Europe's 2023 Outlook: Continued Tourism Rebound

(Courtesy of Mia Taylor, TravelPulse)

Couple in Valencia, Spain. (photo courtesy martin-dm/Getty Images/E+)

While travel to Europe is steadily recovering from the blow dealt by the COVID-19 pandemic, it will take until 2025 for the continent to reach pre-pandemic levels of international visitors.

New data from the European Travel Commission (ETC) shows that by last year, Europe rebounded to 75 percent of its 2019 or pre-pandemic travel volumes. That recovery is expected to continue throughout the coming year, albeit at a slower pace.

The increase in visitors will also take place despite the ongoing pressures of inflation, the war in Ukraine and the resulting energy crisis, according to the newly released report *"European Tourism: Trends & Prospects."*

Based on data from the fourth quarter of 2022, the report provides a comprehensive analysis of the opportunities and challenges for the travel sector in Europe, making projections and recommendations for 2023 and beyond.

"As the industry navigates the many challenges it faces this year, it is vital that the sector continues to be receptive to consumer demand, improving the visitor experience at destination and targeting markets and segments less effected by economic slowdown," said Luis Araujo, ETC president.

Europe's travel recovery made important strides in 2022, thanks in large part to pent-up demand and excess savings accumulated by would-be travelers during the pandemic. The combined effect of these forces resulted in an extended summer travel season for globetrotters who were eager to get out and explore the world after years of COVID lockdowns.

Compared to 2019, almost one in two reporting destinations in Europe recovered more than 80 percent of their pre-pandemic foreign arrivals in 2022, according to the ETC report data.

Overall, southern Mediterranean destinations experienced the fastest recovery as 2022 came to a close. Amid the high prices of inflation, travelers headed south to more affordable destinations like Turkey, where visitation numbers for the end of 2022 were down only 2 percent compared to 2019. A similar story played out in Greece, which finished 2022 with visitation numbers that were only 6 percent below 2019, and Portugal, where visitation was just 7 percent below pre-pandemic levels.

Corfu, Greece (photo courtesy ALG Vacations)

The slowest destinations to recover meanwhile, are those in Eastern Europe, where the war in Ukraine looms particularly large and has triggered a lack of Russian visitors to places typically dependent on that demographic. The steepest visitation decines have been experienced by Finland, which is down 38 percent, and in Lithuania, Latvia, and Romania—all of which reported a 42 percent decline in international visitors at the end of 2022.

Long-haul travel has also been a particular weak spot in the post-pandemic travel industry recovery. This is likely due to the more significant costs of overseas travel, as well as continued safety concerns linked to COVID-19, according to the report.

Despite these factors, there was an uptick in long-haul visitation to Europe in the middle of 2022, with many of those travelers coming from the Southwest Pacific and South Asia regions.

“As the Asia Pacific region broadly reopened over the second half of 2022, travel demand from the region to Europe is likely to rebound in 2023,” says the report. “In particular, encouraging news came in December with the ending of the three-year-old ‘zero-Covid’ policy in China.”

Industry experts are now projecting a gradual return of Chinese travelers to Europe in the second quarter of 2023. In the meantime, visitors from the United States are leading the recovery of long-haul travel to Europe, according to the report. There are many reasons why U.S. travelers are flocking to the continent, including the strength of the U.S. dollar against the Euro and fewer travel restrictions.

“Based on year-to-date data, almost one in four of reporting destinations saw US arrivals exceed 2019 levels,” says the report.