

Market Update

US Markets

Presented 15 March 2022

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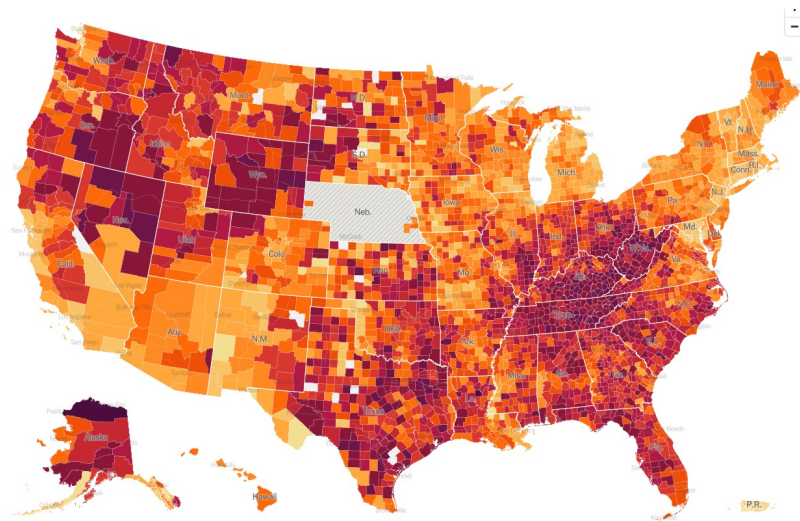
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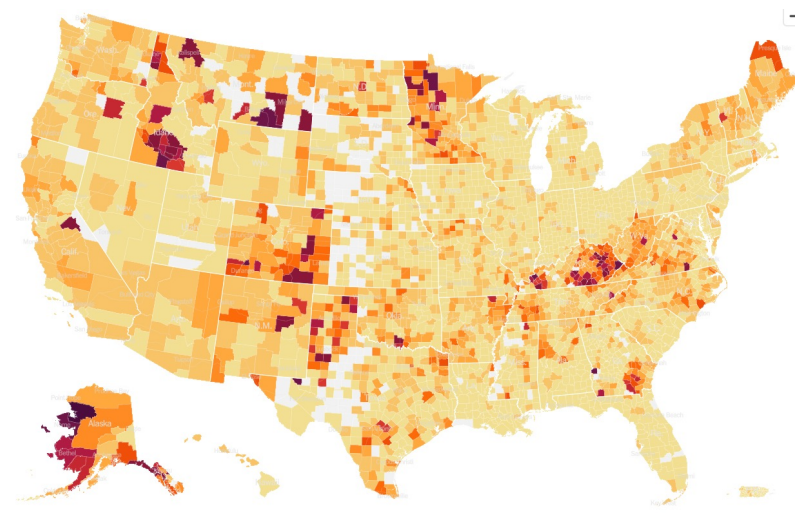
COVID-19 Infections

Average daily cases per 100,000 people in past week

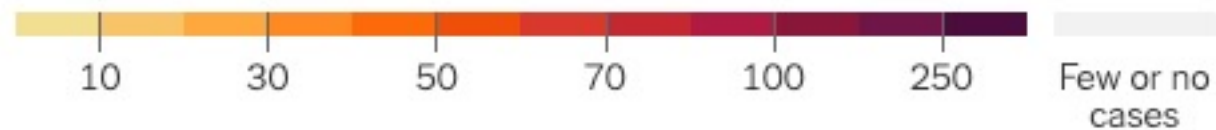
15 September 2021



14 March 2022



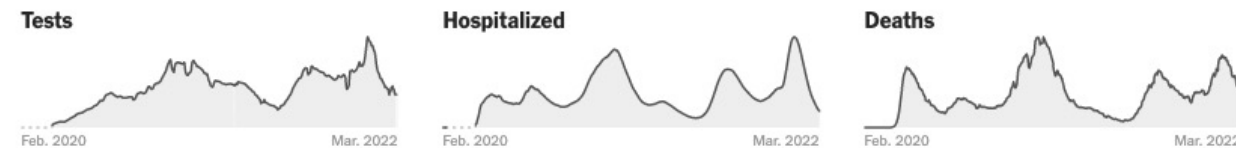
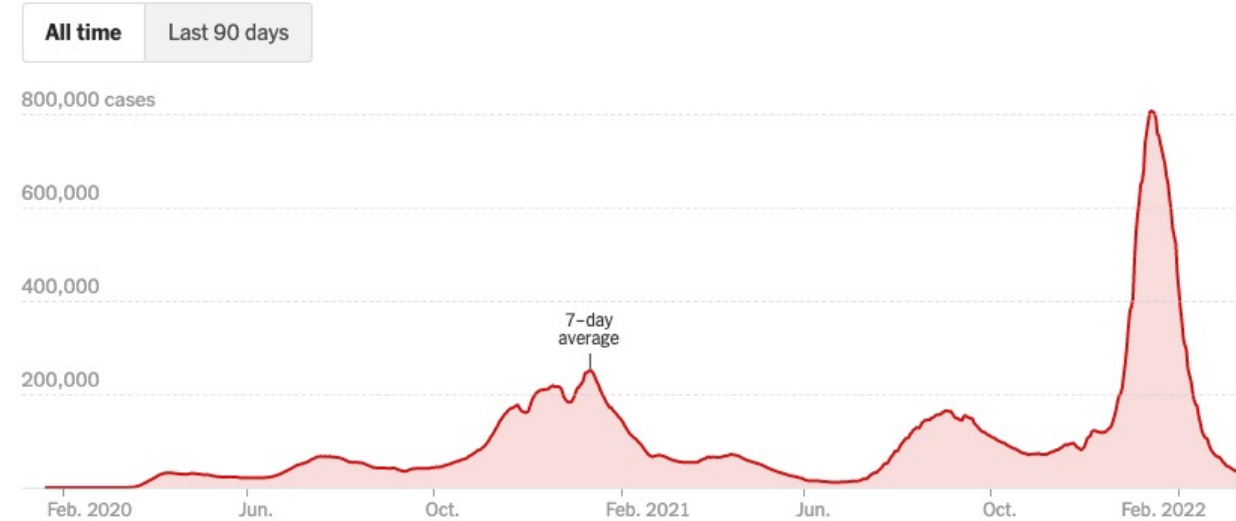
Average daily cases per 100,000 people in past week



COVID-19 Infections

- An average of 34,232 new cases per day
- An average of 1,291 deaths per day
- 4% of the world's population, 16% of COVID deaths
- Active cases of 7,328/100,000 population (highest ever by far)
- 993,811+ deaths – more than all wars combined minus the US Civil War

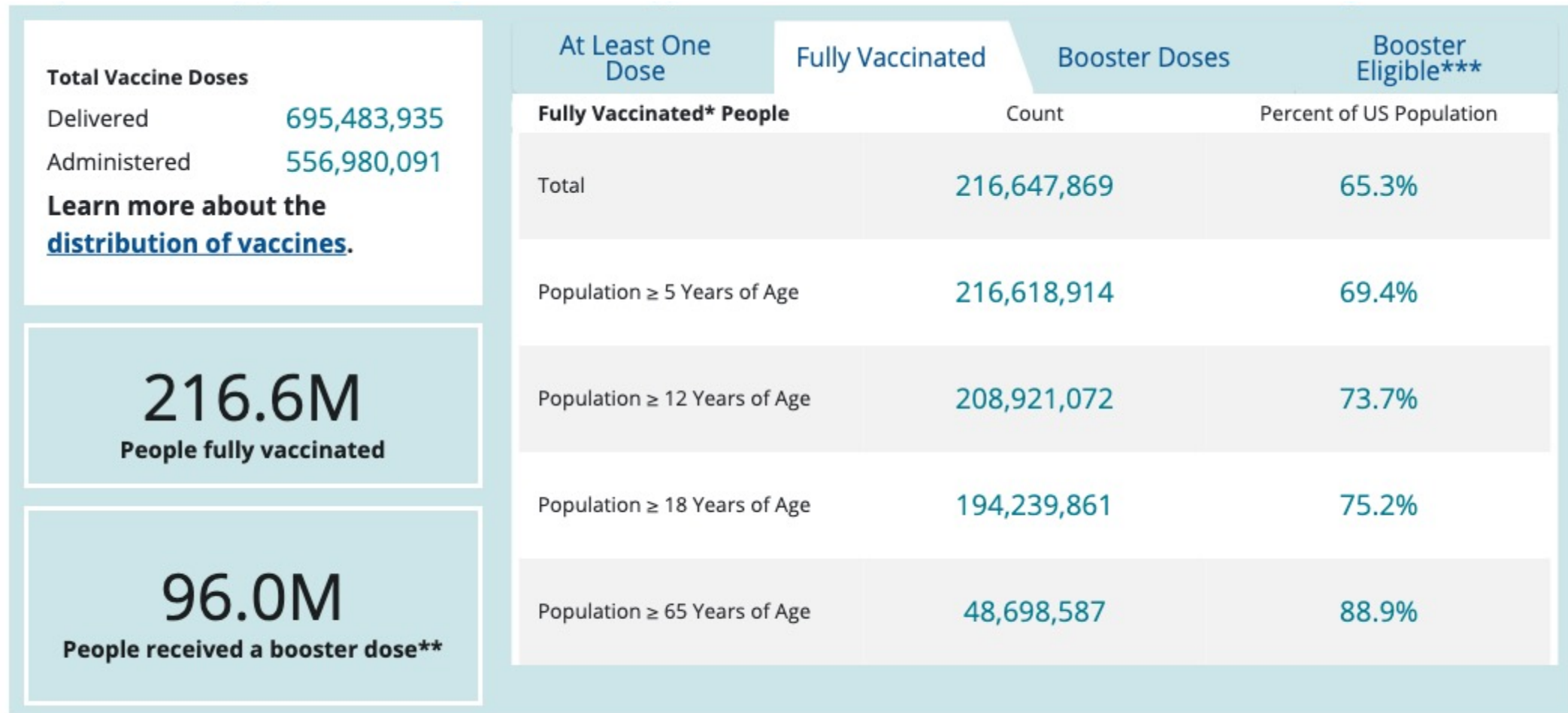
New reported cases



	DAILY AVG. ON MAR. 13	14-DAY CHANGE	TOTAL REPORTED
Cases	34,232	-48%	79,418,131
Tests	925,972	-7%	—
Hospitalized	29,177	-43%	—
In I.C.U.s	5,251	-46%	—
Deaths	1,291	-31%	966,361

Vaccinations

- Vaccination is now ubiquitous. Anyone who is not fully vaccinated simply does not want to be. These are as good as the numbers are going to get.



Situation Update

- The **omicron variant** upended the U.S. in December and January, rapidly sweeping the nation and causing an unprecedented surge of infections that pushed many hospitals across the country to the brink.
- However, U.S. President Biden said the U.S. has reached a **new moment in the pandemic**, with severe cases of Covid declining to a level not seen since July 2021. The president said most Americans can now **go about their lives mask free** under new guidelines issued by the Centers for Disease Control and Prevention.
- Despite the rapid spread of the Omicron variant, the U.S. economy ended 2021 in strong shape. The nation's gross domestic product — its total output of goods and services — **expanded 5.7% in 2021**. It was the strongest calendar-year growth since a 7.2% surge in 1984 after a previous recession



Situation Update

- The economy ended the year by growing at a solid 6.9% annual pace from October through December. Squeezed by inflation and still gripped by COVID-19 caseloads, the **economy is expected to keep expanding** this year, though at a slower pace.
- Nearly **all COVID related restrictions are now lifted**, or are in the process of being lifted, even in the most liberal and hardest hit areas of the country, such as New York and California. This includes mask mandates in schools.
- **Travel restrictions** for Americans entering Norway have now been lifted, once again enabling free movement between the two countries.
- Most Americans are mentally **DONE with COVID-19**.



On To The Next Crisis

- Since Russia invaded Ukraine during the final days of February, US media **attention has turned almost entirely towards the conflict**, with cable news shifting their coverage away from COVID-19 to almost exclusively cover the situation in Ukraine.
- The attack currently being perpetrated by Russia on Ukraine is largely seen as an **attack against democracy itself** and has led to an outrage so strong it has managed to unify a United States that has grown increasingly divided since the election of Donald Trump in 2016.
- The US has **rallied around Ukraine** and against Russia and the new world order it seeks to impose. Buildings across the US are lit in blue and yellow in support of Ukraine and President Volodymyr Zelenskyy is quickly becoming a familiar face and household name across the US.



The War in Ukraine

- So far, we have seen **few cancellations for European travel** with some European tourist boards reporting just 5-10% of consumers now hesitant to travel to Europe.
- It is anticipated that the **booking window will become longer**. Especially after being shortened so considerably during the COVID years.
- Most destinations have **not taken steps to curtail their marketing** efforts just yet. Exceptions of this are countries directly impacted by the resulting refugee crisis, such as Poland.
- Americans are already feeling the impacts of a prolonged pandemic and the effects it has had on the **global supply chain**. Those impacts are likely to only worsen as the world attempts to cut Russia off.
- It is yet to be seen **what sort of tolerance Americans will have** for these increased prices now that the “protection of democracy itself” is part of the equation.
- Airspace restrictions create a **more complicated airspace landscape** will ultimately lead to longer and less convenient flight routes that will directly impact many travelers even if Russia is not their destination.
- Higher fuel prices mean **more expensive airfares** just at the moment our industry seeks to break free from COVID -19, and a raft of new air routes are scheduled to begin in the spring.



Travel Industry Bookings

We informally surveyed 20 top tour operators after the first week of the war asking them what impacts they were seeing on bookings following the invasion of Ukraine.

- All reported they had **yet to see any negative impact on bookings**, with the exception of those selling trips to Poland due to the current refugee crisis.
- For the most part, **people are still eager to travel** and prioritize that post-COVID “bucket list” trip that they have been waiting two years to take.
- Overall, **bookings across the world are strong** with a return to near normal levels expected in the second half of 2022.
- Despite sharing a border with Russia, **Norway is often is perceived by American travelers as far removed from Russia**, and Europe as a whole. This perception, although not based on reality, could ultimately help Norway to maintain demand for travel and tourism throughout this crisis.



Key Takeaways

1. Although COVID-19 continues to be a very real issue for many, most Americans are exhausted by it, and thanks to drastically reduced case counts, most COVID-19 restrictions are on their way to being removed throughout the country.
2. After two full years of not traveling, Americans are ready to travel again and plan to do so this summer.
3. The war in Ukraine is top of mind for everybody, but so far is not stopping people from wanting to travel, including to most of Europe.
4. The travel trade has been cut off from selling Norway for two years and is now eager to re-educate themselves on the destination and resume operations as soon as possible.
5. Norway is now fully open to American travelers and the airlines are taking advantage of this with new routes beginning this spring including:
 - A. IcelandAir's expansion to Bergen starting 19 May
 - B. United's new service from New York-EWR to Bergen starting 20 May
 - C. The new "Norse Atlantic" airline beginning service to California, New York and Florida this spring



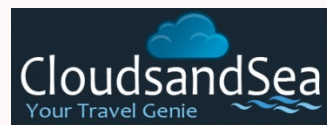
Norwegian Travel Workshop 2022

19 companies from the United States

NTW Veterans



NTW Newcomers



Niche Tour Operators



Large Tour Operators



Thank You

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