



## Industry is Optimistic about Inbound Tourism to Europe in 2006

Tuesday March 7<sup>th</sup> 2006

A recent survey of leading tour operators reveals genuine optimism about inbound tourism to Europe in 2006. The survey was conducted at the European Tour Operators Association's (ETOA) Hoteliers Marketplace, an annual event attended by most of the leading inbound European tour operators and hoteliers, who sit down with each other to discuss the business they expect to transact during the coming season. In total this amounts to over €6bn. Approximately 300 buyers and sellers took part in more than 3,000 face to face meetings. The main findings from the survey were as follows:

### **High Optimism for the Coming Season**

95% of operators expect business in 2006 to be the same as 2005 or more than 10% up whilst 85% expect clients to spend the same or more in 2006.

### **Improved Perceptions of Europe**

In line with the positive sentiments, 85% of operators felt that visitor perceptions of Europe were the same as or better than they were a year ago.

### **Culture and History are the Main Attraction**

There was a clear consensus (70%) that the main reason why tourists come to Europe is to experience its culture and history.

### **Terrorism is the Greatest Threat to Inbound Tourism**

When asked about threats to inbound tourism, terrorism was top, with 49% of operators ranking it as the greatest threat. In equal second place were weakness of the US\$ and a major bird flu epidemic.

### **... and to Operators' Own Prosperity**

When asked about concerns for their own prosperity, the industry was still more concerned about external factors. Top of the list was terrorist incidents (30%), second was containing costs (26%) and third, epidemics (22%).

### **Search Engine Optimisation is the On-Line Headache**

In the rapidly developing on-line market, search engine optimisation is the issue that gives operators the biggest headache, with nearly 60% naming it as their greatest concern.

### **Legislative Reforms are Essential**

Whilst there is clearly a need for reform of EU legislation, opinion varies about priorities. The most contentious issue, according to 33% of operators, is the Tour Operators Margin Scheme, which applies VAT in such a way that the cost of a European holiday is substantially more expensive if the tour operator is based within the EU rather than outside it. 26% prioritise reform of what is now anachronistic legislation, to take account of on-line trading, whilst 23% are most alarmed about the latest proposals on the Working Time Directive, which, if adopted, will make it exceptionally difficult



and expensive to schedule coach tours and will disrupt the family lives of drivers.

Tom Jenkins, Executive Director, ETOA, said: *“These findings are encouraging and highlight the resilience of our industry. In ensuring the prosperity of the industry going forward, the priority for government is contingency planning and legislative reform.”*

## **Hoteliers Marketplace Participants Included:**

Buying:

Active Hotels

British Airways Holidays

Cendant TDS

Gate1 Travel

Globus

Hotelclub.com

JTB

Kuoni

Laterooms.com

Trafalgar Tours

Selling:

Accor Hotels

Corinthia International

Choice Hotels Europe

Hilton International

InterContinental Hotels Group

Marriott International

Rezidor SAS

Sol Melia Hotels and Resorts

Starwood Hotels & Resorts

## **About ETOA**

Since its foundation in 1989, ETOA has grown exponentially to include over 400 member organisations, of which over 100 are Tour Operators. Collectively, ETOA represents over €6 billion spending on accommodation and travel services annually.

ETOA provides representation at the European government level for companies that bring tourists to Europe. The Association promotes greater awareness of the benefits provided by the group travel industry in Europe - particularly increased income and employment. ETOA also influences European tourism policy and legislation.

Areas of specific activity include:

Promoting Europe as a tourism destination

Establishing codes of conduct and guidelines for its members

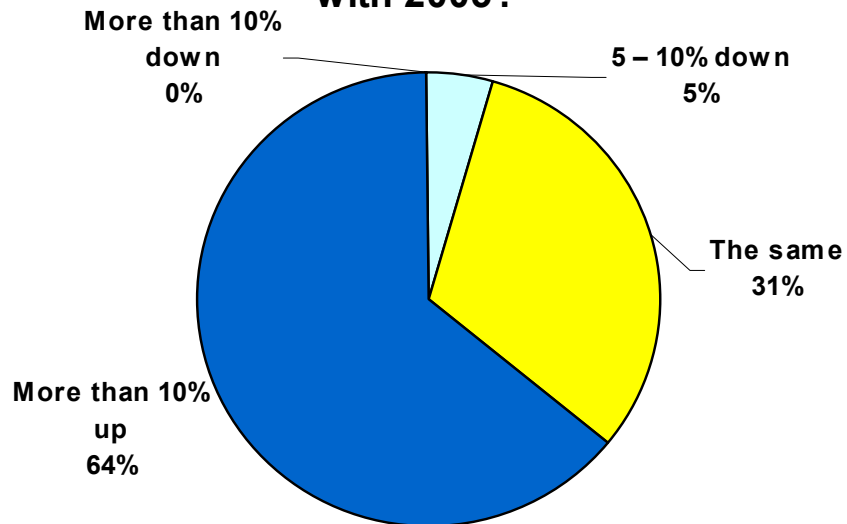
Establishing commercial opportunities between buyers and sellers

Working with other travel & tourism associations to raise the industry's profile

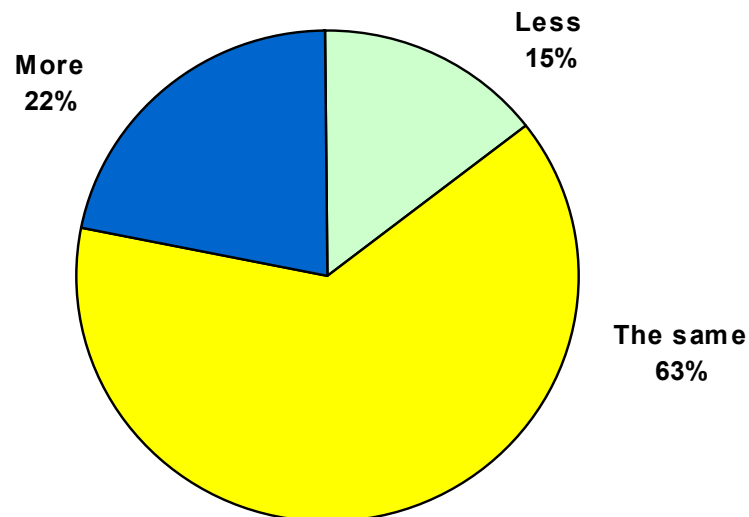
For further information, including photographs, please contact Tom Jenkins on: +44 (0)20 7499 4412

or David Tarsh, Tarsh Consulting, on +44 (0)20 7602 5262.

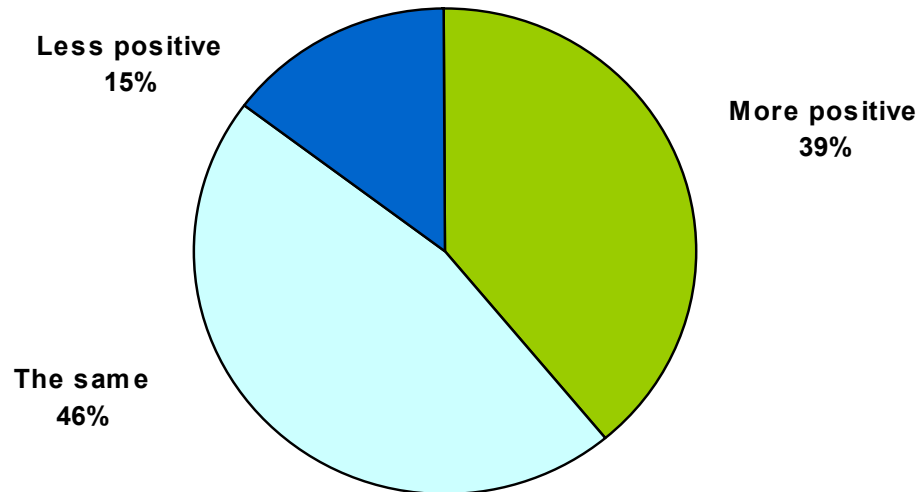
## How does business in 2006 look set to compare with 2005?



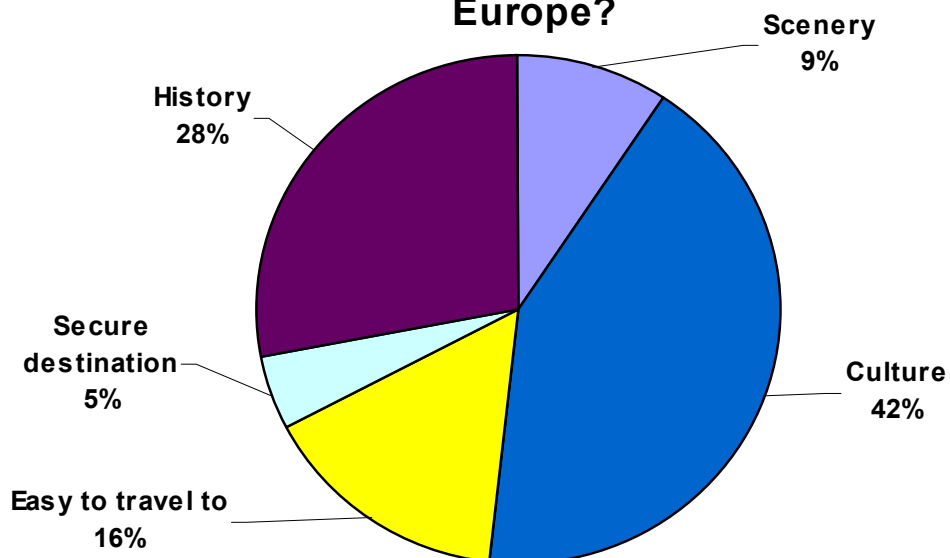
## Are your clients spending more or less?



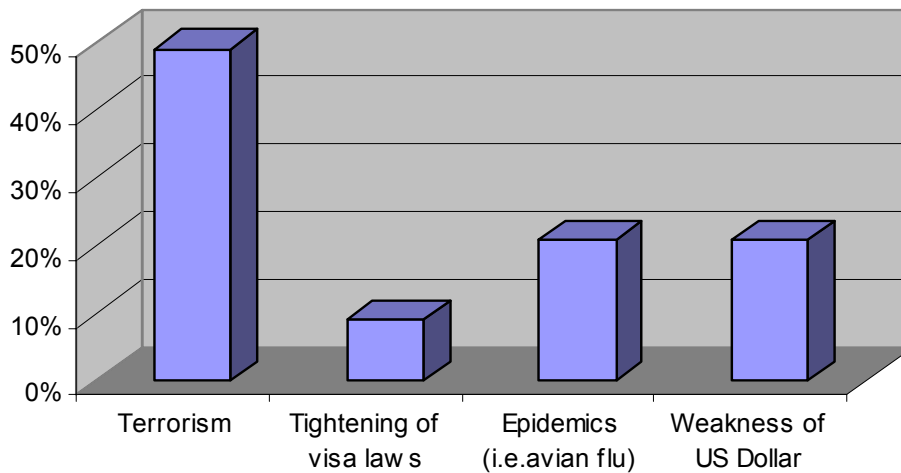
## How do you think your clients perception has changed in last 12 months



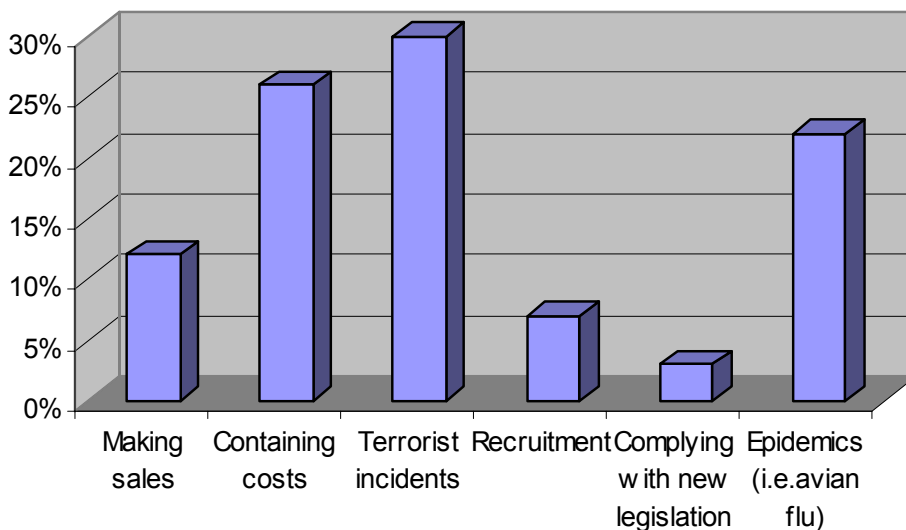
## What is the main reason your clients visit Europe?



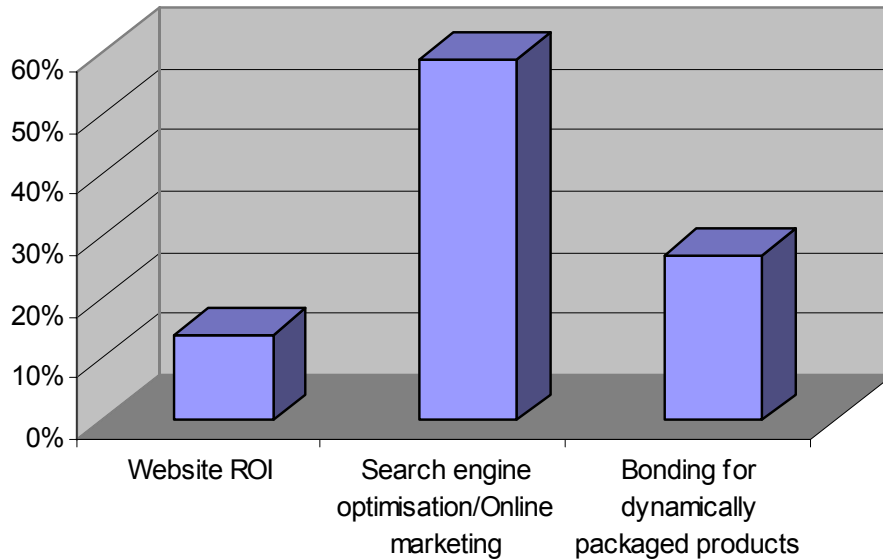
## Which of the following poses the greatest threat to inbound tourism to Europe?



## Which of the following gives you the greatest cause to worry about the future prosperity of your business?



## What is your biggest challenge in online trading?



## Which piece of European legislation is in most need of reform?

