Market Report – USA
Spring 2018

Market Situation

2017 proved to be a boon year for US outbound travel to Europe. Following growth of 5 percent in 2015, and 10% in 2016, **travel to Europe by Americans was up 16.5 percent in the period of January to November 2017.** Just under 9 million US arrivals were registered in Europe in the peak travel months of May through September 2017. During that same peak period last year (2016), a little over 7.72 million US arrivals were registered.

US resident travel to Europe has been increasing since 2014 per data from the US Department of Commerce's National Travel and Tourism Office, even though **Europe's market share of overseas U.S. travel has remained stable at about 17% of the overall US outbound market, the highest market share of any overseas region** (based on final 2016 statistics - final results for 2017 might show it having increased by about one percentage point). Outbound travel from the US has registered strong growth to all destinations in 2017 except to South America where it was down 4.9% (from Jan. to Nov). US travel to overseas destinations overall hit a record last year and was up 9.6% from January to November 2017 compared to the same period last year.

Travel to Europe registered the strongest growth in 2017 (January to November), followed by travel to Mexico +12.7% and travel to Africa, up 10.6%. US outbound travel to Europe had only registered a 1% increase in the post-financial crisis years, between 2008 and 2015.

Scandinavia continued to do well in 2017 with US citizen bed nights up 26.5% throughout the region. All four countries reported double digit increases and this despite a weaker US Dollar. Competitive airfares, direct connectivity that has been steadily increasing since 2013, greater awareness of the region and its attractions, as well as new and revamped travel programs to Scandinavia offered by a greater number of North American tour operators have all contributed to the growth.

U.S. Citizen Bed Nights in Scandinavian Countries for 2013 through 2017

	Bed Nights 2013	Bed nights 2014	Bed nights 2015	Bed nights 2016	Bed night 2017	%Change 2017/2016
Denmark	452,673	482,075	575,507	631,564	702,551	+11%
Norway	303,044	397,651	425,295	496,334	670,926	+35%
Sweden	441,730	509,441	532,893	550,000	790,426	+44%
Finland	187,235	204,036	202,486	231,472	268,803	+16%

Source: Tourism Bureaus of Denmark, Finland, Norway, and Sweden

Many tour operators reported record bookings to Europe for summer 2017 citing lower airfares, increased flight capacity across the Atlantic, and greater consumer confidence as the main reasons driving the growth.

Prospects are looking healthy for 2018 as well, albeit at a slower rate than in 2017. Most tour operators are expecting growth for this year as well, but after a few years of record growth, they are expecting a bit of a slowdown.

Confirming this trend, MMGY's 2017 – 2018 *Global Portrait of American Travelers*, found that 25% of surveyed respondents intended to take more vacation in 2017-2018, down from 28% in 2016 – 2017; and 19% planned to take fewer vacations in 2017 – 2018 up from 14% in 2016 – 2018.

PROFILE OF US TRAVELERS TO EUROPE AND OVERSEAS

The latest available data compiled by the U.S. Department of Commerce's National Travel and Tourism Office relates to 2016 numbers. The only available data from 2017 are monthly numbers (January to November for now) of US citizens and residents that traveled abroad by air.

The U.S. resident outbound market totaled 79,767,026 from January to November 2017, up 9.6% over the same period in 2016. **Total departures to Europe totaled 14,724,760 travelers in the first 11 months of 2017.**

Travel to overseas countries (excluding Canada and Mexico) was **up 9.5 percent** with a **total of 35,060, 921 passengers from January to November 2017**.

The **top regions/states from which Americans traveled to overseas destinations** were:

- South Atlantic States (primarily Florida, Georgia, Virginia, Washington, D.C., Maryland and North Carolina) accounted for 24 percent and travel was up 10 percent.
- Middle Atlantic States (New York, New Jersey and Pennsylvania), with a 20 percent share of all U.S. regions, was up eight percent from 2015.
- Pacific States (California and Washington) generated 17 percent of outbound travel was up 26 percent from 2015.
- Travel from East North Central (primarily Illinois, Ohio and Michigan) accounted for 10 percent and was up three percent
- West South-Central States (mainly Texas) registered a nine percent share and travel was down 13 percent.
- Travel from the Mountain region (Nevada, Arizona and Colorado) was up 24 percent.

68.9% of Americans traveling to Europe in 2016 cited vacation as their main purpose for travel– up 3.2% over 2015**.**

Americans traveling to Europe for other reasons included:

- Visiting Friends and Relatives (VFR): 35.8%
- Business Travel: 10.6%
- Education: 8.8%
- MICE: 5%

The top 10 ports of departure for overseas travel, accounting for 76% of all departures from the U.S. were:

- New York JFK
- Los Angeles
- Miami
- Atlanta
- Newark
- Chicago
- San Francisco
- Houston
- Washington Dulles
- Boston

The top 10 destinations for U.S travelers in Europe in 2016 were, in ranked order:

- United Kingdom
- Italy
- France
- Germany
- Spain
- Ireland
- Netherlands
- Switzerland
- Austria
- Greece

Iceland made it, for the first time, in the top 15 destinations for U.S travelers in Europe.

U.S. travelers to Europe were planning trips 123 days in advance in 2016 compared to 117.2 days in 2015.

According to the National Travel and Tourism Office, almost 40% of U.S. travelers to international destinations **booked their airline tickets directly through the airlines**, 33% booked through an OTA, and 17% used a travel agent.

11.5% of Americans who traveled to Europe booked a prepaid package, and 6.5% of travelers to Europe were on their first international trip outside the U.S.

The average length of stay in Europe was 17.7 nights in 2016, down from 18.4 in 2015, and 19.3 in 2014.

The average number of international trips taken by U.S. travelers in 2016 was 2.5, slightly down from 2.6 in 2015.

20% of overseas travelers visited three or more destinations in one trip. The number of destinations visited in Europe averaged 1.8, up from 1.6 in 2015.

As for **modes of inter-city transportation** used by U.S. travelers between European destinations, 62.9 percent used airlines, 28.1 percent by rail, and 24.2 percent traveled by bus. 10.1% percent traveled on an overnight ferry/cruise.

The **top 10 leisure activities** for U.S travelers to Europe were:

- Sightseeing 88.8%
- Shopping 80.5%
- Visiting historic sites 59.5%
- Art Visiting small towns / countryside 58%
- Galleries / Museums 56.1%
- Guided tours 47.5%
- Culinary experiences 45.8%
- Visiting cultural sites 42%
- Visiting National Parks / Monuments 36.4%
- Clubbing 21.9%

The average household income of U.S. travelers to Europe was USD 135,682. Seven percent of overseas traveler households earned USD 300,000 or more.

Nonstop arrivals from US to Scandinavia

The **increase in nonstop flights to Scandinavia since 2013** when **Norwegian** Air International entered the US market and the subsequent opening of **new US gateways** by **SAS Scandinavian Airlines** and **Finnair** that increased the number of direct flights and seats from the US to Scandinavia had a positive impact on the strong increase of US resident arrivals to the region. Scandinavia's share of Americans arriving on nonstop flights to Europe has increased to a third of all arrivals. Please see page 12 for more updates.

While the number of Americans traveling non-stop to Scandinavia has continued to increase impressively with the increased airlift to the region, **many others travel to the region via other European gateways** including Reykjavik, Amsterdam, London LHR, Frankfurt, or Paris CDG.

The **volume of US visitors is therefore more accurately measured in bed-night figures** tallied by the individual country tourist offices.

Scandinavia continued to do very well in 2017 with US citizen bed nights up 26.5 percent throughout the region with all four countries reporting double-digit growth. Please see chart above.

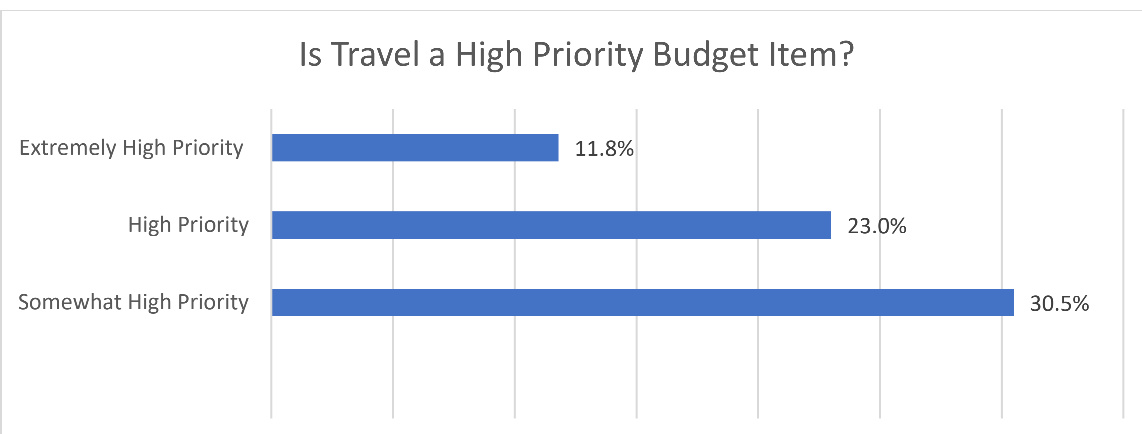
OUTLOOK FOR 2018

Americans Expect to Continue Traveling a Lot for Leisure in 2018

According to *The State of the American Traveler* study conducted by Destination Analysts, a tourism research and marketing firm, leisure travel expectations in the U.S. have continued a stable positive path with **37% of surveyed Americans saying they expect to travel more for leisure in 2018, slightly down from a record 37.4% a year earlier.** 55.6% of surveyed respondents expect to travel the same amount as last year.

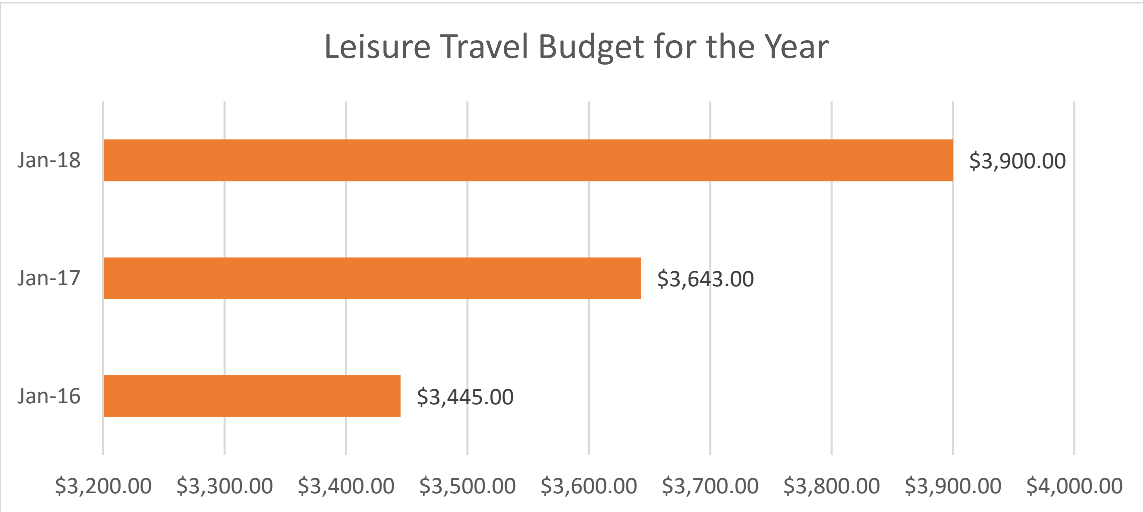
Travel spending expectations are also high, with 36.5 percent of travelers expecting to increase their travel budget this year. In this most recent wave of the survey, the typical traveler reported having a maximum annual travel budget of $3,865, up 6.1 percent from a year earlier. 54% expect to spend the same

The majority of Americans surveyed (65.3%) reported that leisure travel is at least somewhat of a budget priority. Respondents were asked to think carefully about their spending in the next twelve months, and to describe the importance of leisure travel in this context. More than a third (34.8%) said that travel would be an "extremely high" or "high" priority budget item.



Source: *The State of the American Traveler* study conducted by Destination Analysts

In another positive sign for leisure travel in the upcoming year, Americans are expecting to increase their travel budgets sharply this year. The typical traveler anticipates spending nearly $3,900 this year, up 6.1 percent from the previous year. In January 2016, the typical travelers' budget was $3,445.



Source: *The State of the American Traveler* study conducted by Destination Analysts

For its part, MMGY's 2017–2018 *Global Portrait of American Travelers* found a less than 1% dip in spending on travel from the approximately 60 million traveling households in the US, following the industry's eight-year high in 2016. The same study also reported a 5% dip in the average amount that travelers intend to spend in 2017–2018 ($4,815) compared to an all-time high in 2016 - 2017 ($5,048), somewhat at odds with the *State of the American Traveler* study that anticipates a 6% increase in intended spending.

Millennial Families: A New Growth Segment

The 9.5 million households that are American Millennial families intend to spend 19 percent more on vacations during the next 12 months and intend to travel 36 percent more than the previous year. Compare that to U.S. travelers at large, who only demonstrate a 6-point increase in intent to travel this year

This generational segment is also more likely to travel internationally.

A quarter of Millennial family vacations last year were to international destinations. That creates a substantial opportunity for international travel brands, since only 15 percent of Gen Xers, 10 percent of Baby Boomers and 12 percent of Matures vacationed to international destinations.

Domestic vacations now make up 85 percent of American vacations, up 7 points from last year. That means that 13.9 million more vacations were taken within the U.S. compared to outside the country.

Average Vacation Spend per Household	Millennial Families	Millennial Couples	Millennial Singles
Past 12 months	$5,295	$4,237	$3,688
Next 12 months	$6,282	$3,899	$3,344
Difference %	19%	-8%	-10%

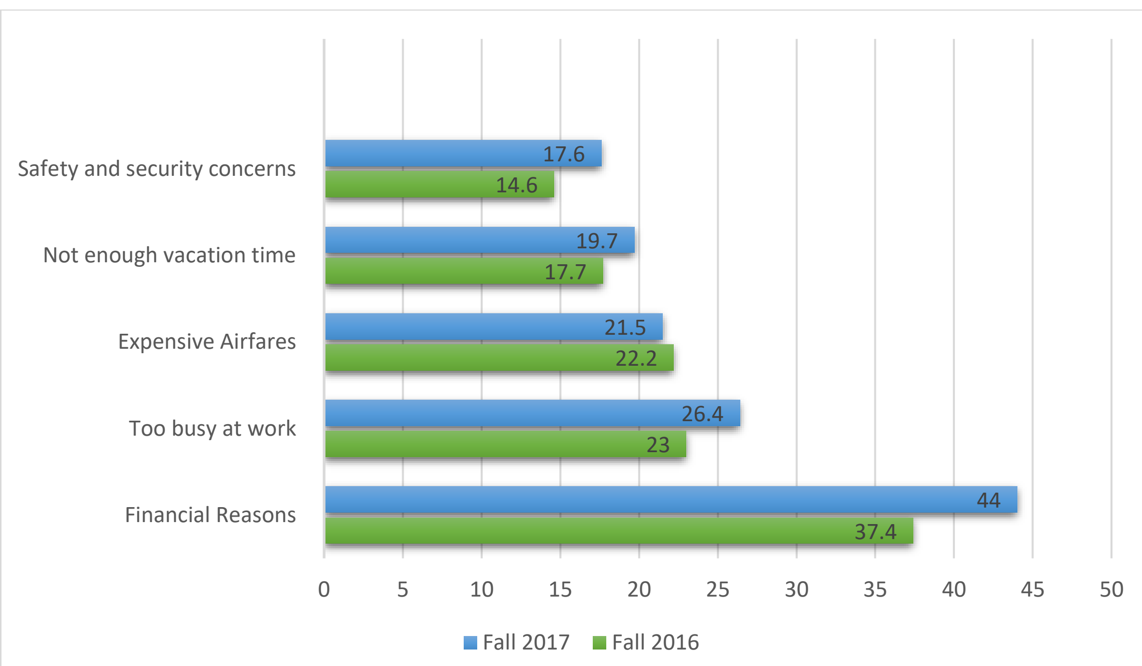
Source: MMGY 2017 – 2018 Portrait of American Travelers

<u>What Keeps Americans from Traveling More?</u>

While there are several different reasons that keep Americans from traveling, *The State of the American Traveler* found that **personal finances** were the most important factor constraining people from traveling or from traveling more.

About 46% of Americans mentioned "**too busy with work**" or "**not enough vacation time**" as reasons for not being able to travel.

The main reasons that keep Americans from traveling more include:



Source: *The State of the American Traveler* study conducted by Destination Analysts

In the most recent survey, almost half (44.0%) of American leisure travelers reported that "personal financial reasons" had kept them at home, to some degree, during the past year. Workplace demands also play a major inhibitory role. More than one third of Americans said that either being "too busy at work" (26.4%) or "not having enough vacation time" (19.7%) kept them at home.
Despite the elevated levels of traveler enthusiasm seen in this survey, financial-related impediments to travel are once again becoming more pronounced. While concerns over personal finances had been declining in recent years, (they had dropped 18.5% between 2010 and 2016), a sign that the economy was recovering, the turnaround in 2017 is concerning. It may be too early to raise a warning flag, but the survey suggests keeping an eye on this as the year progresses.

How Travelers Search, Plan and Book Vacations

MMGY's *2017- 2018 Global Portrait of American Travelers* reports that 21% of US travelers intend to go on an **organized group tour** in the next two years. However, the report also notes when it comes to millennial families, this number goes up to 47% vs. 6% of millennial couples and 19% of millennial singles.

The same study also found that 23% of overall travelers intend to use a **travel agent** to plan their vacation over the next two years. Taking a closer look at how millennials intend to work with travel agents, the study found that 51% of millennial families intend to use a travel agent to plan their vacation over the next two years compared to 12% of millennial couples and 16% of millennial singles.

How travelers search and plan for their vacations is shifting as well. MMGY's 2017 – 2018 *Portrait of American Travelers* found that search engines, which were once just pervasive during certain phases of the travel planning process, now lead across the entire purchase process. Most significantly, travelers now rank search engine results as their top choice while searching for advice and ratings as well as when they are making reservations (search engines were ranked third in both of those phases the year prior).

Google is now ranked by U.S. travelers as the site most often used on a regular basis to obtain travel information and prices – a position that had been held by Expedia the last two years.

The top 3 sites to obtain travel information and pricing are:
1. Google
2. Expedia
3. Tripadvisor

Sources travelers use to plan their vacation:

Ideas / Inspiration	**Advice / Ratings**	**Compare Features / Pricing**	**Booking**
Friends / Family 48%	Search Engines 47%	Search Engines 57%	Search Engines 40%
Search Engines 44%	Friends / Family 44%	Hotel Promotions 44%	OTAs 38%
Online Guides 36%	Travel Review Websites 44%	OTAs 42%	Travel Service Provider Site 35%
Magazines 33%	OTAs 30%	Airline Promotion 36%	Hotel Promotion 30%
Print Guides 32%	Online Guides 28%	Travel Service Provider Site 33%	Airline Promotion 23%

Source: MMGY 2017 – 2018 Global Portrait of American Travelers

TRENDS THAT AGENCIES ARE REPORTING FOR 2018

In December 2017, American Express Travel's international bookings for travel in the first quarter of 2018 were up 44 percent. In a survey that looked to corroborate this interest in international destinations, 25 percent of those surveyed cited learning about history, art and culture across the globe as their most important travel goal for 2018.

- 72 percent said that they enjoyed learning about different cultures
- 15 percent have traveled in the last year to experience new languages, customs and 20 percent (a 5 percent increase) plan to do the same in 2018
- Over half (57 percent) of those surveyed have set '*exploring a new destination that they've never seen before'* as their most important travel goal for 2018
- Nearly half (43 percent) cite finding a local culinary spot in a hip neighborhood as the most exciting dining experience while traveling
- 52 percent enjoy getting lost and spontaneously discovering hidden restaurants, shops and bakeries to create their own memories
- 49 percent prefer trips with adventure and excitement

Premium travelers: 56 percent of those surveyed are willing to pay more to get better service and 53 percent like to be pampered while traveling. Additionally, luxury travelers are increasingly booking premium seating with 68 percent of those surveyed planning to fly first or business class in 2018. More than half (56 percent) view a refreshed, luxurious premium airplane as the most desired perk when traveling by air.

- 41 percent view room upgrades as the most desired surprise and delight when booking a hotel

More than half (53 percent) of those surveyed prefer a social travel experience including likeminded travelers. Who you are traveling with (25 percent) is more important than where you are going (17 percent), according to the survey findings.

- 57 percent of those surveyed seek to interact with locals when traveling
- 57 percent want to stay with a local while traveling
- 21 percent say that the most desired surprise and delight while on vacation is a unique activity planned by a local expert

Focus on personal wellness:

- 22 percent say that the most important travel goal for 2018 is to disconnect from technology, work and everyday life
- 50 percent view on-site spa services, restaurants, nightclubs and pool as the most desired hotel feature
- 61 percent say they feel like *'there's never enough time to do what they want to do'*

Based on American Express Travel proprietary booking data, the top ten travel destinations for 2018 include:

- Bali
- Costa Rica
- Dubai
- London
- Portugal
- Rome
- Tel Aviv
- Utah- Colorado: Park City, Salt Lake City, Aspen, Denver, and Vail
- Vietnam
- Zurich

This survey's findings are based on responses from a sampling of 2,000 U.S. consumers who have traveled in the past twelve months. The study also includes a millennial booster sample of ages 18-34 with a HH income of $150k+ who has traveled over the past 12 months.

For their part, more than 1,300 travel agents participated in Travel Leaders' annual Travel Trends Survey, which provides an authoritative barometer for what consumers from across North America are booking most frequently. Travel Leaders has now become the biggest travel agency network in the US, leading an important consolidation of the industry and regrouping some of the most prestigious brands including ProTravel, Tzell, and Altour.

Caribbean cruises maintained the top spot for international travel with European river cruises coming in third, having moved up one spot from the number four position last year. Mediterranean cruises ranked fourth most popular in the international category, a significant jump from the number eight spot in 2017.

The results of this annual trends survey come from booking data provided by thousands of Travel Leaders travel agent professionals who are actively booking vacations on a daily basis and are at the forefront of where consumers are currently vacationing.

- Thirty-one percent of respondents saw an increase in European river cruise bookings and a 24 percent increase in all other types of river cruise business
- Among the most common questions asked by consumers related to cruise bookings, the subject of **shore excursions and what to do in port** came in at number one, with a whopping 72 percent of respondents citing it as a top question.

92.6% of the agent experts surveyed stated that their **luxury travel** bookings were higher than or on par with the same time the previous year (Dec 2017 vs Dec 2016), a marked increase from the 84% of agents in 2016.

The top "destinations" – either by country or cruise itinerary – that the surveyed **luxury** agents said their most discriminating clients are booking or inquiring about over 2018 are in the following order:

1	Italy
2	Cruise – Europe (River)
3	Cruise – Europe (Mediterranean)
4	United States - domestic
5	Ireland
6	Australia
7	Mexico
8	Cruise – Caribbean
9	France
10	Iceland
11	Jamaica
12	South Africa
13	England
14	Greece
15 (tie)	New Zealand
15 (tie)	Spain

THE U.S. ECONOMY AT A GLANCE

- **The US economy expanded an annualized 2.9 percent on quarter in the last three months of 2017**, higher than 2.5 percent in the second estimate and beating market expectations of 2.7 percent, according to the US Bureau of Economic Analysis.

- The **Unemployment Rate was 4.1% in March** of this year, for the sixth consecutive month, holding steady at the lowest rate recorded since February 2008, according to the Bureau of Labor Statistics. Unemployment had reached a high of 10% in October 2009 following the financial crisis of 2008.

- **Inflation in 2017: 2.1%** - Inflation in 2017 remained at the exact same level as in 2016. The pace of **inflation had accelerated** in 2016 to 2.1% from an annual rate of 0.7% in 2016 mostly due to an increase in energy costs and rents.

- **Consumer confidence decreased moderately** in March 2018 after hitting an 18-year high in February 2018. The Index, calculated by the Conference Board, now stands at 127.7 (1985=100), down from 130.0 in February.

U.S. Economic Outlook for 2018

In their *Outlook for 2018*, published in January, **Goldman Sachs expected U.S. growth to continue in 2018 with 2.5% real GDP growth**. Goldman Sachs expects the **policy backdrop in the U.S. to be particularly favorable for the economy with looser fiscal policy, and a less stringent regulatory environment**. President Trump's policy measures regarding trade agreements risk affecting financial markets. **Despite a bumpy ride** however**, they don't expect the U.S. economy to be derailed.**

The bigger risks to the US' global outlook are likely political. NAFTA negotiations continue to struggle and the Trump Administration could announce its intent to withdraw if the talks do not result in a revised agreement by early 2018. While the overall implications for the US economy would likely be modest, US-Mexico trade could be substantially affected and some industries could face disruptions (especially the auto sector).

Morgan Stanley's 2018 US Outlook notes that the days of declining deficits may be over. In addition to another round of hurricane funding and an increase in defense spending, moderate deficit expansion from the enactment of tax relief will likely raise the 2018 deficit-to-GDP ratio from 3.2% in 2017 to 3.6% in 2018.

For U.S. equities, while 2017 delivered exceptional returns, 2018 will likely see much narrower performance as markets begin to contemplate the peak rate of change on growth and deteriorating financial conditions. The prospect of a trade war with China has also impacted stocks negatively.

A tight labor market and rising productivity have been lifting wages. Additionally, these increases in wealth, as well as the anticipation of higher income via tax policy, may keep consumers spending through 2Q19. Consumer confidence may also hit highs not seen since 2000.

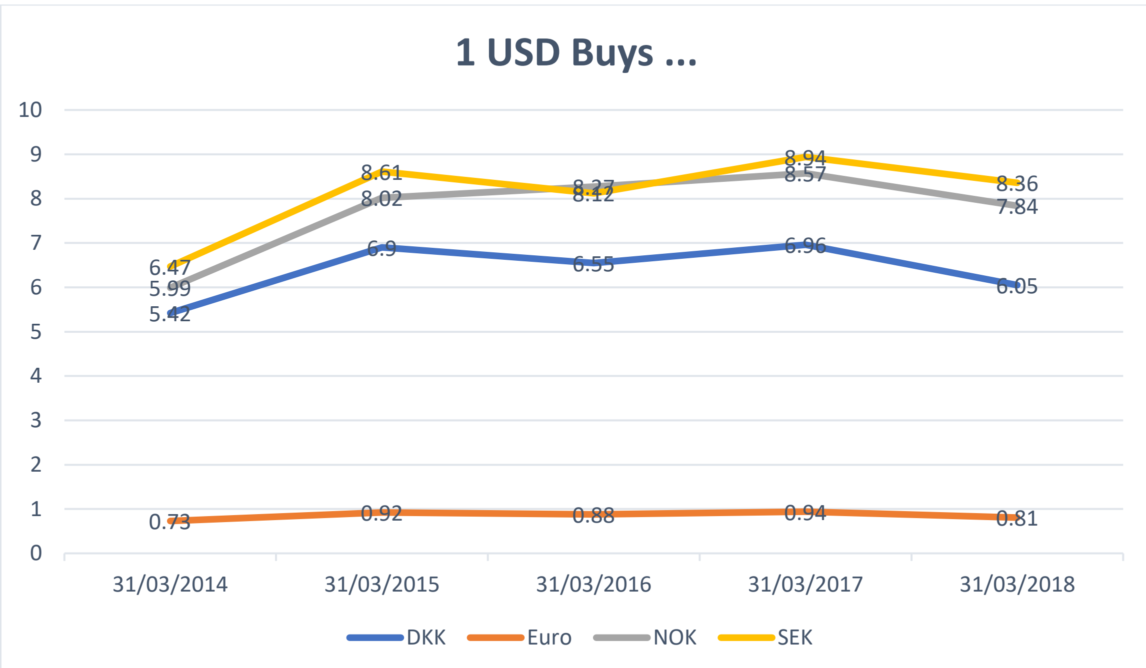
All in all, Morgan Stanley also predicts a bumpy ride for 2018.

Tax Reform Bill

The tax reform bill signed in late December 2017 didn't turn out to be as popular as expected. The impact of tax cuts on the middle class will not be as great as initially expected. The larger temporary income effects of the bill are higher for wealthier tax payers.

By 2021 the budget deficit could grow to 6-7% of the federal budget. There's never been such a major tax cut when federal debt is 70% of GDP. The US will be feeling budgetary pressures by 2025 that will probably require the tax cuts to run out as planned, according to J.P. Morgan Asset Management's chairman of market and investment strategy

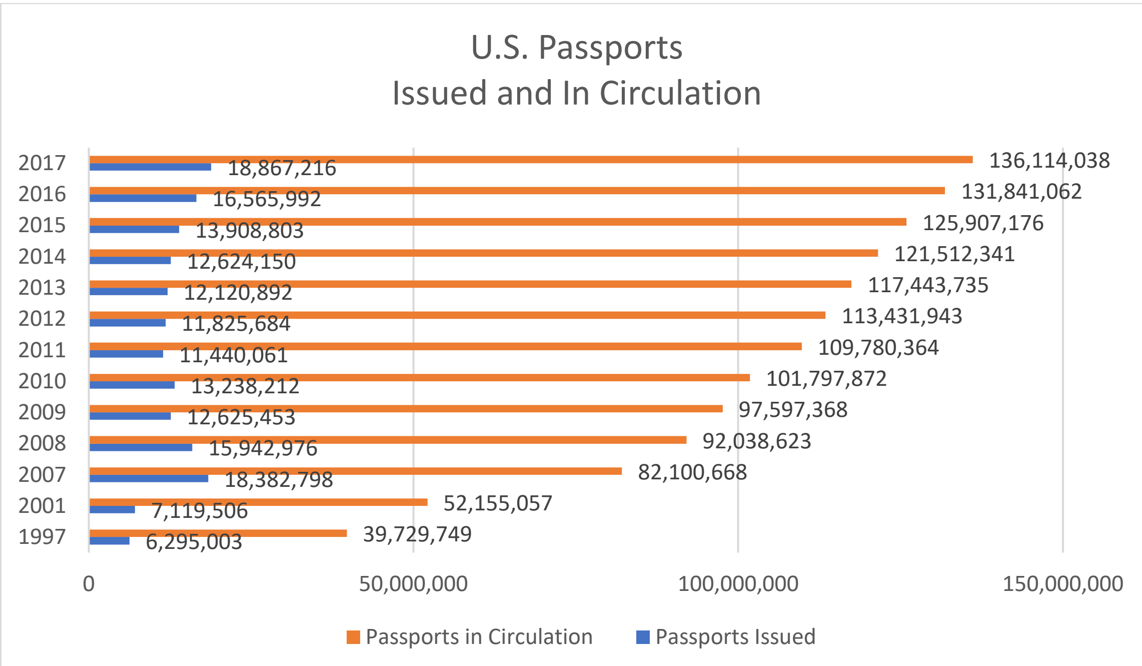
DESPITE WEAKENING A BIT, THE USD MAINTAINS RELATIVE STRENGTH IN SCANDINAVIA



The **USD has weakened against most major currencies over the past year but still maintains some relative strength in Scandinavia.** The Dollar's depreciation hasn't been sharp enough to have an impact on tourism and the USD is still quite strong throughout the region when compared to four or five years ago. At March 31, 2018, the USD had lost -13% versus the DKK, -13.8% versus the Euro,
-8.52% versus the NOK, and -6.9% versus the SEK, compared to the same date in 2017.

US PASSPORT ISSUANCE GROWTH

The **number of Americans with valid passports keeps increasing each year**. In 2017, the U.S. issued 18,867,216 new passports (excluding passport cards that cannot be used for international air travel), an **increase of almost 14%** over 2016, according to the U.S. State Department.



Valid U.S. passports in circulation increased to 136,114,038 in 2017, up from 131,841,062 in 2016, and up from 82,100,668 in 2007. **42% of U.S. citizens currently have valid documents to travel to the Schengen area.**

California, Texas, New York, Florida, and Illinois – respectively in that order – are the states where the highest number of passports are issued.

A decade ago, an important travel legislation made American passports much more in-demand. The State Department saw a surge in applications when a 2007 law enacted by the 9/11 Commission established passports as necessary for all travel to and from Canada, Mexico and the Caribbean. Millions of travelers acquired 10-year passports that year as a result, and now they're all about to expire. It's safe to assume many of those passport holders will need to renew, which means that **passport applications may jump significantly this year.**

MORE NONSTOP FLIGHTS TO SCANDINAVIA FROM MORE U.S. GATEWAYS

Following the strong expansion of direct flights to Scandinavia since 2013, that saw **Norwegian Air International, SAS Scandinavian Airlines, and Finnair add new US**

gateways to their route network and add frequencies to their US operations, 2017 proved to be a quieter year in comparison.

Norwegian, who have been operating flights to Oslo and Stockholm **from Oakland, CA**, since 2013 expanded service from the Bay area to Scandinavia with the launch of **twice weekly non-stops to Copenhagen** on March 28, 2017 further improving connectivity from the West Coast.

Finnair also launched **seasonal service from San Francisco to Helsinki** on June 1, 2017. Flights operated three times a week through the end of September.

For its part, **SAS Scandinavian Airlines** launched a **weekly nonstop** from **Miami to Stockholm**, at the end of October, completing its offer from this South Florida gateway to all three Scandinavian capitals.

In a bit of a setback, following this aggressive expansion over the past few years, **SAS** just announced that they would be **discontinuing their Boston – Copenhagen route from November 2018.**

IATA UPDATE ON WORLDWIDE AIR TRAVEL

2017 international passenger traffic was up 7.9% compared to 2016. Capacity rose 6.4% and load factor climbed 1.1 percentage points to 80.6%.

IATA estimate that the number of air passengers worldwide will rise from 4.1 billion in 2017 to 4.3 billion in 2018. Average net profit per passenger is also forecast to rise to $8.90, up from $8.45 in 2017.

CRUISE TRAFFIC TO SCANDINAVIA AT RECORD NUMBERS

The **number of cruise passengers to the Baltic Sea region increased to its highest level in 2017 to a total of 5,054,849 passengers, up 16.6% over 2016,** according to results released by the Cruise Baltic network. The number of calls increased 15.4% during the same period. July was the busiest cruise month, closely followed by August.

Cruise Baltic are forecasting an 8.4% increase in the number of guests for 2018, along with a 6.4% increase in the number of calls.

Copenhagen remains the largest port in terms of cruise guests, and it has experienced a 14,9 % increase in guests in 2017 compared to 2016. For 2018, Copenhagen will remain the largest port in the Baltic Sea with an estimated 870,000 guests.

Stockholm has had the highest growth rate of 20% from 500,000 guests in 2016 to 600,000 guests in 2017.

Copenhagen, Stockholm, and **Helsinki** were within the top five destinations in terms of calls and turnarounds for 2017.

Oslo reported a 14% increase in number of guests in 2017.

Smaller ports with between 25 and 49 calls including **Aarhus, Visby, and Gothenburg** increased in guest numbers by 29.4% in 2017 and are expected to increase another 26% in 2018.

	Passenger Numbers 2017	**Passenger Numbers 2018 Estimate**	**Calls 2017**	**Calls 2018 Estimate**
Aarhus	82.348	97.743	36	41
Bergen	534.221	659.536	307	332
Copenhagen	850.000	870.000	325	337
Gothenburg	56.000	58.000	41	43
Helsinki	478.000	500.000	266	279
Oslo	195.000	190.000	101	99
Stockholm	600.000	690.000	264	264

Source: Cruise Baltic and Cruise Europe, and Cruise Norway

CLIA, the Cruise Lines International Association, hasn't updated their statistics and market reports since 2016. The latest information available from CLIA was included in the April 2017 Market Report.

TOURISM IN EUROPE – UNWTO ANALYSIS

The UNWTO – *United Nations World Tourism Organization* – reported that international tourist arrivals grew by a remarkable 7% in 2017 to reach a total of 1,322 million. This is well above the sustained and consistent trend of 4% or higher growth since 2010 and represents the strongest results in seven years. This strong momentum is expected to continue in 2018 at a rate of 4%-5%.

Results were partly shaped by the global economic upswing and the robust outbound demand from many traditional and emerging source markets, particularly a rebound in tourism spending from Brazil and the Russian Federation after a few years of declines.

International tourist arrivals to Europe reached 671 million in 2017, a remarkable 8% increase following a comparatively weaker 2016. Growth was driven by strong results in Southern and Mediterranean Europe (+13%). Western Europe (+7%), **Northern Europe** and Central and Eastern Europe (both **+5%**) also recorded robust growth.

The current strong momentum is expected to continue in 2018, though at a more sustainable pace after eight years of steady expansion following the 2009 economic and financial crisis. Based on current trends, economic prospects and the outlook by the UNWTO Panel of Experts, UNWTO projects international tourist arrivals worldwide to grow at a rate of 4%-5% in 2018. This is somewhat above the 3.8% average increase projected for the period 2010-2020 by UNWTO in its *Tourism Towards 2030* long-term forecast. **Europe is expected to grow by 3.5%-4.5%.**