



WHAT ARE THE TRENDS TO LOOK OUT FOR?



INTRODUCTION

The global tourism industry continues its success story with another exceptional travel year in 2018 with a 6 per cent growth of total outbound trips in the first eight months of the year. Overtourism and cities packed to the rim with tourists are an ongoing topic and possibly leading to a shift to other holiday types.

The first eight months of 2018 tell a clear story: the desire to travel the world is unbroken and the industry is looking at another record year. These are the key percentage figures for outbound trips, by region and selected holiday type:

Januar – August 2018	GLOBAL	EUROPE	ASIA / PACIFIC	NORTH AMERICA	LATIN AMERICA
Total outbound trips	+6%	+5%	+8%	+4%	+8%
Holiday trips	+7%	+6%	+10%	+4%	+10%
City trips	+8%	+6%	+10%	+4%	+18%
Sun & beach holidays	+10%	+8%	+15%	+3%	+15%
Tour holidays	+4%	+5%	-2%	+5%	+3%
2018 forecast (total outbound)	+6%	+5%	+6%	+8%	+8%

Source: World Travel Monitor®, IPK International, 2018

Holidays are a key growth driver across all regions with a further growth of 7 per cent worldwide. City trips continue on an upward trend, but also Tour holidays are coming back in the picture after steady declines in the recent past. In addition, Sun & Beach holidays made strong gains too and even overtook City Trips in terms of growth. The outlook for 2019 is very positive as well and suggests a continuation of the overall strong developments in 2018, with stronger growth for North America compared to this year, and a slightly slower – yet still very positive - growth for Asia-Pacific.

Another much discussed topic are Cruise Holidays - a booming segment in the recent years. While overall the segment is still one of the smaller ones in terms of all international holidays, its development has been exceptional with double-digit growth rates and increases that were twice as much as international holidays in general.

Looking ahead, another segment that will come into the picture more and more is Halal tourism. Muslims are the fastest growing religious group worldwide and are developing a thriving middle class with growing buying power. With specific shared values among Muslims that are much stronger than among other communities catering for their specific needs is a key for success.

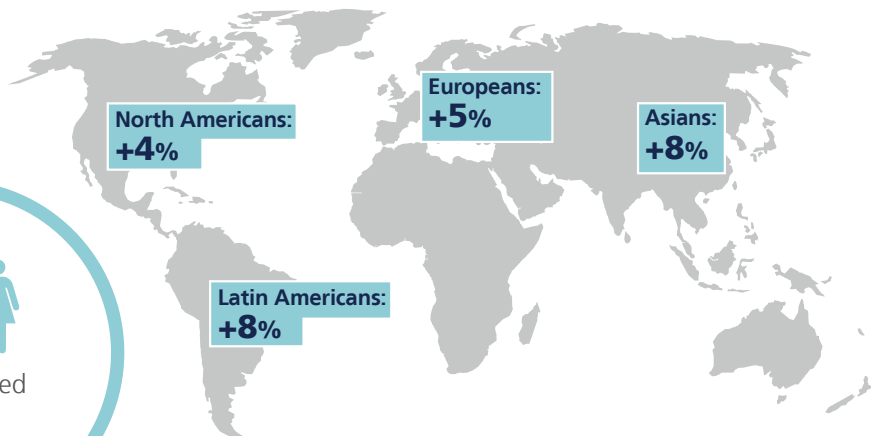
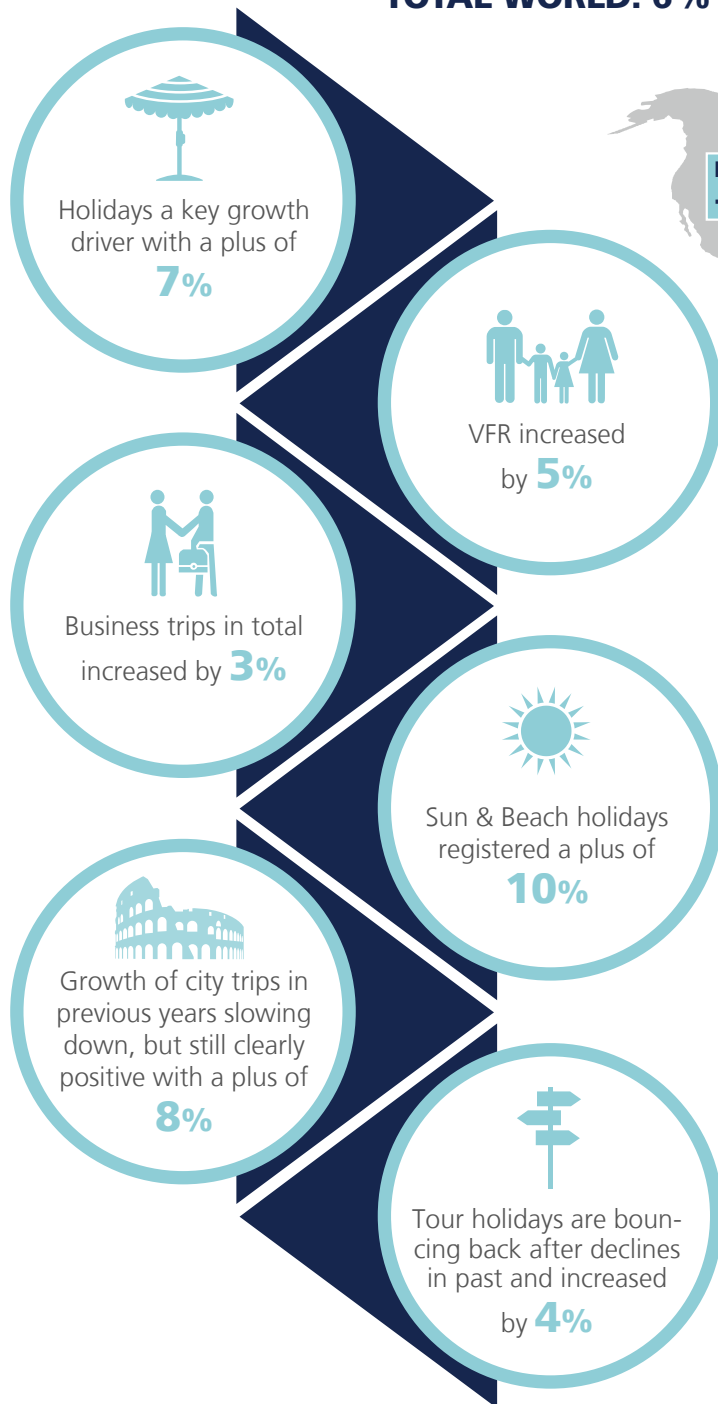
The following pages will share insights and numbers about the World Travel Trends 2018 / 2019.

Happy reading!

INTERNATIONAL TOURISM CONTINUES ITS SUCCESS STORY

2018 so far has been a strong year for the tourism industry with solid growth rates worldwide. In the first eight months of the year, international outbound trips increased by 6 per cent, with the strongest increases coming from Asia and Latin America. Also the outlook for 2019 is very positive.

TOTAL WORLD: 6% MORE INTERNATIONAL OUTBOUND TRIPS



DESTINATIONS

- Asia-Pacific with 8% more visitors
- Europe with 6% more
- Americas recorded a plus of 3%

HIGHLIGHTS

- Boom in trips to Spain has stagnated after steep growth in past years
- Turkey is celebrating a come-back with 30% more visitors during the first 8 month of the year
- Forecast for 2019 very positive with expected growth of 6% more international trips

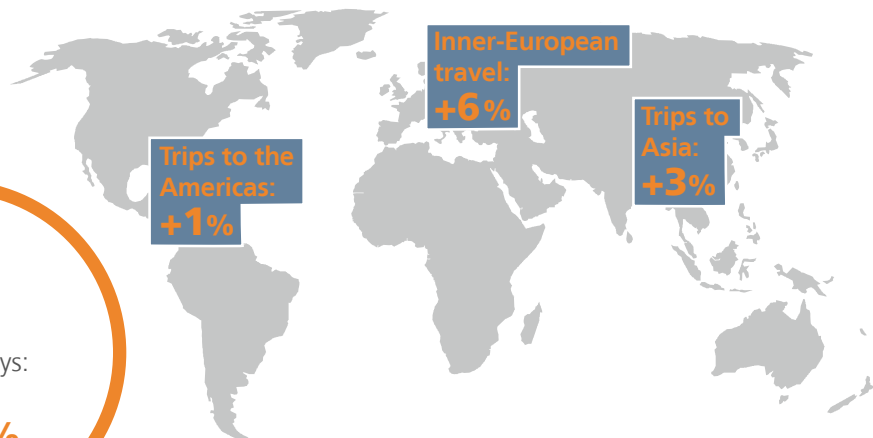
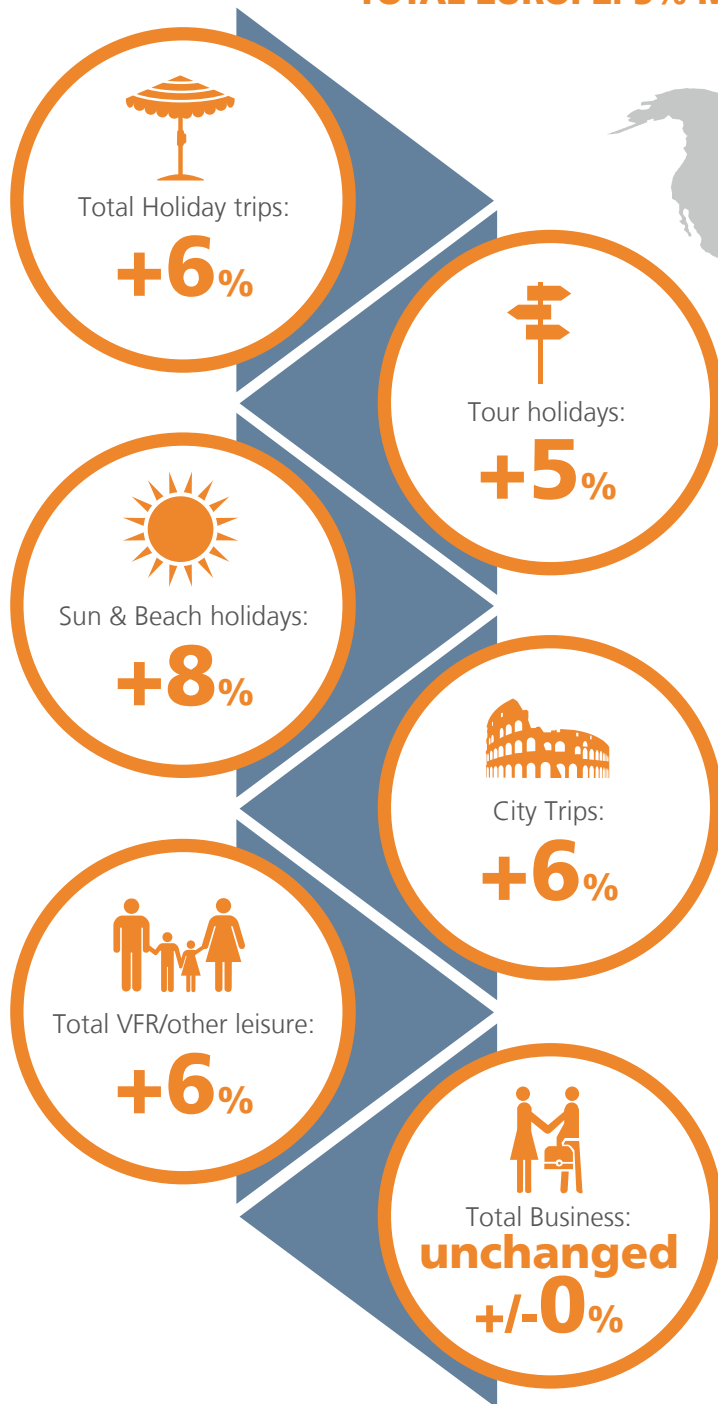
For detailed information please see the press releases at www.itb-berlin.com/press

The findings are based on a special evaluation of the World Travel Monitor from IPK International, commissioned by ITB Berlin in 2018.

EUROPEAN OUTBOUND TRAVEL WITH SOLID GROWTH

European outbound travel increased by 5 per cent between January and August 2018. After an exceptionally strong 2017, Europe is still on a solid growth path, however could not surpass the figures from previous years. The outlook for 2019 is positive with further growth expected.

TOTAL EUROPE: 5% MORE INTERNATIONAL OUTBOUND TRIPS



KEY FACTS

- Strongest source market: Poland
- Also positive: Sweden, Russia, Italy, Germany, Austria
- Underperformers: Switzerland, Denmark, United Kingdom
- Best performing destinations: Turkey and Greece
- Underperforming: Spain and UK
- Forecast for 2019 positive with expected growth of 5% more international trips

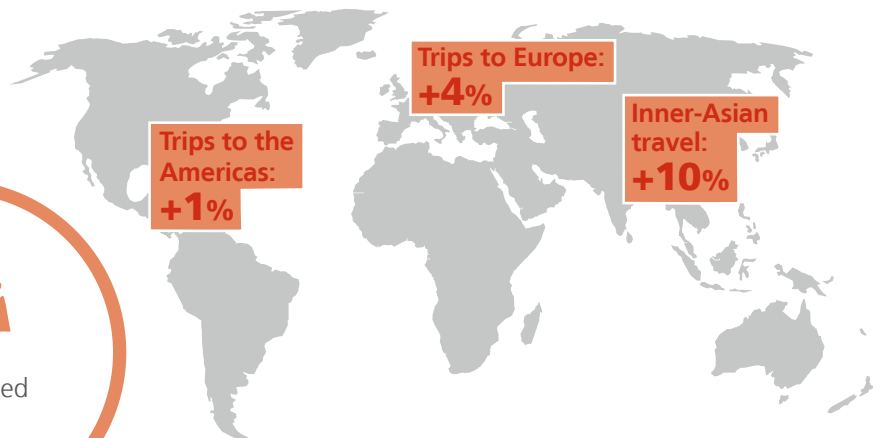
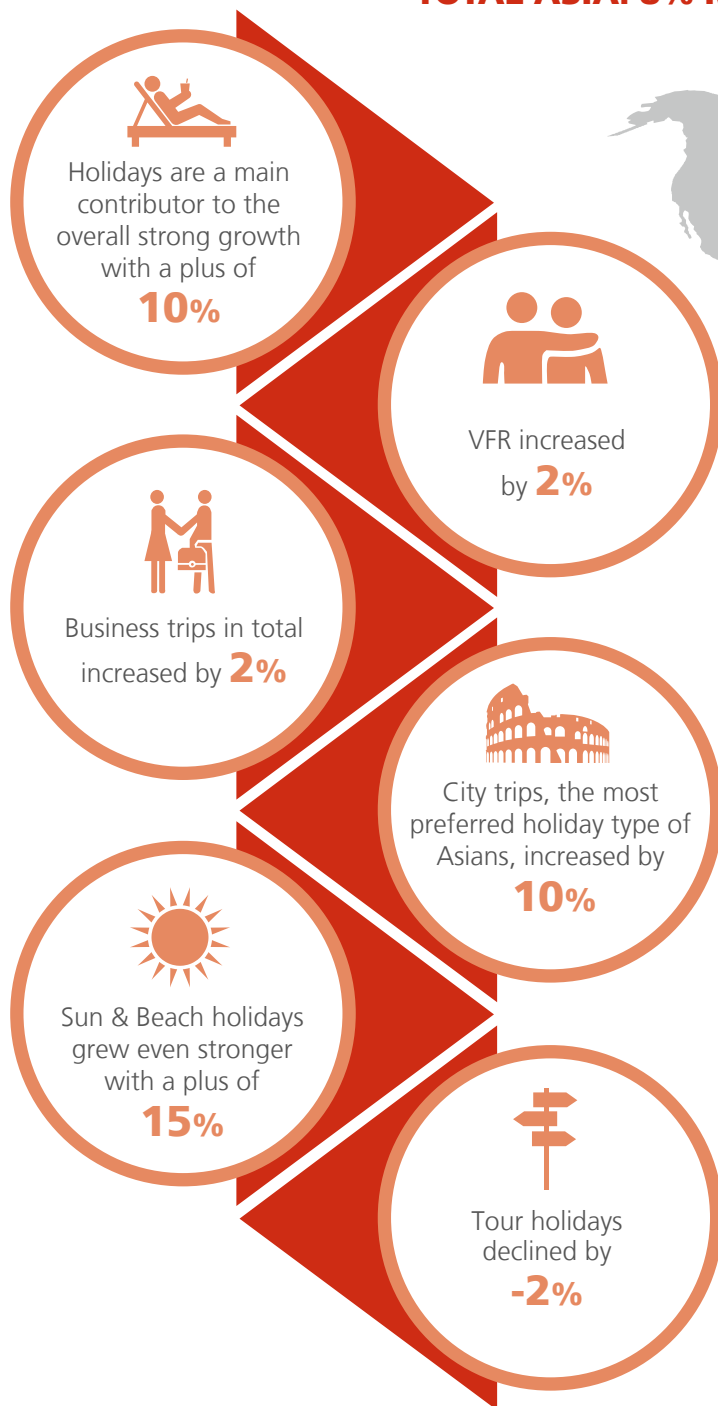
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STRONG 2018 FOR ASIAN OUTBOUND TRAVEL

International outbound trips of Asian travelers have increased by 8% in the first eight months of the year. After only moderate growth rates in 2017, Asia is one of the key growth driver of international travel in 2018. The forecast for next year remains positive, however is suggesting a slower growth.

TOTAL ASIA: 8% MORE INTERNATIONAL OUTBOUND TRIPS



DESTINATIONS

- Asia-Pacific with 8% more visitors
- Europe with 6% more
- Americas recorded a plus of 3%

HIGHLIGHTS

- 2018 has been a very positive year for international travel to Asian destinations.
- Destinations with strong increases include typical holiday destinations such as Thailand, Vietnam, Malaysia, Cambodia and Laos.
- Looking at Asian source markets, China has been a key growth driver with 13% more Chinese outbound trips.
- Forecast for 2019 is suggesting a slow-down in growth, however still positive with a expected plus of 6%

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LATIN AMERICA AHEAD OF NORTH AMERICA

International travel by North and Latin Americans grew by 5% in the first eight month of 2018.

In comparison, outbound travel by Latin Americans was notably stronger with a plus of 8%, while trips of North Americans increased by 4%.

North America



Europe is number one destination region with a plus of **8%**



Destinations benefiting the most from the increase of North American travel were Spain and Italy, while trips to UK stagnated



Trips to Asia increased by **5%**, and inner-American travel increased by **3%**



Growth was evenly distributed between holidays, VFR and business trips



Regarding holiday types, strongest growth was for cruises with a plus of **8%**

Latin America



Inner-American travel was booming with a plus of **13%**



Trips to Europe increased by **5%**, Asia received **2%** more Latin American visitor



Mexican outbound travel was strongly influencing the positive developments in Latin America with **12%** more trips



Holidays grew by 10%, business trips by 9% and VFR trips by 3% (a recovery after declines last year)



Regarding holiday types, strongest growth was for city trips with a plus of **18%**

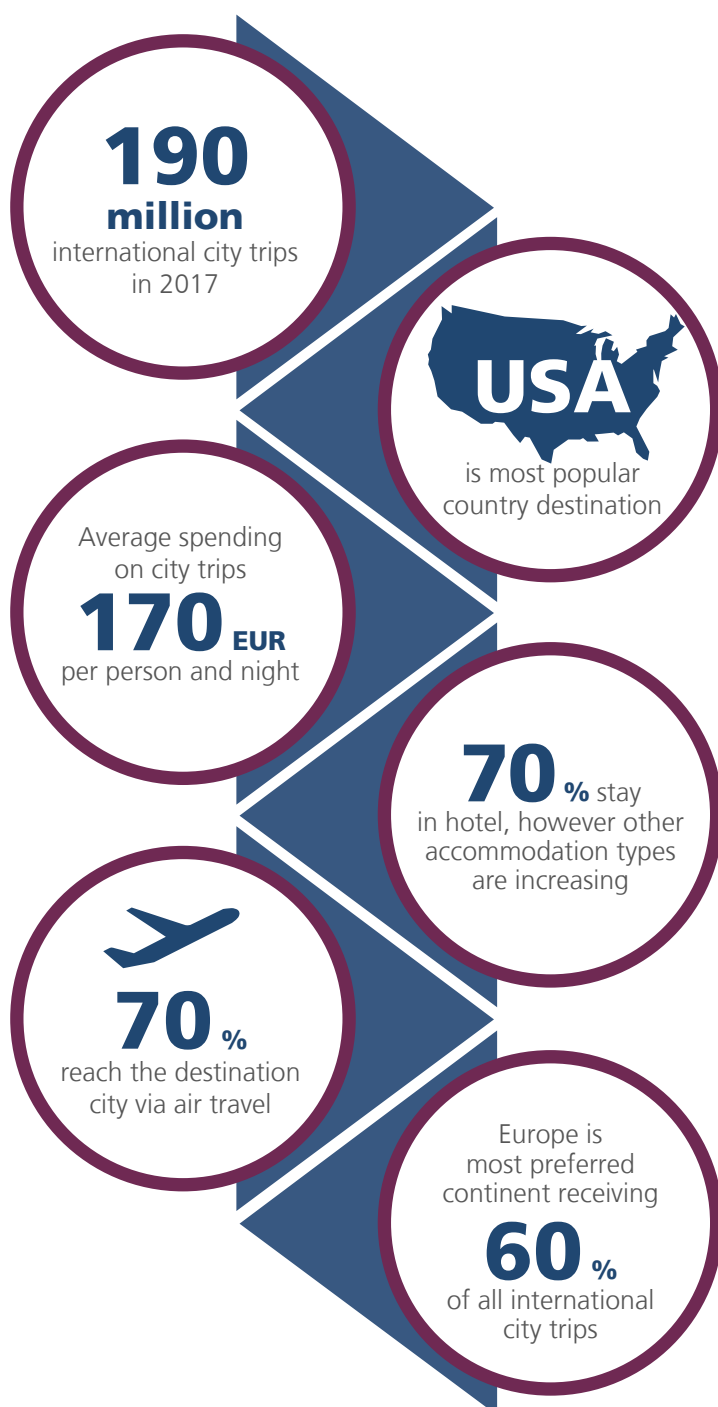
KEY FACTS

- The Americas received around 3% more international visitors between January and August 2018.
- North America: US recovered after declines last year and recorded 7% more international visitors. Canada more or less stagnated.
- Latin America: Chile had one of the strongest growth rates with 8% more international visitors. Mexico recorded a plus of 2%.
- The outlook for 2019 is very positive for both North and Latin America, with a forecasted growth rate of 8% each.



INTERNATIONAL CITY TRIPS ARE BOOMING

International city trips have been the fastest-growing segment of the leisure market and grew four times as much as the total holiday market between 2007 and 2017.



WHO ARE THE CITY TRIP TRAVELERS?



Mostly younger and middle-aged,
on average 41 years old



Higher income



Well-educated



Main activities: visiting objects
of interest, sightseeing, enjoy
atmosphere in the city, shopping,
good food and drinks

KEY FACTS

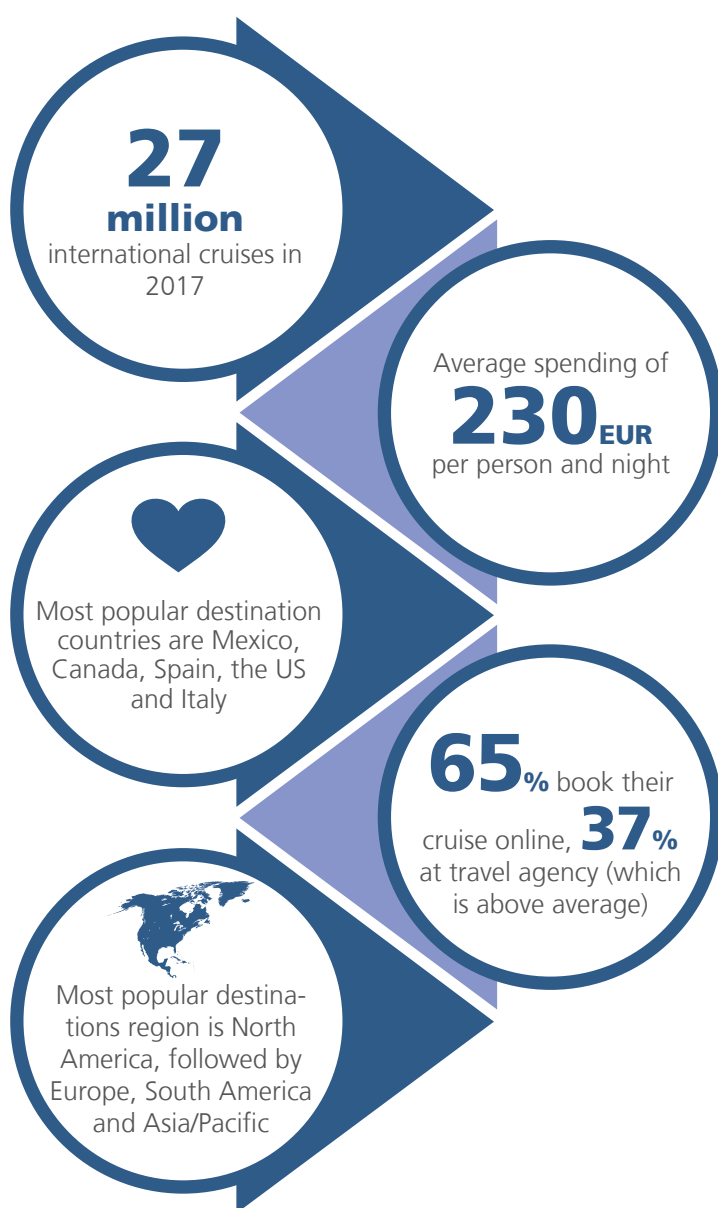
- Growth drivers are Asia/Pacific and South America
- In Asia growth is particularly triggered by Chinese, Korean and Japanese city holiday makers
- In North America outbound city trips tripled in the past decade
- City trips by Europeans doubled between 2007 and 2017

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DOUBLE-DIGIT GROWTH RATES FOR CRUISES

Cruises have been a booming and much discussed topic in the recent years. As a matter of fact, cruises increased twice as much as international holidays in general, with the biggest growth coming from Asia-Pacific where demand has tripled between 2007–2017.



WHO ARE THE CRUISE TRAVELERS?



Half of the cruise travelers are 55+, but cruise passengers are becoming younger



Higher income



Higher education



Main activities: relaxing, sightseeing, good food, entertainment on board, experiencing "sea and nature" and international harbours and seaports

KEY FACTS

- 56% of all cruises are undertaken by North Americans
- The United States are undisputed cruise champion and make up half of the worldwide cruise demand
- Around 30% of passengers are Europeans, with the most important source markets being Great Britain and Germany
- More than one in 10 cruise passengers is from Asia-Pacific, with Australia being the most important source market in the region
- Asia-Pacific however is an important growth driver of the segment
- South Americans play a very small role with only 1% market share

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STRONG GROWTH FOR MUSLIM TRAVEL

Muslims are estimated to make up 25% of the world's population by 2030 and are the fastest-growing religious group in the world¹. In some Muslim-dominated markets a thriving middle-class is emerging with growing buying power and a new consumer behavior. One consequence has been an increase of international trips by Muslim travelers. With strong growth forecasted, halal travel offers huge growth potential for destinations around the world.

WHO ARE THE MUSLIM TRAVELERS?



Below average share of females travelers, however with increases in recent past



Muslim travelers are much younger, with 75% between 25 and 44 years



Larger share of those with high education



Activities: Stronger focus on shopping when visiting cities or on tour holidays, less focus on sightseeing and museums

Growth of international trips by source markets with a predominantly Islamic population was **40%** higher in past 5 years compared to the rest of world



International Muslim trips are forecasted to continue growing in the future



City breaks are the most popular holiday type, followed by tour holidays



10% of all trips are for religious purposes or pilgrimage

60% of

Muslim Trips go to Asia (incl. Middle East)



Germany is the most popular destination in Europe

FROM AN EXPERT POINT OF VIEW

- Fazal Bahardeen, Managing Director of CrescentRating - the world's leading expert on halal travel - says "The difference lies in specific shared values among Muslims that are much stronger than among other communities regardless of their nationality"
- Halal refers to everything that is conform with traditional Islamic law
- For the travel industry that means fulfilling specific faith-based needs, such as preparing food according to halal rules, adapting meal times during Ramadan, offering prayer facilities, providing separate swimming pools for males and females and offering entertainment catered towards Muslims

For detailed information please see the press releases at www.itb-berlin.com/press

¹: www.pewforum.org/2011/01/27/the-future-of-the-global-muslim-population/

MILLENNIALS – THE NEXT BIG KEY MARKET

Usually defined as people being born between 1980 and 2000, Millennials are tech-savvy, highly educated and grew up with the internet. After Baby Boomers and Generation X, they are the next big key market and the largest age group for international travel. However, this group is quite inhomogeneous: some are just about to leave school, while others are in their thirties with stable income and kids.

Outbound trips of Millennials grew by **15%** in 2017, and therefore twice as strong as the total market

Millennials hold a market share of **40%**, making them the largest age group for international travel

Half of all international luxury trips are made by Millennials, with an increased share over the last years

Travelling for holidays is the primary purpose

One third of holidays are city trips

2nd most important holiday type is sun & beach

WHO ARE THE MILLENNIAL TRAVELERS?



Millennials are better educated



Still lower income in comparison, despite steady increase in recent years



Above average share of female travelers



Well-informed before travelling and use of more source of information for travel planning

COUNTRY SPOTLIGHT

- USA is the biggest source market of millennial outbound travelers in 2017
- This is followed by China, Great Britain and Germany
- In sum, these 4 source market make up 35% of all millennial outbound travels
- The USA is the most popular destination for millennial visitors, followed by Spain, Germany and France
- In a worldwide comparison, destinations with an above average share of millennial visitors are the Asian destinations Japan, South Korea, India as well as Australia, and in Europe especially Ireland and the Scandinavian Countries
- Destinations with a below average share of millennial visitors are Spain, Austria and China

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