for a fraction of the previous month's losses. The indicator currently stands at -60.5 points. Compared with the corresponding period of the previous year, the minus currently amounts to almost 84 points.

Despite the increase this month, the all-clear can certainly not be given. Exploding energy and food prices are reducing the purchasing power of private households' incomes and ensuring that income pessimism persists. And according to the forecasts available so far, inflation is expected to remain high in the coming year.

Propensity to buy with slight growth

After suffering losses eight times in a row, the propensity to consume is currently gaining slightly again. With an increase of two points, the indicator has reached -17.5 points. It is thus still significantly lower than during the Corona lockdowns in the past two years. Compared with the corresponding period of the previous year, the minus is just under 37 points.

In view of the sharp rise in energy prices, households must assume that they will have to spend considerably more money on heating in the future. This money will therefore not be available for other purchases, and accordingly the propensity to consume will remain low in the coming months.

Economic outlook stabilizes at a very low level

In contrast to income expectations and propensity to buy, economic expectations did not increase in October. The indicator lost a minimal 0.3 points, dropping to -22.2 points. Compared to October 2021, the minus amounts to almost 69 points.

Consumers assume that Germany will slide into recession. Experts confirm this assessment and forecast that gross domestic product will decline by around half a percent in 2023.

(Source: www.gfk.com)

The war in Ukraine to weaken the tourism recovery in Europe

Air traffic in Europe will not return to the levels it recorded in 2019 until after the year 2024, according to a new seven-year air traffic forecast published by Eurocontrol, the European organization in charge of safety and air navigation on the continent.

This forecast, which updates and extends the one made last June before the summer season, sets out three possible scenarios, the most optimistic showing a tourism recovery during the year 2023 and the most pessimistic with an expected recovery that would last until after the year 2028.

The most likely baseline scenario for the European organization predicts that the recovery of air traffic on the continent will not happen until 2025, when 11.2 million flights would be reached.

"We saw strong demand this summer, but it was dampened, both by the industry's inability to manage rapid growth and by the impact of the war in Ukraine," said Eurocontrol CEO Eamonn Brennan.

The organization expects to record about 9.3 million flights this year, 49 percent more than in 2021, but still 16 percent less than in 2019, when 11.1 million were reached.

"We are optimistic that the traffic will recover to about 92% of 2019 levels next year. But there are still significant downside risks that could affect the recovery for years to come," Brennan cautioned.

The agency considers three possible scenarios. The most positive scenario foresees moderate GDP growth, limited impact of inflation on demand, good passenger confidence and limited capacity constraints in 2023 at airports and airlines.

The baseline scenario calls for low GDP, inflation (including jet fuel prices) impacting demand, and a decline in passenger confidence in flying.

The worst-case scenario anticipates several risks to European air traffic, including several states in recession, travel demand fairly affected by inflation, the return of Covid or environmental concerns, and capacity or staffing issues at both airlines and airports in 2023.

(Source: www.tourism-review.com)

ITB comeback meets with great interest among exhibitors

After a three-year forced break by Corona, ITB Berlin is planning to relaunch as a pure trade show from March 7 to 9. The interest in finally meeting live again is great, 70 percent of the exhibition halls are already booked, says trade show director David Ruetz. Trade visitors can expect a changed hall layout and many innovations.

"We finally have to talk again," Ruetz says. After the break and the digital edition of ITB last year, he says it's necessary for tourism players from around the world to meet in person again. "Digital events are no substitute for trade shows," the ITB boss believes, especially when it comes to initial contacts between suppliers and buyers.

Saudi Arabia with an entire hall

Exhibitor demand seems to prove Ruetz right. "Already now, five months before the start of the trade show, more than 70 percent of the exhibition space has been booked," reports the trade show boss. Most of the travel countries have already confirmed their participation. Turkey, Morocco and the partner country Georgia are represented with a larger stand, and Saudi Arabia has an entire hall to itself for the first time.

There is also great interest in ITB Berlin from Asia. Here, the Maldives in particular are showing a strong presence. Singapore, Thailand, Malaysia, South Korea, the Philippines and Japan will be there in their usual strength. On the other side of the Atlantic, the USA, numerous Caribbean islands and countries from Central America have decided to exhibit at ITB. In addition, many African countries will be there. Russia, on the other hand, is not coming.

Reconstruction requires new hall layout

Exhibitors and visitors will have to get used to a new hall layout. This is due to the renovation of the trade show grounds. The halls around the radio tower will therefore not be available, but the new huge Hall 27 will be. Many exhibitors from the closed halls will be located there, for example Germany and the partner country Georgia. In the tourism segments, there are signs of strong participation by technology companies and cruise lines.

The ITB Convention will also move, back to Hall 7.1 and onto the stages in Hall 6.1. and 3.1. The focus of the presentations and discussion panels will be Travel Technology, Marketing & Distribution, Future Travel, Mice, Sustainability and Social Responsibility. Participation in the events is included with admission to ITB. Some of the sessions will be streamed on the digital platform ITB Xplore. The program and the list of exhibitors can also be found there. ITB attendees can plan their visit in advance and arrange appointments.

(Source: www.reisevor9.de)

PLEASE CONTACT US.



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

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