

Impact Of The Western European Debt Crisis On Global Outbound Tourism

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With a great deal of holiday time, affluence and a cultural proclivity for travel, Western Europe is the largest source of international departures, accounting for 38% of the global total in 2010.

However, growing concerns about sovereign debt in Western Europe are weighing heavily on the region's economies and consumers.

Euromonitor International examines the impact on Western Europe's key outbound tourism markets.

Germany maintains its top outbound position

Germans travelling abroad accounted for 10% of global departures in 2010, making Germany the largest market for outbound tourism globally. In Germany, the debt crisis appears to be having a limited impact on outbound travel, despite a weakening economy.

Germans appear to prefer to cut their spending in other areas and still take a holiday. However, a worsening economic situation could cause Germans to rethink their holiday plans.

In the UK, domestic tourism is expected to have more precedence in 2011 and 2012, given the deteriorating economic situation and the Olympics being held in the country in summer 2012. While many people will forgo their holidays, holidaymakers are still cost-conscious and are likely to prefer to spend their funds on short European and/or domestic holidays.

In France, Italy and Spain, after a decline in 2009, outgoing tourism expenditure returned to growth in 2010, a trend which continued in the first six months of 2011. However, in late summer 2011, the economic prospects for these three countries in particular became gloomier. The slower performance of their economies is expected to have a negative impact on long-haul outbound trips in 2012.

Global ramifications for tourism

Western European intra-regional travel is high, with 63% of departures in 2010 to other Western European countries. Nearby regions also see a high percentage of Western European arrivals. 25% of arrivals to the Middle East and 37% of arrivals to Eastern Europe were from Western Europe.

These regions may benefit from the economic uncertainty in 2011 as Western Europeans stay close to home, going for short trips on low-cost airlines.

As a result, Australasia may be poised to suffer in 2011, with at least 18% of its arrivals in 2010 hailing from Western Europe. The region saw declines of 3% and 2% respectively in 2009 and 2010 in terms of Western European arrivals, with the decline likely to continue.

Since Western European countries are a key source of global outbound travellers, in future, it will be important to appeal to these cost-conscious travellers with package holidays or all-inclusive stays that offer good value for money.

Analyst Insight by Michelle Grant.

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