

THE 2022 MOST VISITED DESTINATIONS REPORT



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The data included in this document is accurate according to ForwardKeys' market research database, at time of publication: November 2022

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Foreword

At the time of writing, the travel industry – with the exception of the Asia Pacific market – has all but recovered from the impact of the COVID-19 pandemic. This is the news we have all been waiting for, and yet the response has been relatively subdued. Why? Because as one major challenge has slowly faded from the industry's consciousness, many new, smaller challenges have taken its place.

As ForwardKeys Head of Research, Luis Millán, explains in his 2022 travel review on pages 14-15, the travel sector in 2022 has had to navigate obstacles including escalating geopolitical tensions, airport chaos, China's ongoing closure and even existential threats to the aviation industry.

The issue of overtourism has also returned with a vengeance in the wake of travel reactivation. On pages 12-13, ForwardKeys Head of Market Intelligence, Juan Gómez, describes what destinations can do to mitigate the impact of overtourism.

We hope you enjoy reading this report and find value in its insights and analyses. Here's to a brighter 2023 for the travel industry.



Olivier Ponti

Vice President – Insights

ForwardKeys



November 2022

Travel and tourism have seen demand skyrocket as we emerged from the pandemic. Consumer demand is high and with this rebound we see new and exciting trends and opportunities emerging. As people's lives changed, so did their habits, priorities and interests, and all the while, global geopolitical events and challenges ensure the goal posts are constantly moving.

This report provides an insight into those shifts and our responses to them and forecasts the trends for the year ahead.

At World Travel Market London our mission is to table the biggest issues impacting the travel and tourism industry, guide the sector towards new horizons through peer-to-peer learning, and offer vast networking opportunities to help deliver those crucial business deals that ensure the industry's future.

We look forward to welcoming you!



Juliette Losardo

Exhibition Director

World Travel Market London



November 2022

EXECUTIVE SUMMARY

Recovery edges closer, but obstacles remain

Taking a broad view of travel market developments in 2022, the picture is generally positive, with many destinations approaching full recovery and some even surpassing their pre-pandemic performance.

By region, Africa and the Middle East is 2022's most resilient, with the Middle East, in particular, benefiting from the resumption of major global events such as the Dubai World Expo, Formula One GPs in various Gulf locations and, above all, Qatar's FIFA World Cup. The Gulf Cooperation Council has also seen a comeback in business travel, a segment whose resilience has come as a surprise to many.

The Americas, meanwhile, has achieved an impressive level of recovery thanks largely to pent-up demand from the United States outbound market for sun and beach destinations in Mexico and the Caribbean, several of which have seen tourism growth versus 2019.

In fact, demand for sun and beaches is a recurring theme in this year's travel review, with many destinations in Southern Europe also performing strongly. Turkey's Antalya, for example, is this year's stand-out performer by city destination, seeing 66% more tourist arrivals than in 2019.

Yet Europe is known for its diversity, and many travellers to the continent have been keen to experience its nature, history and vibrant urban centres – as reflected in growing demand for destinations including Istanbul (-4%), Reykjavik (-14%), Madrid (-22%) and Oslo (-25%).

Like Mexico and the Caribbean, Europe owes much of its success in terms of travel recovery to the US, which retains its position as the world's leading outbound travel market.

The least-recovered global region in 2022 is Asia Pacific, which is to be expected given the late reopening of many of its destinations and China's ongoing closure. Nevertheless, Asia Pacific, too, is heading in the right direction, driven initially by pent-up demand from the large international diasporas of countries like Pakistan (-5%) and Bangladesh (-8%) for visiting friends and relatives. Regional sun and beach destinations like the Maldives (-7%) and Fiji (-22%) are also recovering well.

Towards the end of 2022, the stagnation of certain markets in the face of soaring inflation rates has cast a small shadow over what had been a mostly positive year for the industry. Looking ahead to 2023, the travel market's full, global recovery will depend on its ability to overcome this challenge as well as other obstacles associated with geopolitical tensions and a global energy crisis. And of course, no industry recovery will be complete without the return of Chinese travellers.



METHODOLOGY

The insights included in this report

As the world's leading travel data analytics provider, ForwardKeys offers insight into the entire travel journey, from the moment the consumer expresses an interest in a trip by searching for flights, to their booking of that trip and their stay at the destination – plus many more steps in between.

ForwardKeys is able to provide the most detailed information on traveller journeys thanks to its comprehensive datasets covering global ticket sales, Seat Capacity, Searches and more. The company's Total Air Market dataset delivers – with unmatched detail, speed and granularity – an overview of the travel market in terms of total passenger numbers.

In compiling this report, we used a combination of datasets – depending on the destination and travel trend being explored.

Indicators tracked

We have looked at ForwardKeys Actual Air Tickets data, the most comprehensive source of tickets booked globally. All tickets issued until 18 October 2022, also those for future travel, have been included and show the travel results for the full year of 2022. Tourist arrivals refer to return tickets staying at least one night in the destination

ForwardKeys Seat Capacity data, which provides information on all scheduled commercial flights, including schedules published by 17 October 2022.

ForwardKeys Fares data, which shows average fare prices, including bookings issued until 30 September 2022.

ForwardKeys Total Air Market data, includes information available as of September 2022.

The information on destination preferences (Sun & Beach, Nature, Shopping, Urban, Business) is based on the indexed performance of top city destinations representing each category as per ForwardKeys Actual Air Tickets.

All results are benchmarked against the equivalent period in 2019, unless specified otherwise.

In the report we stuck to geographies as identified by the UNWTO.

For more information on our datasets, visit [ForwardKeys.com](https://www.forwardkeys.com).

WOULD YOU BENEFIT FROM TRAVEL INSIGHTS?

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PRODUCTS

TOP 20 COUNTRY DESTINATIONS

Central American and Caribbean countries dominate the recovery rankings

Taking a global view of travel recovery in 2022 against 2019 levels, the overall picture is similar to what we saw in 2021 and again this summer, with many of the top-performing destinations representing the Americas – specifically Central America and the Caribbean. These regions’ sustained success is owed largely to the open-door travel policy that many of their destinations adopted early in the pandemic, as well as to significant pent-up demand from the reactivated United States market.

Exemplary is the Dominican Republic, which holds first position in the 2022 recovery chart – reflecting the year’s top-performing global destinations – having experienced a 5% growth in arrivals, helped by a 13% increase in seat capacity, versus 2019.

Elsewhere, Europe’s recovery continues apace, with Turkey the continent’s top-performing destination having achieved full recovery (0%) versus 2019. Turkey, like neighbouring Greece (-12%), has benefited from clear messaging regarding entry requirements and reopening dates as well as from demand for sun and beach destinations from the US and European markets.

Among the top destinations in Africa and the Middle East, those showing the best performance are in the Middle East: Egypt (-15%), the United Arab Emirates (-17%) and Qatar (-25%). The return of major global events like the Dubai Expo and the World Cup has helped to boost travel recovery in this sub-region.

Meanwhile, the appearance of several Asia Pacific countries among the top-performing destinations is a welcome development in this year’s global recovery rankings given the region’s more cautious approach to travel reactivation overall.

The impressive performance of Pakistan (-5%) and Bangladesh (-8%) is owed to travellers’ pent-up demand for visiting friends and relatives in their home countries.

International tourist arrivals & seat capacity in international flights, 2022 vs 2019

TOP DESTINATIONS**	TOURIST ARRIVALS 2022 vs 2019	SEAT CAPACITY 2022 VS 2019
Dominican Republic	+5%	+13%
Turkey	0%	0%
Costa Rica	0%	-4%
Mexico	0%	+10%
Jamaica	-5%	-5%
Pakistan	-5%	+1%
Bangladesh	-8%	+12%
Greece	-12%	+9%
Egypt	-15%	+3%
Portugal	-16%	-2%
United Arab Emirates*	-17%	-16%
Colombia	-19%	+10%
Qatar*	-25%	-11%
Spain	-26%	-9%
Ireland	-31%	-10%
France	-31%	-14%
Brazil	-34%	-32%
Denmark	-34%	-22%
Switzerland	-35%	-19%
Sweden	-37%	-29%

Key legend

- Europe
- Americas
- Asia Pacific
- Africa & Middle East

* Excluded 1 night stays from analysis
 ** Out of top 40 destinations in 2022

Source: ForwardKeys Actual Air Tickets& Seat Capacity Data.

Ireland's recovery sees huge improvement in 2022

While the above relates to destinations' travel recovery in 2022 as compared with 2019, it is also interesting to note how their recovery this year compares with their recovery as it stood in 2021.

Among the top-five destinations in this specific metric, four are European, with Ireland leading the way having improved its recovery by 50 percentage points, followed by Turkey (+47 pp) and Portugal (+46 pp). Breaking up the European dominance are Saudi Arabia (+50 pp) and Argentina (+45 pp).

The presence of Turkey and Portugal in the top-five destinations for this metric is unsurprising; both are highly popular Southern European destinations benefiting from pent-up demand for sun and beach holidays. Perhaps more surprising is that Ireland leads the ranking. This is indicative of a growing preference for less-crowded, nature destinations – that is to say, destinations that offer something other than sun, sea and sand.

Top destinations with highest improvement in the recovery of tourist arrivals in respect to 2021 recovery

DESTINATION*	Difference with 2021's tourism recovery (vs 2019)
Ireland	+50 p.p.
Saudi Arabia	+50 p.p.
Turkey	+47 p.p.
Portugal	+46 p.p.
Argentina	+45 p.p.

* Out of top 40 destinations in 2022

Source: ForwardKeys Actual Air Tickets



TOP 20 CITY DESTINATIONS

Sun-soaked cities top the charts

At the city level, Turkey's Antalya tops the charts with an astounding 66% increase in tourist arrivals, reflective of the pent-up demand for sun and beach. However, with strong connectivity and a varied tourism offering – not only beaches but also nature, heritage and vibrant cities like Istanbul (-4%) – Turkey benefited from a diverse mix of travellers. These came from nearby locations in Europe as well as from further afield, namely the United States. Turkey also capitalised on tourism from Russia after the rest of Europe closed its doors to the country following the escalation of the Russo-Ukrainian war.

Elsewhere in Europe, leading tourist cities outside Turkey include urban destinations like Naples (-14%), Porto (-15%) and Athens (-16%), all of which boast a rich offering of culture and history while connecting travellers to nearby sun and beach resorts, for which there has been much demand from the European and US markets. Málaga (-10%) in particular has benefited from such demand.

However, Europe's natural and cultural diversity has seen alternative destinations attract large numbers of travellers to the continent seeking tourism products other than sun and beach. For example, Reykjavik (-14%) places in the top-five city destinations on the continent, drawing visitors from Europe and the US who wish to experience Iceland's unique natural beauty first hand.

Moving on from Europe, second place in the city rankings goes to San José del Cabo, Mexico, which benefited from its country's open-door travel policy as well as its proximity to the US – where pent-up demand for sun and beach destinations is high – to achieve 21% growth versus 2019, aided by a 32% rise in seat capacity. That many of the other top-ranking city destinations represent Central America and the Caribbean – see Mexico's Puerto Vallarta (+13%) and the Dominican Republic's Punta Cana (+12%) – is again testament to the success of open-door policies and the demand for sun and beaches.

In the Middle East, Cairo (-18%) is recovering well thanks to its diversity as a leisure destination, while Dubai (-15%), which has traditionally been seen as little more than a layover hub, is now establishing itself as a leading tourist destination.

Asia Pacific's travel recovery, which is finally beginning to pick up, is being driven by travellers living overseas visiting friends and relatives in their home countries. The region's top-performing cities in 2022 therefore include Lahore (+4%) and Islamabad (-1%) in Pakistan and Dhaka in Bangladesh (-9%). However, certain destinations are performing well as a result of reenergised demand for long-haul leisure travel, namely Malé (-6%) in the Maldives.

International tourist arrivals & seat capacity in international flights, 2022 vs 2019

TOP DESTINATIONS**	TOURIST ARRIVALS 2022 vs 2019	SEAT CAPACITY 2022 VS 2019
Antalya (TR)	+66%	+7%
San Jose Cabo (MX)	+21%	+32%
Puerto Vallarta (MX)	+13%	+23%
Punta Cana (DO)	+12%	+24%
San Salvador (SV)	+10%	-19%
Cancun (MX)	+9%	+29%
Lahore (PK)	+4%	+4%
Aruba (AW)	+3%	-4%
Montego Bay (JM)	0%	-1%
Islamabad (PK)	-1%	+7%
Santo Domingo (DO)	-1%	+10%
San Juan (PR)	-2%	+9%
Istanbul (TR)	-4%	-4%
Male (MV)	-6%	+12%
Dhaka (BD)	-9%	+14%
San Jose (CR)	-9%	-9%
Malaga (ES)	-10%	-6%
Naples (IT)	-14%	+2%
Reykjavik (IS)	-14%	-10%
Porto (PT)	-15%	2%
Nassau (BS)	-15%	-14%
Dubai (AE)*	-15%	-16%
Athens (GR)	-16%	-8%
Cairo (EG)	-18%	+1%
Riyadh (SA)	-18%	+7%

Key legend

■	Europe
■	Americas
■	Asia Pacific
■	Africa & Middle East

* Excluded 1 night stays from the analysis

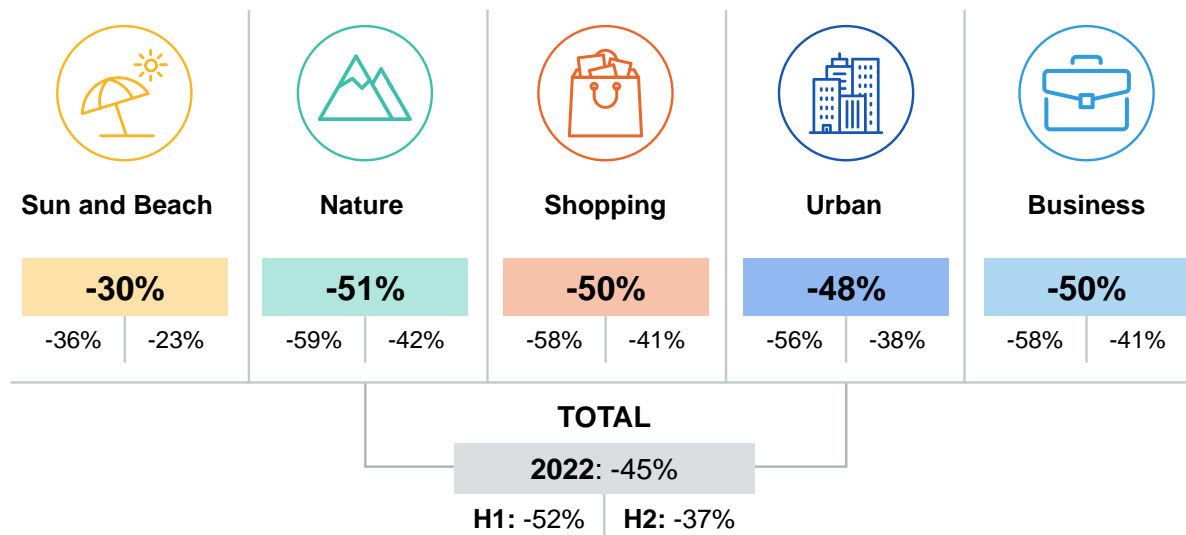
** Out of top 100 global destination cities

Source: ForwardKeys Actual Air Tickets & Seat Capacity

What kind of destinations are tourists showing a preference for?

Looking at the destinations tourists are visiting, some clear preferences are emerging.

International tourist arrivals by destination type, 2022 vs 2019



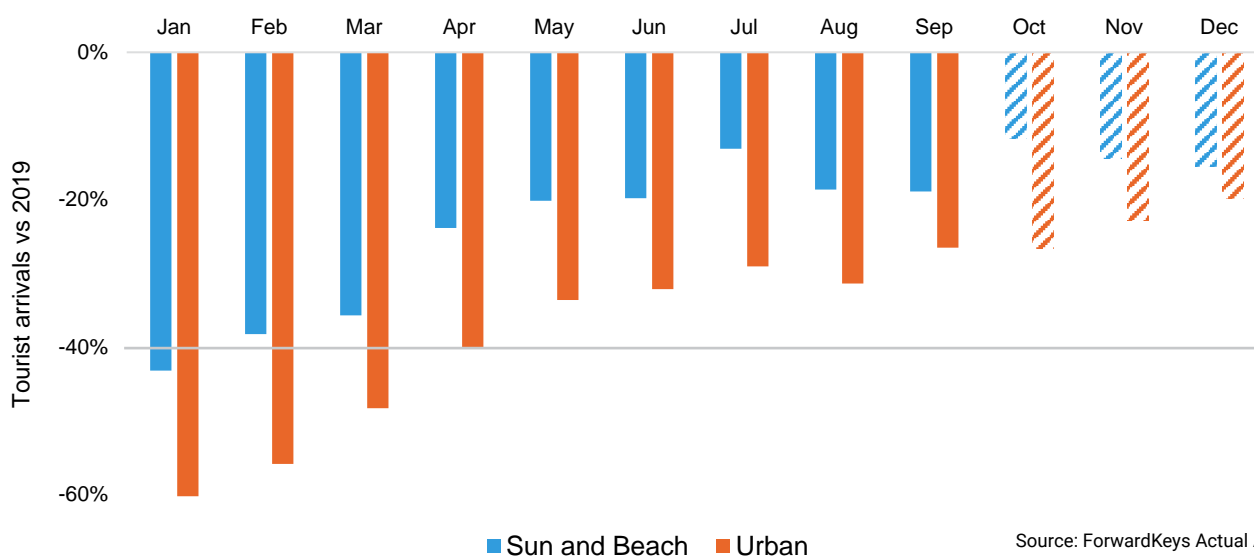
Sun and beach destinations are proving the most resilient, reaching -30% recovery in 2022 as compared with 2019 levels. This is reflected in the impressive performance of many destinations in Central America, the Caribbean and Southern Europe, as well of tropical-island destinations in Asia Pacific (Maldives, Fiji).

However, urban trips are also making a comeback.

In fact, the recovery of urban destinations is catching up with that of sun and beach destinations, and by December, the two will be nearly level as demand for sun and beach holidays slows during the Northern Hemisphere’s winter months. This trend reflects a wider pattern that has seen alternative destinations growing in popularity – particularly in Europe – as travel reactivation continues.

Cities driving the trend include Istanbul (-4%), Madrid (-22%), Oslo (-25%) and Dublin (-29%).

International tourist arrivals in European destination by preference, 2022 vs 2019



Source: ForwardKeys Actual Air Tickets

MANAGING OVERTOURISM

A balancing act that requires nuanced data



By **Juan A. Gómez**, Head of Market Intelligence at ForwardKeys

Broadly speaking, the success of a destination is judged by the number of visitors it welcomes in a given time frame. In the wake of the COVID-19 pandemic, destinations are, in general, more determined than ever to attract large numbers of tourists, which is why this report focuses on the year's most-visited destinations.

However, more is not always better, and it is important to remember the issues of overtourism many destinations were facing before the global health crisis emerged. In fact, as more and more global regions approach full travel recovery, the topic of overtourism once again occupies a high position on the travel industry agenda.

A hard concept to define

As a concept, overtourism is relative and highly subjective, with one destination's understanding of the term potentially differing significantly from another's. Even within a single destination, what one party considers too many tourists, another may see as the ideal number, or even not enough.

Destinations that attract a high number of tourists tend to develop in such a way that visitors are better catered for. For example, popular city break destinations usually have a large offer of chain hotels and restaurants as well as souvenir shops. According to residents and organisations concerned with preserving heritage, these businesses may damage the city's identity and contribute to overcrowding in central areas. Despite this, they generally become an important economic contributor – to such an extent that when tourists are not visiting, the city suffers financially.



The evolving responsibilities and requirements of the modern DMO

It is the responsibility of the modern destination marketing organisation (DMO) to consider the needs of all stakeholders and balance economic imperatives with social and environmental concerns. The question is how – because, clearly, a DMO does not have the authority to decide which businesses are licensed to operate at its destination; nor can it control who lets their flat out to tourists via Airbnb, driving up rent in the area.

Nevertheless, DMOs do have the power to influence the governmental departments responsible for managing such matters.

The key here is data. For instance, where tourist arrival figures support the complaints of residents and heritage organisations regarding overcrowding in a certain area, DMOs can present this information to the relevant authority, which may then impose limits on applications for new tourist-focused businesses and/or holiday rentals in the area.

There are also issues that a DMO can influence more directly. Residents of many European destinations complain that their city is overrun with groups of drunk and noisy tourists, often celebrating stag or hen parties. This is a common problem in Amsterdam, for example. In such cases, data on traveller profiles can be used to identify these visitors, who typically travel in large groups and spend short periods at the destination. Where this type of tourist comprises a large proportion of a destination's audience, the DMO can focus its marketing efforts on promoting other aspects of the destination that attract a different kind of tourist – ideally one with higher purchasing power who is more likely to partake in cultural activities.

Similarly, where the data reveals that specific parts of a destination are suffering from overcrowding through mass tourism, the DMO can concentrate its efforts on publicising less-visited areas and attractions to distribute tourists' social, environmental and economic impact more evenly.

However, overtourism relates not only to the profile of tourists and the locations they frequent but also to the time of year they tend to visit. Indeed, unchecked seasonality can cause social and environmental issues due to overcrowding in peak seasons, while in low seasons, it can leave a destination sorely lacking in tourism revenue. Therefore, where arrivals data shows significant spikes at certain periods and considerable drop-offs at others, the DMO should shift its focus to promoting a steadier flow of visitors throughout the year. In the case of a traditional beach destination like Málaga, Spain, for instance, this may mean drawing attention to a less weather-dependent aspect of its offering, such as nearby heritage sites, museums, nature trails or national parks.



Implementing the right strategy

The village of Siurana in Catalunya provides a good example of how destinations can manage the impact of tourism. The historic community, which is home to beautiful nature sites and some of the world's most challenging climbs, has recently refused to be included in the list of most beautiful villages and towns in Spain, adopting a sustainable, quality-over-quantity approach to tourism as it lacks the capacity and infrastructure to support large numbers of visitors. Tourism-focused businesses, such as the local bar, hotel and campsite, agreed with this response.

Siurana shows how DMOs, village or town planners and local businesses can work together to agree on the best approach for their destination. While this example concerns a small village, the same methodology should be applied at a larger scale to manage overtourism in cities.

However, ForwardKeys understands that finding creative solutions to overtourism is easier said than done, which is why data is so important to the modern DMO. Rather than simply responding to developments and hoping that response proves successful, DMOs need to monitor the situation continually to ensure their implemented policies are making the desired impact – and react accordingly if not.

For more information on how ForwardKeys can support its clients in managing overtourism, check out the article [What lies ahead for travel data analytics and BI at ForwardKeys](#).



ForwardKeys understands that finding creative solutions to overtourism is easier said than done, which is why data is so important to the modern DMO.



2022 TRAVEL REVIEW

The events and trends that shaped the industry



By Luis Millan, Head of Research at ForwardKeys

An overview of the 2022 travel year paints a conflicting picture in which optimism over an apparent return to 'normal' following the Covid-19 pandemic is offset by pessimism regarding other threats including escalating geopolitical tensions and industry challenges.

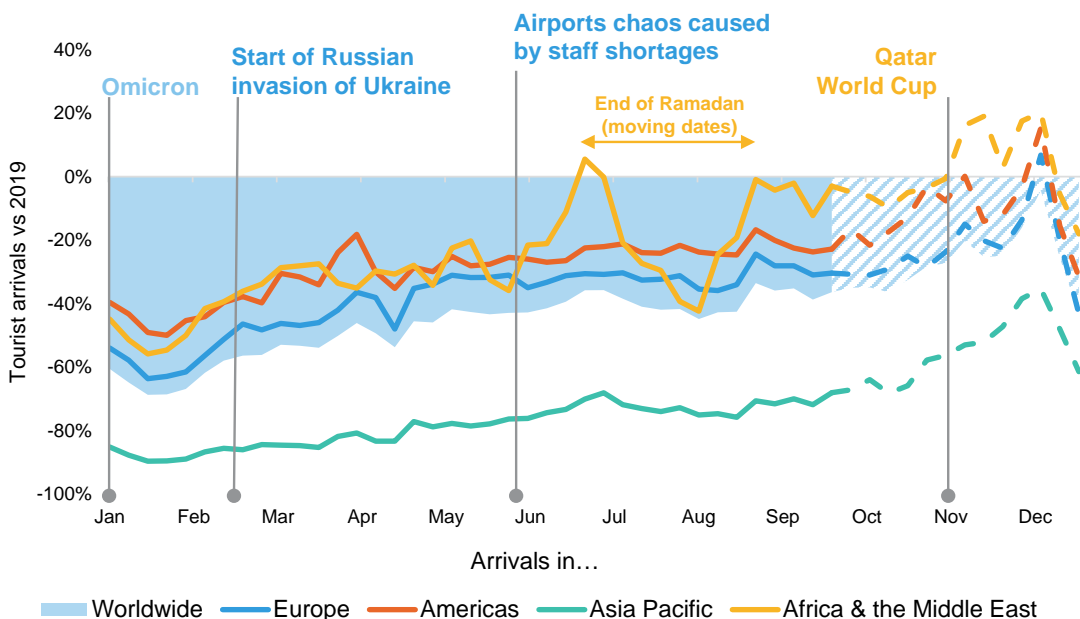
A new strain of COVID-19

The emergence of a highly transmissible Covid-19 variant, Omicron, initially caused concern, and governments reintroduced certain travel restrictions to curtail its spread. However, with the new strain ultimately proving less severe than previous variants, those restrictions were soon lifted, and travel rebounded quickly.

The response to Omicron showed that markets and authorities were learning to cope with the pandemic and adapt to a 'new normal'. It reflected the general acceptance that society will have to live with Covid-19 for some time yet – but that, in Western markets at least, the pandemic is no longer a serious barrier to travel.



International tourist arrivals by destination, 2022 vs 2019



Source: ForwardKeys Actual Air Tickets

Escalating geopolitical tensions

Swiftly replacing news coverage of the Omicron outbreak were reports on the escalation of the Russo-Ukrainian war, with Russia launching a large-scale invasion of Ukraine on 24 February. Although the situation in Ukraine had a short-lived impact on travel to Europe, it has nonetheless had far-reaching consequences, the full extent of which is yet to be determined.

In the short term, the rerouting of air traffic to avoid Russian airspace has increased the cost of travel to Asia at a time when several Asian destinations are reopening to visitors. In the mid-term, inflation, exacerbated by the conflict, is eroding consumer purchasing power, while rising fuel prices are increasing the cost of airline operations. The potential for further flare-ups in violence, meanwhile, represents a hanging threat to European consumer confidence.

Airport chaos

It was not long before reports on the conflict in Ukraine made way for a new story: significant delays and widespread cancellations at airports in major Western markets. A hangover from the pandemic, during which many airports and airlines laid off considerable numbers of staff, the chaos arose in May ahead of the summer season, when travel demand began to outstrip supply. For people planning holidays abroad, the images that dominated television screens during the height of the disruption made for concerning viewing, and many were deterred from booking flights entirely.

Slower recovery for Asia Pacific

Airports in Asia-Pacific have not experienced the same chaos as those in Europe – largely because the region has taken a more cautious approach to reopening following the global health crisis and its travel market is consequently recovering at a slower rate.

Although China's ongoing absence from the Asia Pacific travel landscape poses a considerable obstacle to the region's overall recovery, other markets have made bold moves towards full reactivation based on less-stringent policies. Examples include Australia, which began welcoming visitors on 6 July; Indonesia, which opened to vaccinated travellers on 4 February; and Thailand, which scrapped testing as an entry requirement on 1 April. India, which opened to all vaccinated travellers on 27 March, has made a particularly significant contribution to regional travel recovery by capitalising on pent-up demand from both the VFR and leisure segments.

Challenges ahead for aviation

Providing a bleak backdrop to the events and trends that have shaped the travel industry in 2022 are the longer-term challenges facing aviation. Among these is the aforementioned inflation, which, as well as threatening to negate pent-up demand, is calling into question the sustainability of the low-cost air travel model.



Rerouting of air traffic to avoid Russian airspace has increased the cost of travel to Asia at a time when several Asian destinations are reopening to visitors.



At one point, the business travel market also appeared to be under threat. However, the recovery of this segment has accelerated throughout 2022, catching up with that of leisure in the fourth quarter of the year. With leisure travel recovering first, and now the business segment following a similar pattern, it would appear that the travel industry as a whole –



with the exception of the Asia Pacific market – is approaching normality. Nevertheless, given the other challenges facing the industry, caution is advised.

Arguably the greatest threat to aviation is climate change, with many consumers opting to forego air travel to minimise their carbon footprint. As environmentalist movements gather pace and the public consciousness places ever-more importance on green values and practices, the aviation industry must work harder to appeal to the eco-conscious tourist.

Reasons for optimism

Although this year has posed numerous challenges to the travel industry, there are reasons to be optimistic as 2023 approaches. Recovery has been particularly strong in Western markets, and several countries in the Asia Pacific region appear to be following similar patterns. There, as we have already seen in the West, a combination of VFR and leisure is helping international travel to regain the share of demand it lost to domestic tourism during the pandemic.

Asia Pacific's gradual recovery is positive news for the industry as a whole, and if governments, destinations and airlines can work together to inspire consumer confidence, it is only a matter of time until every region is welcoming similar numbers of international tourists as in 2019.

Moreover, with the 2022 World Cup in Qatar proceeding as planned, and fans and athletes able to attend without issues, the signs are promising for the travel industry's full reactivation and the further rebuilding of consumer confidence in 2023.

“

The response to Omicron showed that markets and authorities were learning to cope with the pandemic and adapt to a 'new normal'

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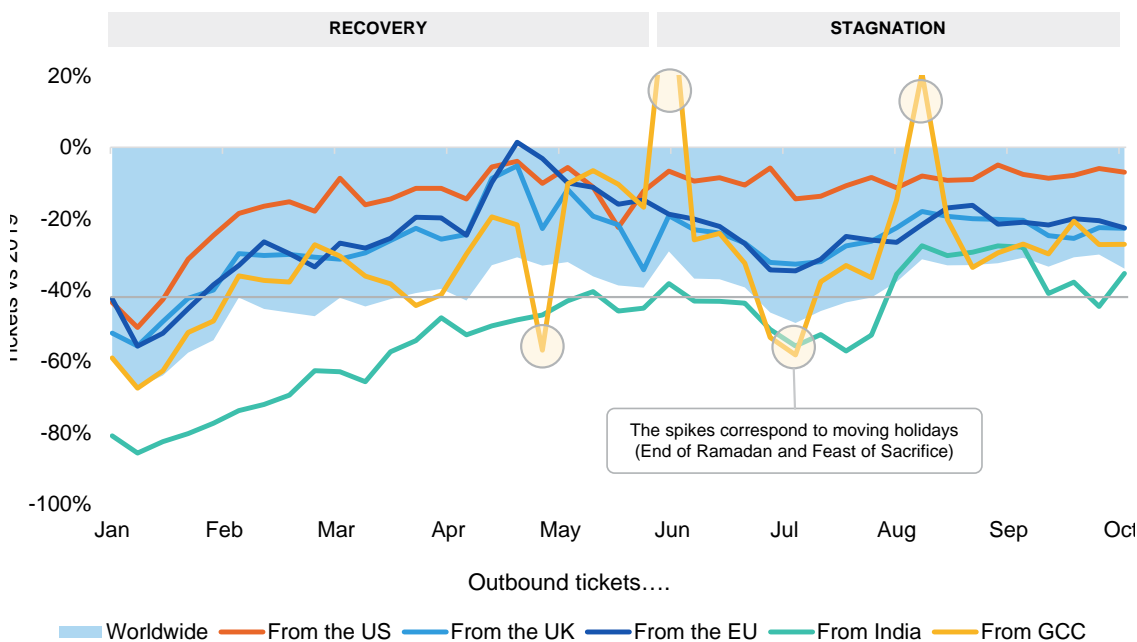


WHAT COMES NEXT?

What to expect in 2023

Travel recovery in 2022, while generally encouraging, has been affected by challenges including escalating geopolitical tensions between Russia and Ukraine, a global energy crisis and soaring inflation in most of the world's major economies. Unfortunately, these issues, and the uncertainty they breed in the travel market, look set to continue into 2023.

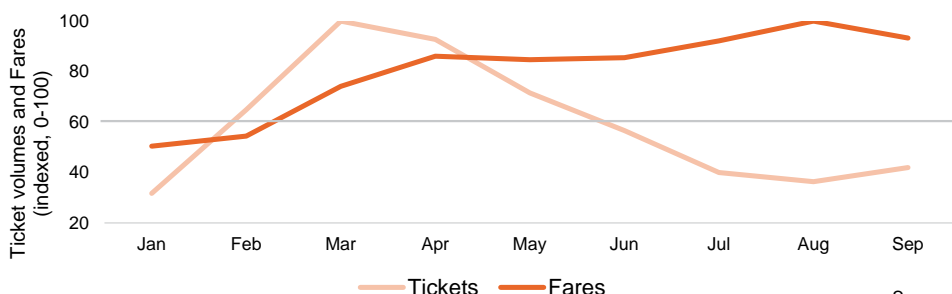
Tickets for international departures from key source markets, 2022 vs 2019



Source: ForwardKeys Actual Air Tickets

As a result, travel demand from major outbound markets – including the United States, the United Kingdom, Australia and India – is showing signs of stagnation as we approach the end of the year.

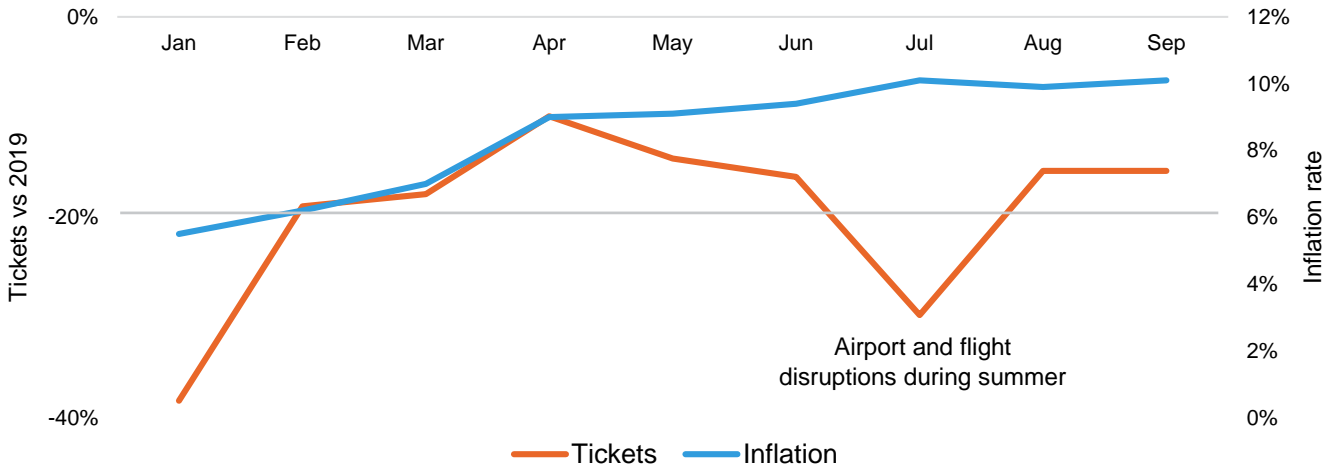
Tickets and average fares for international departures from India to the US vs 2019



Source: ForwardKeys Actual Air Tickets & Fares data

Looking at specific markets, the evidence of the impact of these dynamics becomes more visible. Illustrating the impact of rising air fares, demand for travel from India to the US has decreased – a trend that is likely to continue into 2023 as long as the energy crisis and inflation remain top-of-mind concerns.

Tickets for international departures from the UK vs 2019 & UK inflation rate



Source: ForwardKeys Actual Air Tickets | UK Office for National Statistics

As another example of the impact inflation has on demand, the recovery of the UK outbound market, a major source market for many destinations worldwide, stagnated in the second quarter of 2022 following a period of sustained high inflation rates. This trend could potentially worsen as inflation remains high.

Travel intelligence the key to succeeding in adverse market conditions

Against such a backdrop of uncertainty, the value of travel intelligence is emphasised. With the recovery of many of the world’s major outbound markets progressing slowly or stagnating altogether as 2023 approaches, destinations might benefit from turning their attention towards new source markets that show high potential.

For instance, tourism authorities can use reliable ticketing data to determine which markets are still travelling in large numbers to competing destinations – and focus their marketing efforts on drawing some of that demand to their own destination.

Another viable strategy is to identify and target higher-yield markets and segments, for instance those that tend to favour extended stays or purchase premium travel services, resulting in a greater economic tourism impact.

Ultimately, while 2023 looks set to be another volatile year for the travel industry, destinations that leverage travel intelligence will have the agility and adaptability to ride the storm.





? WHAT TO EXPECT FROM FORWARDKEYS IN 2023?

The market is changing, and so are we. We have all longed for travel to come back for its economic impact, but we see that the market changes from more visitors to better visitors. We can no longer ignore the ecological impact of our many travels.

Destinations are looking for visitors that spend more time, while causing less nuisance. That is why many innovations are on their way, to shine an even better light on the entire travellers' journey.

STAY INFORMED ON FORWARDKEYS PRODUCTS & SOLUTIONS



SIGN UP



MICE

How many visitors do events move and what is their ecological impact?



Sustainability

What's the carbon footprint of any destination & from where should you draw your visitors to be more sustainable?



Behaviour

What is your visitors' behaviour, how can that be influenced & measuring the impact of policies.



Destination Gateway

New data smarts will be integrated so you have all the information you need right at your fingertips.



ForwardKeys Connect

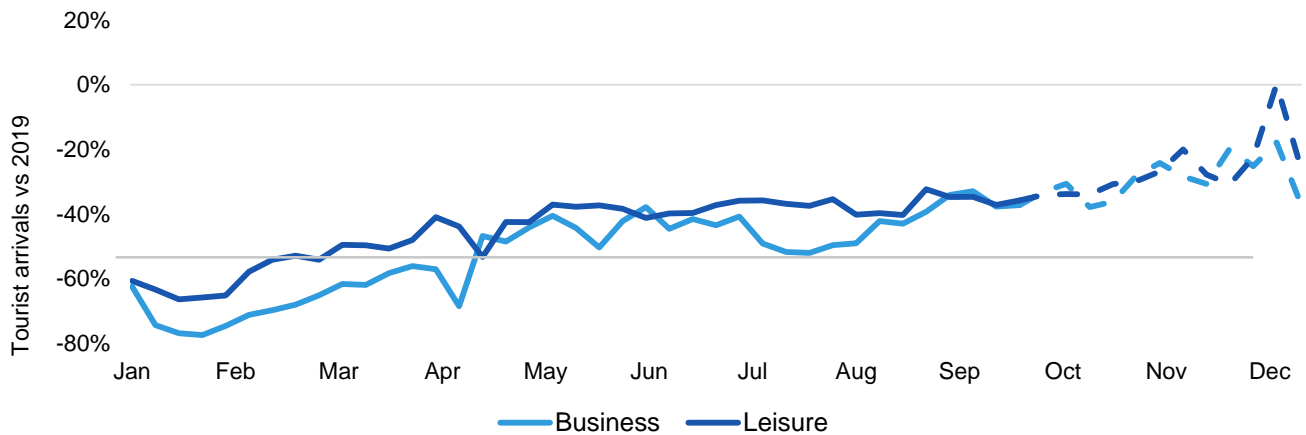
Even easier access to ForwardKeys data smarts to feed them directly into your own BI tools.

BUSINESS TRAVEL RECOVERY

What's really going on with business travel?

Messaging regarding the recovery of the business travel segment has been mixed. Since the onset of the COVID-19 pandemic, a number of the industry's leading voices have claimed that business travel will never fully recover due to changing working habits – namely remote working and digital nomadism; company cost reduction; and a growing awareness of environmental issues.

International tourist arrivals worldwide by trip purpose; 2022 vs 2019



Source: ForwardKeys Actual Air Tickets

Indeed, international business travel has been recovering at a slower rate than leisure tourism. That is, at least, until the fourth quarter of 2022. From October, business travel begins to outstrip leisure. While the latter's recovery is decelerating as a result of factors including inflation, the recovery of business travel – a less price-sensitive segment – is gaining momentum.

Leading the recovery of business travel are the Gulf Cooperation Council (GCC) countries, where, at several points this year, business recovery has far outperformed that of leisure. This trend is set to accelerate in the fourth quarter, reaching its peak in December.

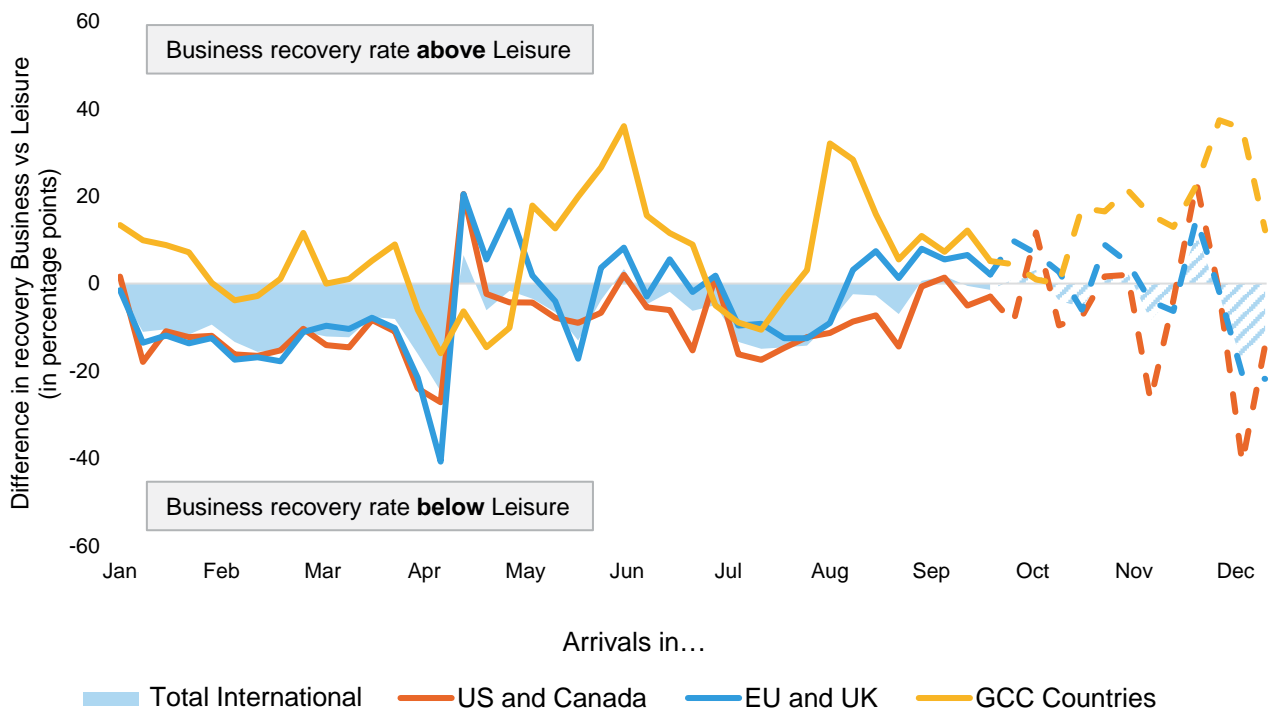


The fourth quarter of 2022 will also see business outstripping leisure recovery in the European Union and the United Kingdom as well as, to a lesser extent, the United States and Canada.

Therefore, although the business segment is undoubtedly facing threats to its continued success, current trends suggest that this form of travel will be around for some time yet.



International tourist arrivals: difference between Business and Leisure travel recovery rates by region; 2022 vs 2019



Source: ForwardKeys Actual Air Tickets

OUTBOUND MARKETS: THE US

The US a key driver of global travel recovery

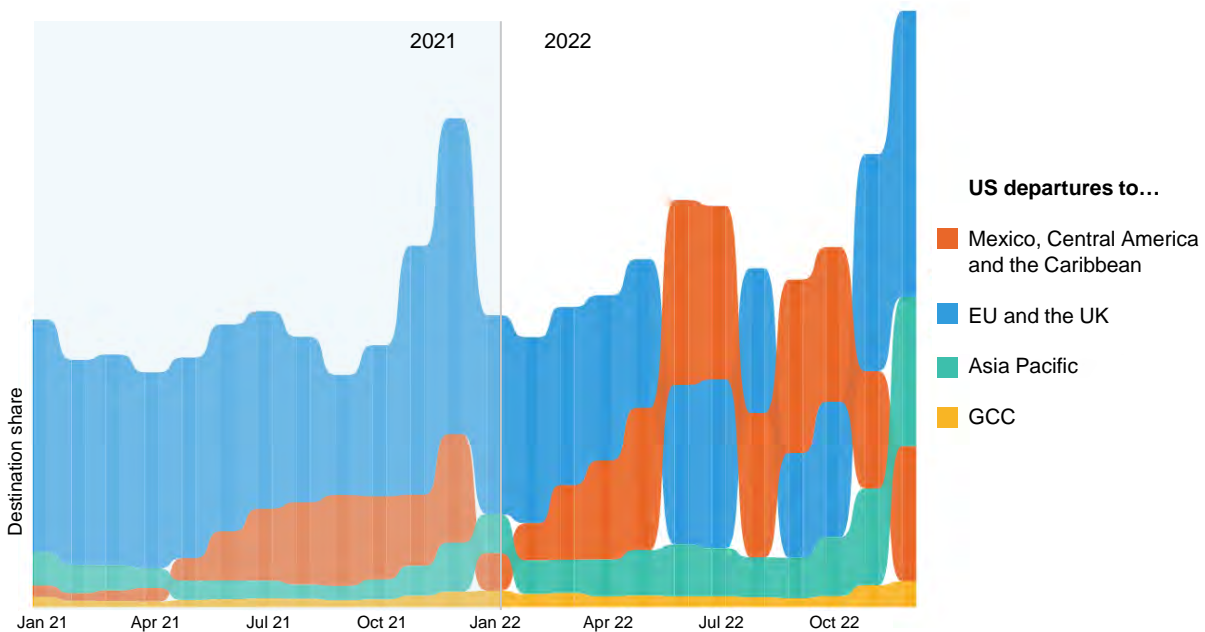
Before the pandemic, China was considered the most valuable source market for destinations due to its sheer size, high purchasing power and penchant for luxury goods. Now, amid China's absence, destinations should be trying to re-engage and entice American travellers, who have helped to reinvigorate the ailing tourism sector, first in 2020 with the Caribbean and Mexico, and now around the globe, from Europe to Asia.



Travellers from the United States have been eager to travel since the travel restrictions were lifted. US travellers were essential to the recovery of regional tourism in 2021 – the Caribbean achieved success in 2021 largely due to the US market, but as the world opens in 2022, Caribbean destinations need to re-think their US strategy now that they are facing tougher competition.

International departures from the US in 2022 are at just -19% of 2019 figures, with sun and beach destinations in the Caribbean and Europe driving this recovery. Caribbean hotspots such as Cancún, Punta Cana, Montego Bay and San José del Cabo have managed to retain the success they achieved in 2021 and continue to increase their international arrivals versus 2019 – even with tough competition from European destinations.

US outbound travel: share by destination



Source: ForwardKeys Actual Air Tickets

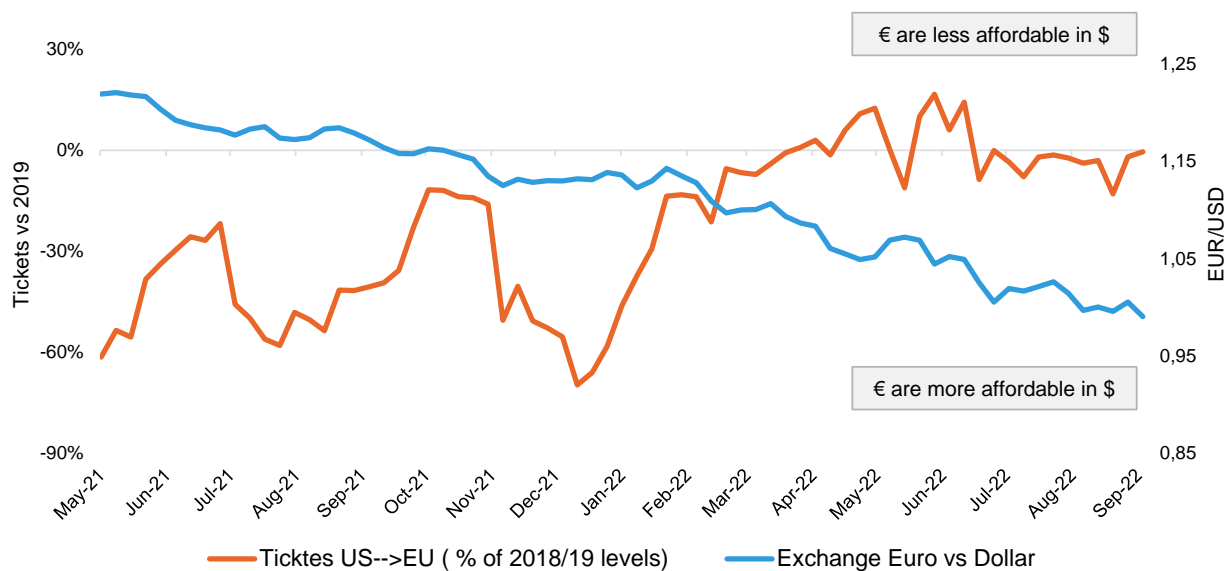
It is not just Mexico and the Caribbean thriving thanks to US tourists. There is a clear appetite to travel from the US worldwide, and long-haul flights are back in favour.

Europe: A taste for history, nature and culture

Europe is fast approaching full recovery, at -17%. This recovery has been largely thanks to the US lifting the ban on incoming European travellers in November 2021, which normalised bilateral traveller flows.

Additionally, favourable US dollar – euro conversion rates are driving demand for travel to Europe. This has been an important element in the decision-making process as travellers consider the cost of airfares, accommodation and activities as well as concerns regarding inflation and looming recession.

Tickets for departures from the US to the EU (vs 2019) compared with EUR/USD exchange rate



Source: ForwardKeys Actual Air Tickets | European Central Bank

2022 saw the comeback of long-haul travel to Europe during the summer season. The pent-up demand showed a preference for sun and beach destinations in the Mediterranean: Turkey, Greece, Portugal and Spain. However, ForwardKeys data shows an increasing interest in other types of nature escapes, with destinations such as Switzerland, Ireland and Iceland also experiencing an influx of arrivals from the US. The culture, history and scenery across Europe have mass appeal to US travellers.

Asia Pacific: A new dawn

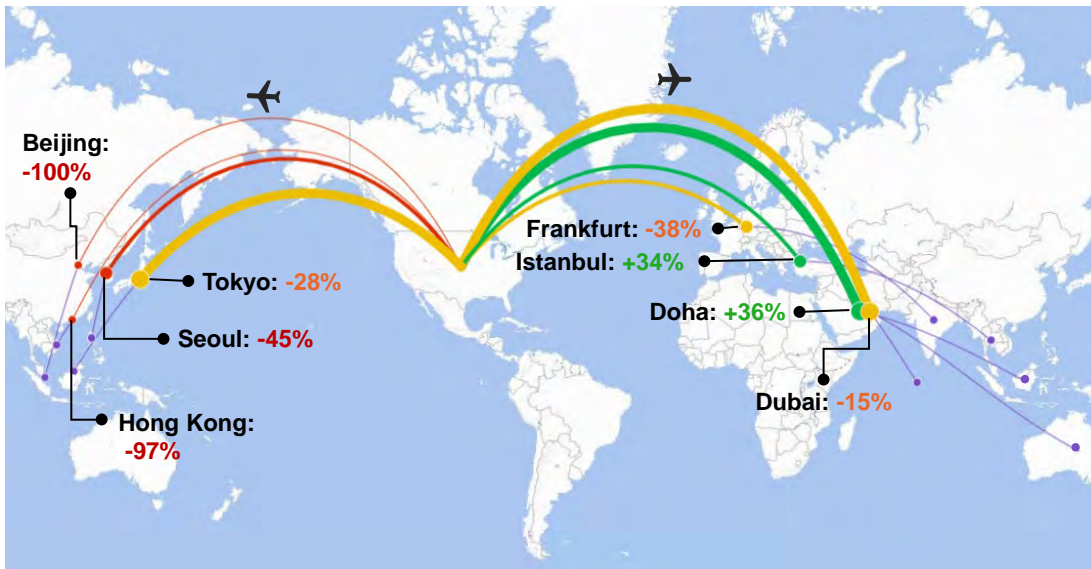
The outlook for the Asia Pacific region is promising for several reasons. For example, interest in travelling is high after three years of travel restrictions, while the surging US dollar and the absence of Chinese travellers, which mean lower cost of living and less crowded destinations, are perfect for remote workers and those looking to spend time in tropical paradises such as Thailand or Bali during the Northern Hemisphere's colder months.

Many destinations in the region are waiting to see the arrival figures for the fourth quarter – the high season in Southeast Asia – and the impact of local travel reactivation on COVID-19 before adopting a more lenient approach to tourism. This has the potential to reactivate travel in the region even further.

However, Asia Pacific still has its challenges. The rising cost of fuel and global inflation mean higher airfares and poorer availability of flights. Flight connectivity in the region needs to be re-established in the absence of key Chinese airport hubs and airlines. For example, Northeast Asia is scarcely connected, which adds to travel time, increases airfares and creates anxiety among travellers keen to explore the continent.

Airlines need to resume long-haul connectivity as travellers are currently reliant on hub airports in Europe and the Middle East to connect to Asia. Airports such as Istanbul and Doha have become popular connecting hubs for US travellers.

International stopovers of US departures to Asia Pacific, Jan to Aug 2022 vs 2019



Source: ForwardKeys Actual Air Tickets

With the demand for travel high, airports, airlines and the wider travel eco-system should prepare for a boom to avoid the issues several European destinations endured this past summer. Luckily, this region has time to observe and learn what not to do from regions that opened before them. Airport staff must be properly prepared, airlines require sufficient seat capacity and travel industry stakeholders need data to make wiser business decisions.

In summary, the US outbound market is currently the world's travel recovery powerhouse, with a high number of travellers keen to explore and spend their hard-earned cash on new experiences. Destinations that have depended on this audience in the past now face more global competition and cannot rely on a generic approach, while destinations that depended more on markets such as China and Russia ought to shift their focus to communicating more openly with travel-hungry American audiences.

OUTBOUND MARKETS: CHINA

Adapting to China’s absence from the international travel market



By **Nancy Dai**, Insights Expert at ForwardKeys

Behind the Great Wall

As one of the last major hurdles to full global travel recovery, China’s continued absence from the international travel market has left many destinations facing a huge shortfall in tourist arrivals.

Although international travel to and from China has been restricted since the emergence of COVID-19, domestic travel has been permitted for some time.

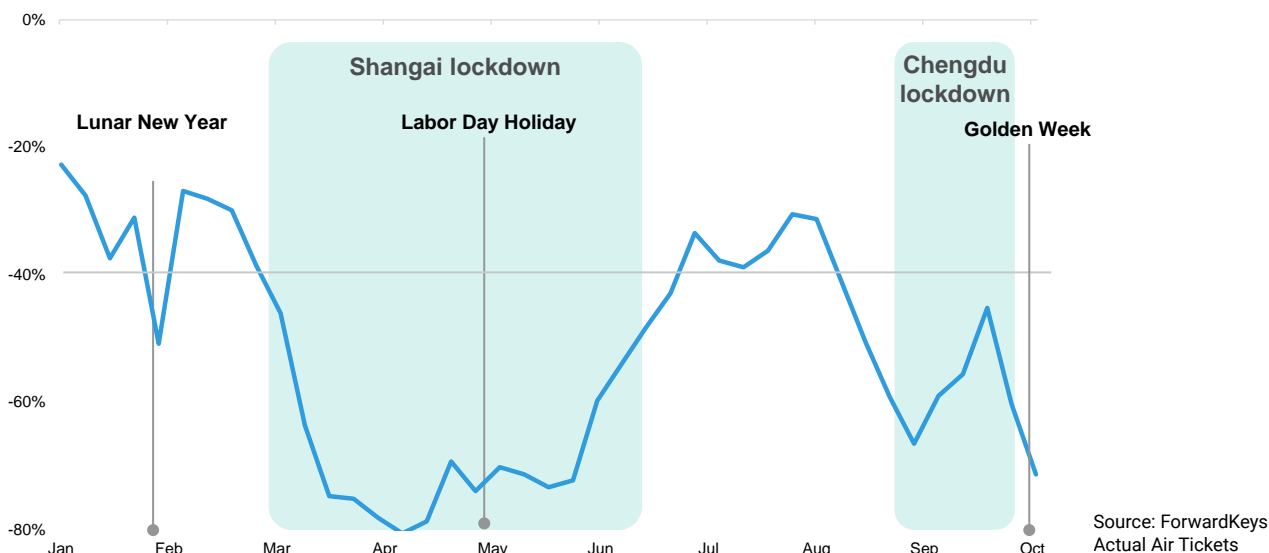
However, continuous lockdowns on major population centres, like Shanghai and Chengdu, following new coronavirus outbreaks have created a volatile domestic travel landscape.

Recovery is fast when restrictions are lifted, but changes are frequent and sudden, and each lockdown has a significant effect on demand.

Given the problems facing China’s domestic travel market, and the Government’s recent affirmation that it would maintain its cautious approach to COVID-19, the chances of the country reopening to international tourism in the short term appear slim.



Domestic travel in China, 2022 vs 2019

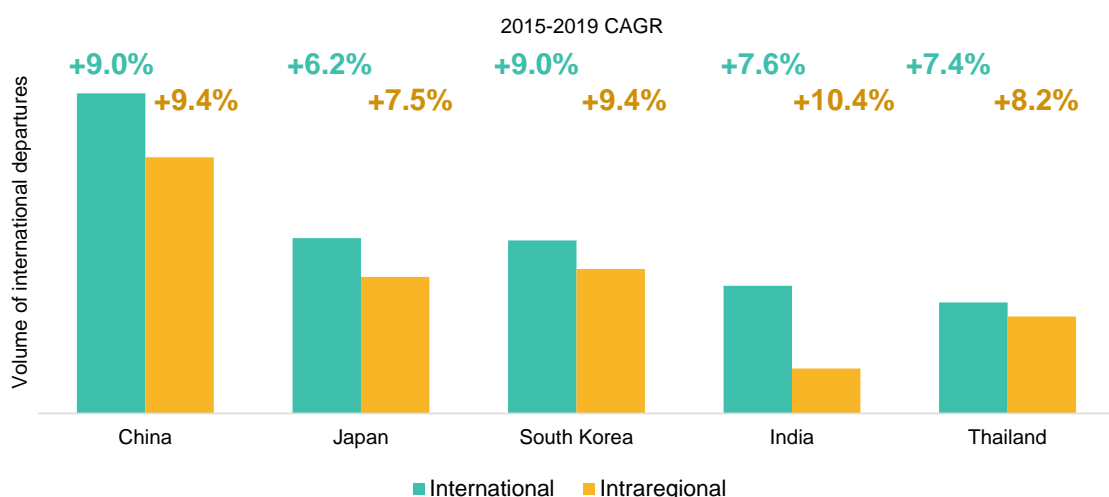


Nevertheless, it is worth remembering that similar policies, including travel bans, were widespread throughout Asia Pacific until recently. Now that much of the region has reopened, it will be interesting to see whether local markets can keep COVID-19 rates under control. If they can, it may encourage China to reopen, gradually, in 2023 – as it will become increasingly difficult for the country to keep its borders closed when the rest of the region has returned to normality.

Yet even if China were to reopen next year, the economic challenges currently facing the country – including a property market crisis and issues relating to the pandemic – would result in a slow travel recovery, particularly in the long-haul segment.

Until China’s outbound travel market fully reactivates, regional destinations that had developed a dependency on Chinese tourists in the years preceding the pandemic will need to shift their attention to other important markets.

Departures from key markets in Asia Pacific in 2019 and their compound annual growth rates for period 2015-2019



Source: ForwardKeys Actual Air Tickets

Finding Asia’s next powerhouse

Among the top-five outbound markets in Asia Pacific before the global health crisis, India shows particular promise. Although India’s size as an international outbound market is largely attributable to its significant global diaspora, its middle-class population is growing, and the number of outbound leisure travellers from the country is increasing as a result.

Moreover, while India’s intra-regional outbound travel market is relatively small, it had experienced more growth (+10.4%) than any of the other major Asia Pacific outbound markets – both international and intra-regional – over the five years before the pandemic. Now that the country has fully reopened, ForwardKeys expects its development as an interregional outbound market to accelerate.

The economic situation is also improving in Thailand, allowing more of its residents to travel abroad and thereby making the country an increasingly valuable source market for regional destinations.

Meanwhile, Japan and South Korea, the two top-performing outbound markets in Asia Pacific (excluding China) prior to COVID-19, have recently reopened to travel and are expected to re-establish themselves as important source markets.

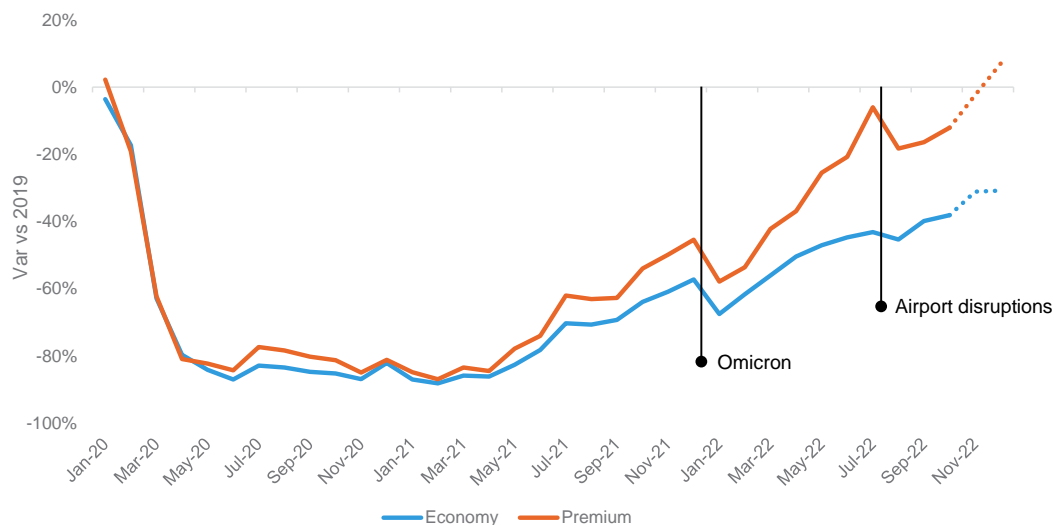
With China’s reopening seemingly still some time off, regional destinations need to adapt to the new environment, identifying markets and travel audiences to fill the gap left by China and contribute towards a long-term, sustainable tourism model. Travel intelligence based on reliable data is fundamental to this approach.

PREMIUM TRAVEL

Travellers spending more in wake of pandemic

Able to fly abroad once more following an extend period without foreign holidays, many travellers are demonstrating a willingness to spend more on travel services, as reflected by the fast recovery of premium cabin classes. This is good news not only for the airlines but also for destinations and tourism-related businesses – as travellers arriving in premium-class cabins are likely to spend more at the location they are visiting.

Global arrivals by cabin class, benchmarked against 2019



Source: ForwardKeys Actual Air Tickets

With many destinations and markets remaining closed during the COVID-19 pandemic, travel preferences changed, and the luxury travel segment was reconfigured.

For example, Japan, China and South Korea – all in the top-10 premium travel markets in 2019 –dropped down the rankings in 2022 due to their cautious approach to managing COVID-19. The Japanese and South Korean luxury markets are expected to see a comeback in 2023 now that both countries have reopened to international travel.

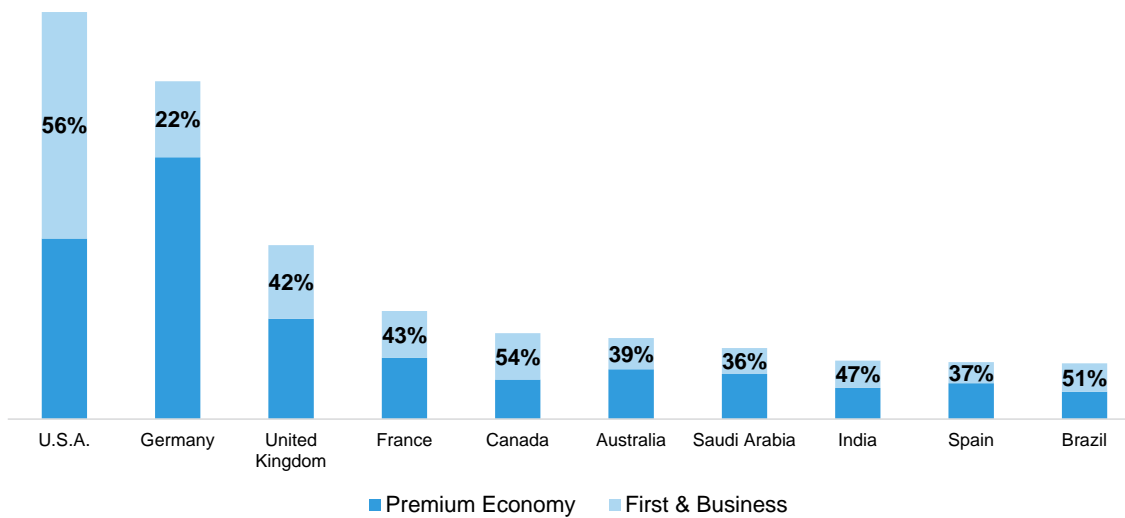


While the Far-Eastern countries have slipped down the rankings, two other Asia Pacific markets that reopened earlier, Australia and India, have shown resilience. The former has maintained its premium market share in 2022 as compared with 2019, while the latter has marginally improved its share.

By volume, the United States and Germany are the largest premium travel markets, but what really matters for destinations when gauging the economic impact of various markets is the proportion of visitors travelling in high-end cabins – i.e. business and first class as opposed to premium economy. In that respect, the US, the United Kingdom, France and Canada appear to be the most affluent source markets, therefore offering better value per traveller.

In times of volatility and conflict, it is reassuring to see some positive travel trends taking shape.

Top markets by international departures in premium cabin classes, 2022

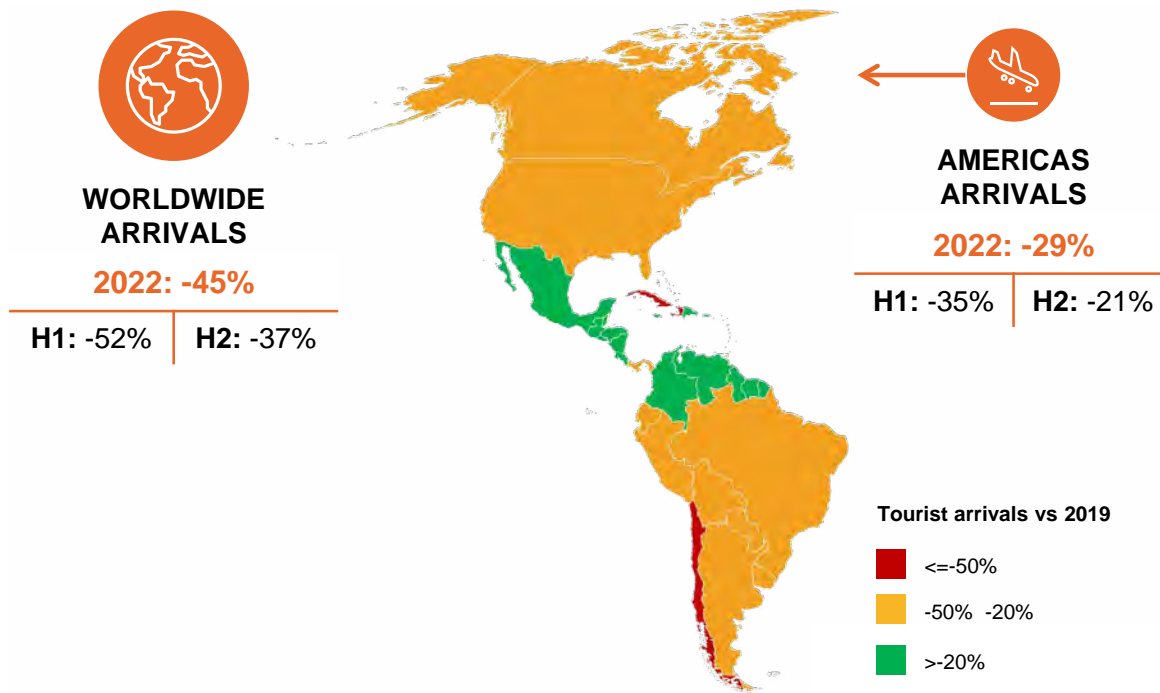


Source: ForwardKeys Actual Air Tickets

SPOTLIGHT ON: THE AMERICAS

Americas' recovery remains linked to the Caribbean

International tourist arrivals in the Americas, 2022 vs 2019



2022		
		H1 -H2
	Sun & Beach -22%	-28% -15%
	Nature -34%	-39% -27%
	Shopping -42%	-49% -35%
	Urban -39%	-46% -30%
	Business -39%	-47% -32%

Top performing destinations	2022 vs 2019
Dominican Republic	+5%
Aruba	+3%
Costa Rica	=0%
Mexico	=0%
Puerto Rico	-4%
Jamaica	-5%
Bahamas	-15%
Colombia	-19%
Ecuador	-25%
Panama	-32%

* Out of destinations with share of arrivals in the Americas >=1.0%
Source: ForwardKeys Actual Air Tickets

In terms of recovery, the Americas comfortably outperforms the worldwide average, reaching -29% – 16 percentage points ahead of the global average – in 2022 as compared with 2019. The region’s recovery accelerated in the second half of the year, reaching -21%.

Fuelled by pent-up demand from US travellers, sun and beach destinations were the preferred choice and achieved the highest level of recovery, down only by 15% in the second half of the year as compared with the same period in 2019. Consistent with this trend, the best-performing countries were those with a world-class sun and beach offering – namely Caribbean and Central American countries like the Dominican Republic (+5%), Aruba (+3%), Costa Rica (0%) and Mexico (0%).



The South American countries of Colombia (-19%) and Ecuador (-25%) are also climbing up the recovery rankings. Both countries offer sun and beach resorts in addition to diverse nature. Nature destinations also made a comeback in the Americas, second only to sun and beach travel, at -34%.



BEST PRACTICES: MEXICO

Attracting diverse audiences through a varied tourism offering

Having remained open throughout the pandemic, Mexico became one of the first destinations in the world to reach full travel recovery. The country achieved this milestone by leveraging its proximity to the United States and the pent-up demand from US travellers for sun and beach destinations. This is reflected in the exceptional performance of Mexican cities in the best-performing destination cities ranking, with San José del Cabo (+21%), Puerto Vallarta (+13%) and Cancún (+9%) all achieving growth as compared with 2019 arrivals.

However, Mexico owes its impressive performance to more than just fine weather and beaches. Among the world's travel recovery leaders in both 2021 and 2022, Mexico has been successful in creating a loyal base of customers and expanding its audience by targeting different kinds of travellers.



Looking at the tourist profiles of visitors to Cancún, for example, we see that the destination is especially appealing to couples (39%), and that visitors stay for a week (7.4 nights) on average, reflecting its popularity as a honeymoon spot offering world-class beaches and nearby heritage sites. Cancún has also managed to capture more premium-class travellers than in 2019 (+50%), as well as more solo travellers (+28%).

Mexico City, one of the world's largest, most vibrant cities, has proved particularly successful with solo travellers (42%), who have been spending longer at the destination – 13 nights on average, up from 11 in 2019 – to enjoy its rich and diverse cultural offering. While solo visitors accounted for the largest proportion of visitors to Mexico City in 2022, families proved the most resilient segment

(-12%), a trend that is attributable to changing perceptions regarding security at the destination. In more good news for the city, long stays (of over 14 nights) are the most resilient length-of-stay type at +2.3% versus 2019.

Mexico's success in the wake of the pandemic emphasises the importance of consistency – in messaging and regulations – to build loyalty and awareness as well as to influence perception. It also demonstrates how a country that counts diversity among its greatest strengths can leverage that asset to benefit from a variety of traveller profiles.

International arrivals in Mexico by traveller profile, 2022

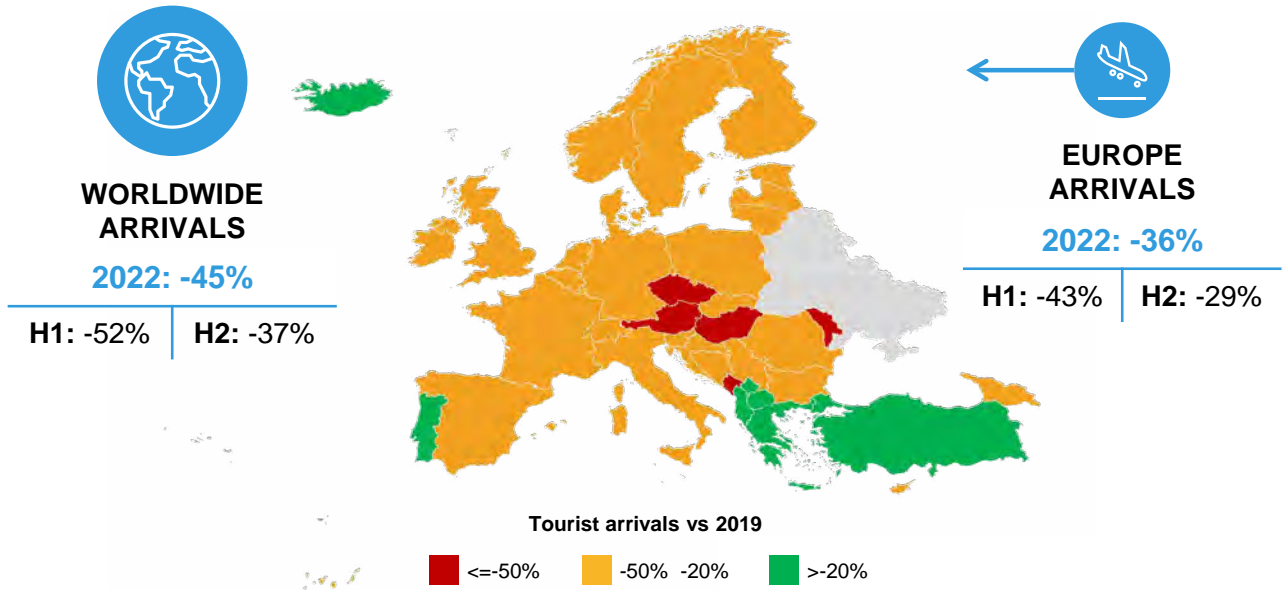
	Cancun	Mexico City
Dominant Group size (share)	Couples 39%	Singles 42%
Share of Premium class cabins	7%	11%
Average length of stay	7 nights	13 nights

Source: ForwardKeys Actual Air Tickets

SPOTLIGHT ON: EUROPE

Demand for sun-and-beach destinations drives European travel recovery

International tourist arrivals in Europe, 2022 vs 2019



2022	
H1	H2
Sun & Beach	-20%
-26%	-15%
Nature	-33%
-38%	-27%
Shopping	-33%
-42%	-24%
Urban	-35%
-43%	-27%
Business	-38%
-46%	-29%

Top performing destinations	2022 vs 2019
Turkey	=0%
Greece	-12%
Iceland	-14%
Portugal	-16%
Norway	-25%
Spain	-26%
Ireland	-31%
France	-31%
Denmark	-34%
Switzerland	-35%

* Out of destinations with share of arrivals in Europe >=1.0%

Source: ForwardKeys Actual Air Tickets



Europe's travel recovery had a weak start in 2022, at -43%, amid restrictions related to Omicron and the uncertainty surrounding the escalation of the Russo-Ukrainian war.

However, it managed to reach -36% against 2019 levels by year end thanks to a solid performance in the second half of the year (-29%), boosted by a revived enthusiasm for the region as a summer travel destination. These results position Europe as the third-best-performing global region, ahead of the worldwide average by nine percentage points. 2022 has seen a reactivation of tourism from the United States after the country relaxed its travel restrictions at the end of 2021.

Demand was particularly high for sun and beach destinations, which reached -20% in as compared with 2019. Most of the stand-out destinations in terms of recovery are therefore Southern European destinations, like Greece (-12%), Portugal (-16%) and the regional leader, Turkey (0%), which attracts a diverse mix of travellers from the European Union, the US and Russia.

The other two countries making up the top five most resilient destinations, Iceland (-14%) and Norway (-25%), reflect the growing demand for alternative destinations – in particular those that offer natural beauty. Europe concluded 2022 consolidating a well-balanced mix of destination choices, with trips to nature (-33%), shopping (-33%) and urban (-35%) destinations improving substantially in the second half of the year.

BEST PRACTICES: ALBANIA

Albania: The Mediterranean's dark horse

Travel and tourism is among the most important sectors for the Albanian economy, both in monetary and employment terms. In 2019, the sector contributed \$3,430 million, equivalent to 20.3% of Albania's GDP, positioning it as one of the main contributors to the country's economic development.

Home to castles, archaeological sites and a pristine coastline, Albania has a lot to offer visitors. Yet the Balkan nation has never held a prominent position on the international tourist map, with its neighbour Greece and other local competitors like Croatia typically attracting many more travellers.



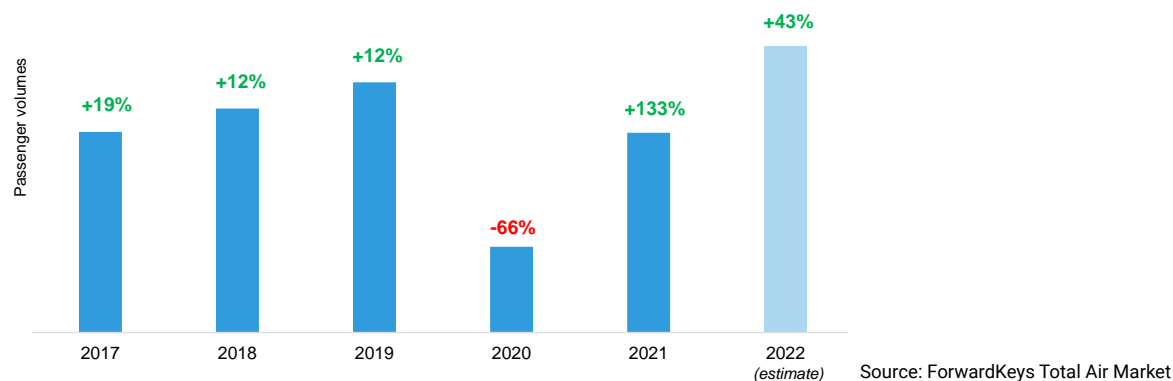
However, in recent years Albania has claimed its well-deserved position on the Mediterranean travel landscape by improving its tourism infrastructure and air connectivity and enhancing its marketing efforts to draw more attention to its abundant offering of tourism products.

The strategy has proved successful because, until the start of the COVID-19 pandemic, visitor numbers were growing at an incredible pace, far above the global average. Like all destinations, its performance was then severely affected by the emergence of the global health crisis.

Interestingly, in 2022, the growth trend picked up right where it left off in 2019 and Albania surpassed the regional average by growing by 5% in arrivals. On the one hand, Albania has managed to capitalise on the increased demand for alternative, less-crowded sun & beach destinations following the COVID-19 pandemic. On the other hand, it has expanded its market access by establishing direct air connections with key markets in Europe and overseas, primarily through low-cost operators. In fact, Albania is one of the few destinations in Europe with a double-digit increase in international seat capacity compared with 2019.

What stands out is that Albania's strong growth and post-pandemic performance have not relied on a single source market but several – a wise move considering the crisis and resultant border closures and travel restrictions. Albania achieved robust market diversification by tapping into major European markets such as the United Kingdom, Germany, Italy and France as well as attracting interest from the United States and the Middle East.

International tourist arrivals in Albania



Albania has shown how, by revamping its tourism strategy and destination marketing plus improving accessibility by air, a lesser-known destination can shine and increase its international arrivals.

As 2023 approaches, bringing with it the hope of further travel market normalisation, the outlook for this diverse and unspoilt destination looks bright.



Strategic and tactical decision making made easy for destinations

Destination Gateway is ForwardKeys’ latest innovation. Built specifically for DMOs and tourist boards, this powerful yet intuitive solution provides destination clients with travel data at each step of the consumer journey in near-real time.

Destination Gateway comprises:



Performance

Understand the performance of your destination regarding specific travel audiences – including historical trends, current patterns and outlook.



Recovery

Chart the recovery of inbound travel by monitoring the evolution of ticket sales as compared to pre-Covid statistics.



Connectivity

Power up your decision-making and negotiations with airlines by studying air capacity and supply to your destination, with a new load factors feature displaying the proportion of seats taken up on individual routes to a destination.



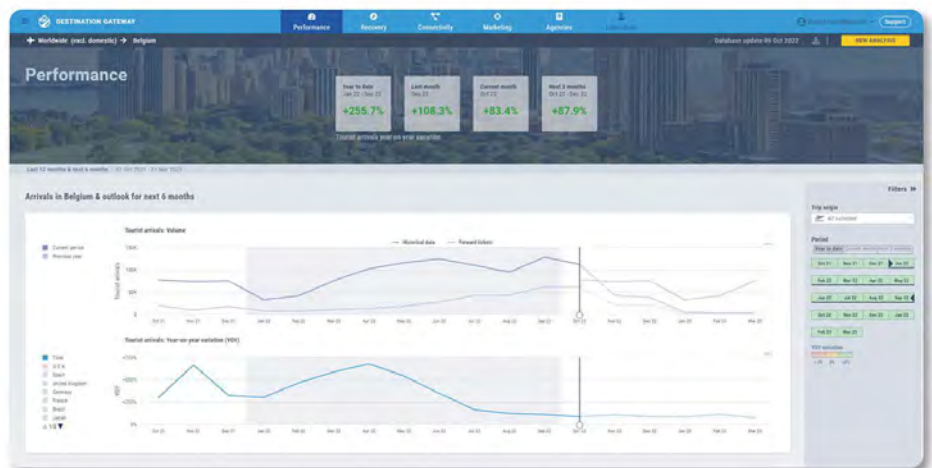
Marketing

Understand your source markets’ travel behaviour and profiles to optimally prepare your marketing plans and campaigns.

**FORWARDKEYS’
DATA SOLUTION
FOR DMOs**



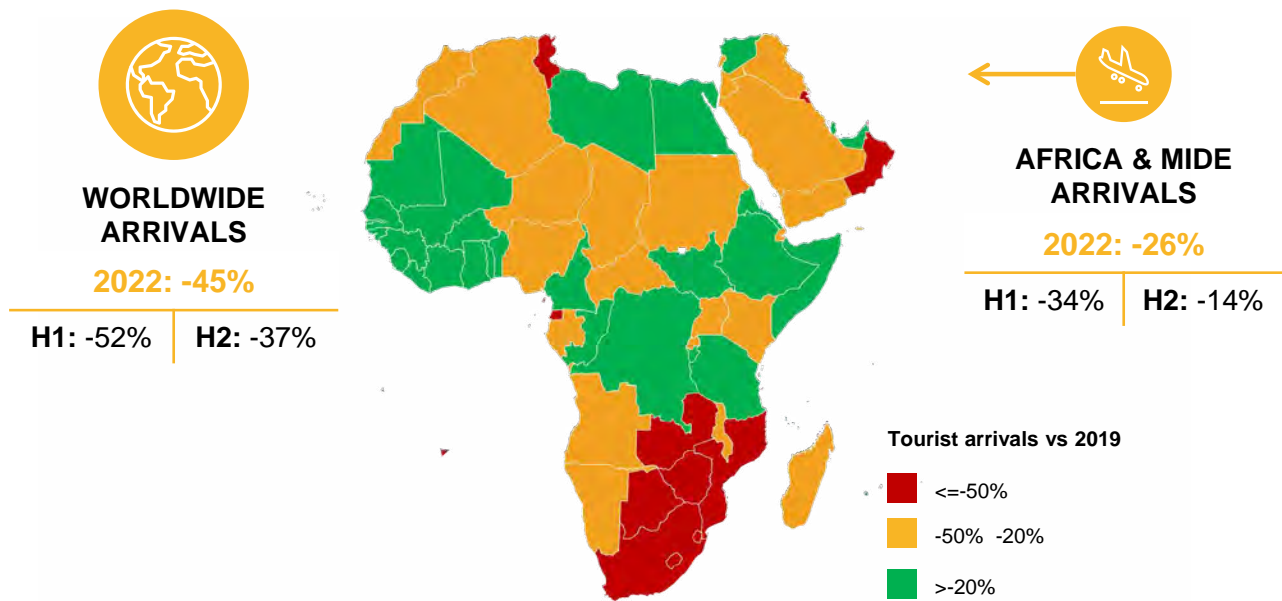
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SPOTLIGHT ON: AFRICA AND THE MIDDLE EAST

Sub-Saharan Africa leads regional recovery; Middle East well positioned

International tourist arrivals in Africa and the Middle East, 2022 vs 2019



2022	
H1	H2
	Sun & Beach -17% -22% -9%
	Nature -34% -40% -27%
	Shopping -15% -21% -7%
	Urban -26% -34% -13%
	Business -20% -26% -11%

Top performing destinations**	2022 vs 2019
Tanzania	+2%
Egypt	-15%
United Arab Emirates*	-17%
Jordan	-21%
Nigeria	-22%
Mauritius	-24%
Qatar**	-25%
Lebanon	-31%
Kenya	-32%
Bahrain	-33%

* Out of destinations with share of arrivals in the Africa & the Middle East $\geq 1.0\%$

Source: ForwardKeys Actual Air Tickets

Africa and the Middle East was the most resilient world region in 2022, with the number of international arrivals only 26% below 2019 levels. This region outperformed the global result by 23 percentage points in the second half of 2022.

Africa in particular has demonstrated impressive resilience, but many of its destinations face ongoing challenges when it comes to connectivity with major markets such as the United States and Europe.

Among the locations leading the region's recovery, there is a strong presence of Middle Eastern destinations, including Egypt (-15%), United Arab Emirates (-17%) and Qatar (-25%), among others. The ranking of most-resilient destinations is led by Tanzania, which stood out with a 2% increase over 2019.

The strong performance of these destinations is consistent with the recovery of sun and beach travel in the wider region, which, in the second half of 2022, almost reached full recovery, standing at -9% as compared with the same period in 2019.



Other destinations recovering well in the region are shopping and business hotspots, standing at -15% and -20% for the year, respectively. This is reflected in the performance of major commercial cities in the Middle East, like Dubai (-15%).

Overall, the Middle East is well positioned for further recovery, benefiting from the return of global events like the Dubai World Expo, the FIFA World Cup in Qatar and the Formula One GPs in various Gulf locations.



BEST PRACTICES: DUBAI

Transitioning from a stop-over to a fun-packed family destination

As one of the world’s busiest transit hubs, Dubai now leverages its rich offering of attractions and activities to encourage transferring travellers to spend extended stays there. However, the city aims to establish itself as a tourist destination, and it now appears on course to achieve that goal.

Since the United Arab Emirates reopened to international visitors in July 2020 – after the first wave of the pandemic had passed its peak – travellers visiting Dubai are, on average, staying for longer.

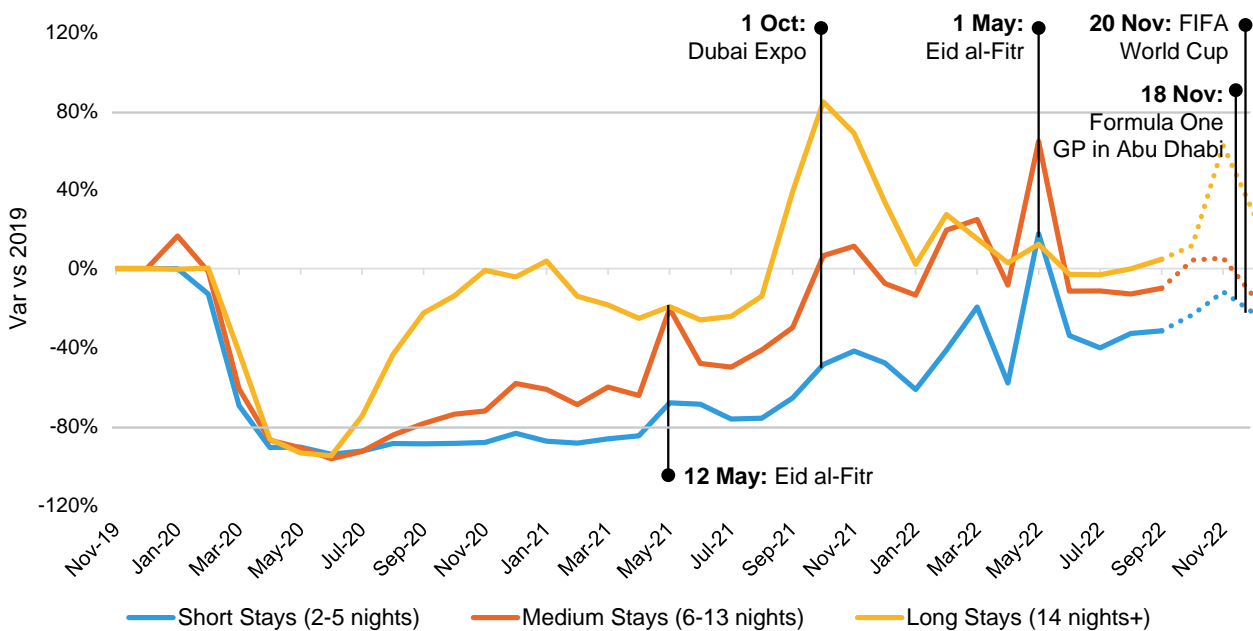
Long stays (for more than two weeks) were the first length-of-stay type to reach 2019 levels, showing the growing appeal the destination has for travellers. Many travellers attending major events such as the Dubai Expo in Q4 2021, the Formula One in Abu Dhabi and Qatar’s FIFA World Cup in 2022 are choosing Dubai as their preferred hub and base.



Medium stays (between 6 and 13 nights) have also recovered strongly, comfortably surpassing 2019 levels in major holiday periods, such as Eid al-Fitr for Muslim tourists and Christmas holidays for European markets.

In a further indicator of Dubai’s growing reputation as a tourist destination, short stays have so far failed to match their 2019 performance.

International arrivals in Dubai by length of stay, benchmarked against 2019



Source: ForwardKeys Actual Air Tickets

Dubai's evolution as a destination is reflected not only in changing length-of-stay shares but also in the type of travellers the city is attracting, which are now, on average, more valuable.

The share of air arrivals in premium cabin classes has increased by three percentage points. The relative increase in affluent travellers is driven by family size groups (3-5 travellers) and couples. It appears the perception of Dubai as the Las Vegas of the Middle East is finally shifting.

In summary, Dubai has now matured and established itself as a final destination for holidaymakers from around the world – not merely a stop-over or a place to connect to another flight.

Its rich events calendar and proximity to other major events in neighbouring locations, reputation as a safe and premium destination and activities for couples and even families mean it can expect a busy 2023 as well.



BEST PRACTICES: TANZANIA

A case in point for the importance of connectivity

Tanzania is Africa’s visual masterpiece. It is a country of natural splendour, astounding wildlife, seductive beaches, charming ancient towns, archaeological sites and geological wonders. Africa’s highest mountain, Mount Kilimanjaro, rises from lush, grassy plains and towers over the land. Political stability and year-round good weather add to this East African nation’s popularity.

Crucially, Tanzania’s access to overseas markets – built on the foundations of a solid international air network – has allowed it to draw visitors from around the world. The country’s connectivity has been key to its impressive performance during the pandemic.




In fact, tourist arrivals to Tanzania in 2022 reached similar levels to 2019 thanks to its accessibility by air. Despite the global crisis, the East African nation developed new connections and strengthened its existing connectivity with key markets in Europe, Asia and the Middle East.

The flag carrier Air Tanzania expanded its reach within Africa and India, and, most critically, major network airlines like Qatar Airways, KLM and Air France increased their presence in Tanzania’s international airports, connecting Tanzania to the rest of the world. This facilitated access to mid- and long-haul markets in the Middle East, Europe and beyond. In contrast, two of its major regional competitors, Kenya and South Africa, have lost connections in respect to 2019.

In the post-COVID-19 context, non-stop connections and ‘simple’ flight itineraries have become a decisive factor for travellers concerned about the inconveniences of varying travel requirements and the likelihood of flight disruptions.



International air connections of African destinations; 2022 vs 2019

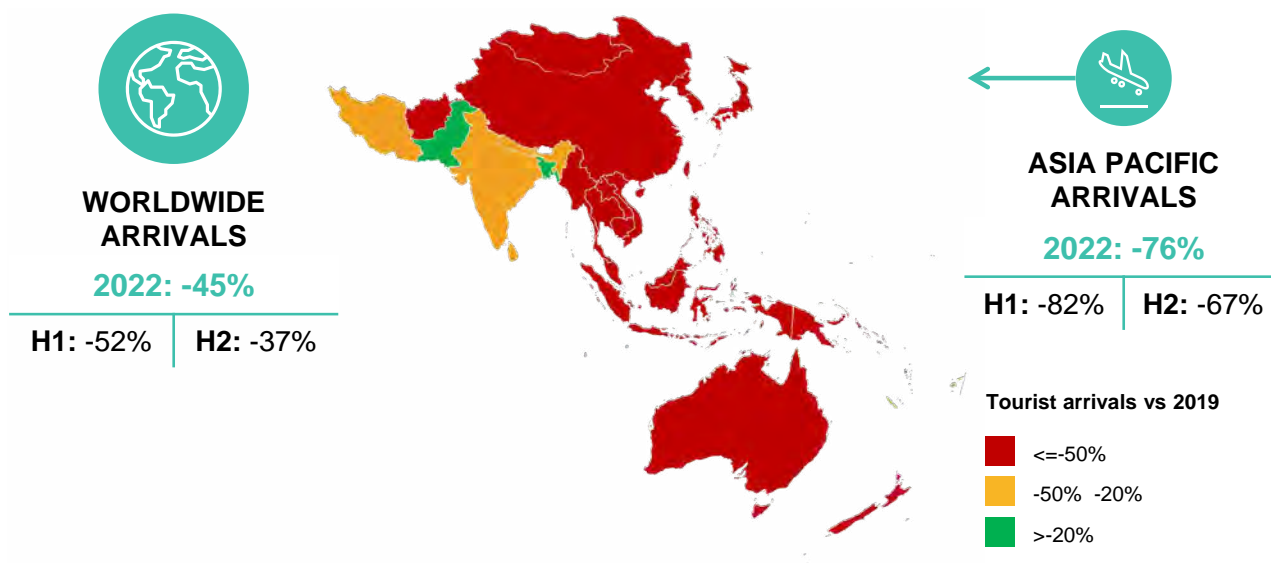
Destination	Countries connected	Difference in countries vs 2019
 Tanzania	28	0
 Kenya	40	-8
 South Africa	40	-5

Source: ForwardKeys Actual Air Tickets

SPOTLIGHT ON: ASIA PACIFIC

Optimism for Asia Pacific as region gradually reopens

International tourist arrivals in Asia Pacific, 2022 vs 2019



		2022	
		H1	H2
	Sun & Beach	-72%	
		-79%	-63%
	Nature	-75%	
		-83%	-64%
	Shopping	-84%	
		-90%	-75%
	Urban	-80%	
		-86%	-71%
	Business	-81%	
		-87%	-72%

Top performing destinations	2022 vs 2019
Pakistan	-5%
Maldives	-7%
Bangladesh	-8%
Fiji	-22%
Iran	-26%
India	-40%
Nepal	-41%
Sri Lanka	-45%
Philippines	-55%
Singapore	-69%

* Out of destinations with share of arrivals in the Asia Pacific $\geq 1.0\%$

Source: ForwardKeys Actual Air Tickets

Asia Pacific continues to lag far behind the rest of world in terms of travel recovery, with China's ongoing closure a major obstacle for regional recovery. However, optimism is building following the reopening of many countries in the region.

As compared with the same period in 2019, regional recovery in the second half of 2022 has reached -67%. Given that it stood at -82% in the first half of the year, the region's travel reactivation is certainly moving in the right direction. Nevertheless, since some destinations have taken a more cautious approach than others, the pace of recovery remains uneven. Overall 2022 results stood at -76%.

As was the case when other regions first started to reopen, the countries topping the recovery charts in Asia Pacific are generally those with large diasporas that have seen high volumes of arrivals in the visiting-friends-and-relatives category. These include Pakistan (-5%), Bangladesh (-8%) and India



(-40%). The latter is also showing strong outbound recovery, and is a leading candidate to become the region's powerhouse in term of outbound travel.

Other fast-recovering countries in Asia Pacific include the Maldives (-7%) and Fiji (-22%), both remaining popular with global travellers seeking exclusive sun and beach destinations.

The period between the fourth quarter of 2022 and the first quarter of 2023 – Southeast Asia's high season – will provide a better gauge of the region's true inbound tourism recovery. Ultimately, however, Asia Pacific's reactivation will not be complete until the reopening of China outbound, a source market on which so many global destinations previously depended.

BEST PRACTICES: FIJI

The power of marketing to new target audiences

The tourism industry contributes an estimated 31% to the Fijian GDP and provides over 88,200 jobs¹. Since reopening its borders in December 2021, the country has stood out as the most resilient destination in the Pacific Ocean thanks to some clever reinvention through marketing.

International arrivals in Fiji and key competing destinations, 2022

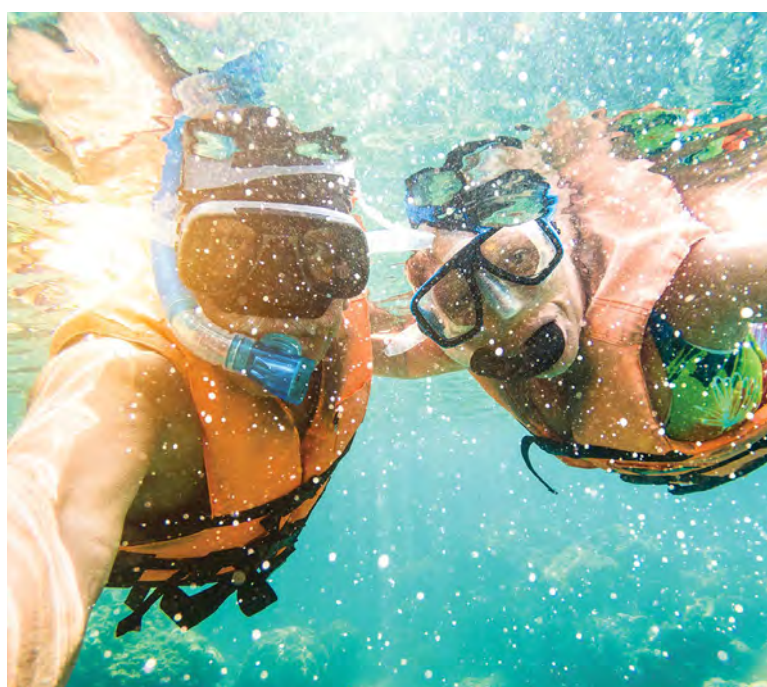


Fiji's recovery is exceeding the regional average, driven by travellers from Australia and New Zealand as well as a relatively new market: the United States. The high proportion of these visitors flying in premium cabin classes suggests that many of these travellers are affluent.

In fact, Fiji's success in attracting affluent audiences is such that high-end shares from the US have grown by 27% compared with 2019, while stays of 6–8 nights have grown by 4 percentage points. Long and medium stays in general have increased while short stays under 3 nights have dropped.

Group sizes have also changed, with solo travellers and groups making way for more couples and families.

It appears that Fiji has established itself as a more sophisticated destination rather than a backpacker's haven. A recent marketing campaign starring Australian actress Rebel Wilson had global appeal, while the government worked hard to develop connections beyond Australia.



¹Data of 2019. Source: WTTC

BEST PRACTICES: MALDIVES

Tapping into new markets using Big Data

The COVID-19 pandemic brought global tourism and travel to a standstill. Although the health impact of the pandemic has been fairly contained in the Maldives, its economic consequences for the tourism-dependent economy have been devastating. To contain the spread of the virus, the country closed its borders for the first time in history, between 27 March and 15 July 2020. This led to a sudden stop in tourism – the main driver of growth, jobs and revenue.

But with the virus now contained and more than two-thirds of the country’s population fully vaccinated, tourists have been steadily returning since late 2020.

The Maldives has also successfully attracted tourists from new and emerging markets to supplement shortfalls in arrivals from previously high-performing markets like China. India and Russia were the leading markets in 2021, accounting for 22% and 17% of total tourists, respectively.

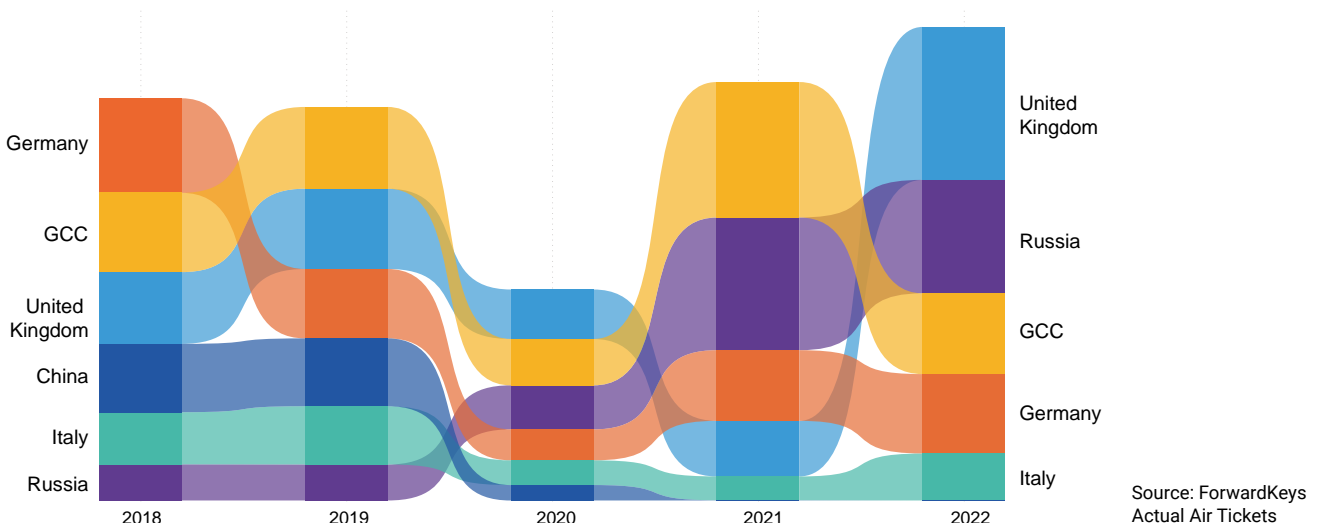
As a result, high-end visitors flocked to the island nation from around the world, compensating for the drop-off in arrivals from traditional source markets in Asia (China, Thailand, Japan, Hong Kong) and Europe (Germany, United Kingdom, Italy).



The Maldives’ growing status as a luxury destination is reflected in the strong post-pandemic recovery in sales of premium-class tickets to the country. Compared to 2019, premium-class travel to the Maldives has grown by 29% while economy-class travel has decreased by 11%.

The origin markets displaying the most growth in premium-class travel to the Maldives are the United Kingdom, Russia, the United States and European markets, particularly Denmark and Spain.

Share and ranking evolution of top premium-class markets for the Maldives, 2018 to 2022





These markets were engaged through greater investment in digital marketing, TV adverts and events in Russia – processes that were optimised using Big Data.

“Our initial strategies for the market had to be completely shifted due to the pandemic,” says Thoyyib Mohamed, Managing Director, of Visit Maldives.

“We altered our focus to utilise online and digital platforms to maintain the destination’s presence and partnered with some of the leading Russian tourism-related organisations, operators, travel agents and travel TV channels to spread knowledge about our destination and boost arrivals from Russia.

“I must highlight that one of our biggest advantages when it comes to promoting tourism today is the unique geographical features of the Maldives, which enable us to promote the destination as a haven for travellers replete with luxury offerings,” Mohamed concludes.

Additionally rethinking flight routes and seat capacity, thanks to the insights derived from the data at hand, meant new gateways into emerging origin markets were possible.

DATA APPENDIX

Top destinations in 2022: Countries

Only destination countries with more than 0.1% of global international arrivals are listed. Aggregated results for the continents include all the countries.

Tourist arrivals' results are based on ForwardKeys Actual Air Tickets as of 18 October 2022 (combining historic results and tickets on the book until year end). Only considered travellers with return trip staying at least one night in the destination.

Africa and Middle East - Top destinations in 2022

Destination country	Var vs 2019		
Africa and Middle East	-26%	Morocco	-37%
Algeria	-25%	Nigeria	-22%
Bahrain	-33%	Oman	-63%
Egypt	-15%	Qatar*	-25%
Ethiopia	-13%	Reunion Island	29%
Ghana	-15%	Saudi Arabia	-42%
Iraq	-28%	Senegal	-12%
Jordan	-21%	Seychelles	-4%
Kenya	-32%	South Africa	-52%
Kuwait	-60%	Tanzania	2%
Lebanon	-31%	Tunisia	-57%
Mauritius	-24%	United Arab Emirates*	-17%
		Worldwide international arrivals	-45%

Asia Pacific - Top destinations in 2022

Destination country	Var vs 2019		
Asia Pacific	-76%	Maldives	-7%
Australia	-71%	Nepal	-41%
Bangladesh	-8%	New Zealand	-76%
Fiji	-22%	Pakistan	-5%
Hong Kong	-95%	Philippines	-55%
India	-40%	Singapore	-69%
Indonesia	-71%	South Korea	-80%
Iran	-26%	Sri Lanka	-45%
Japan	-89%	Taiwan	-94%
Malaysia	-76%	Thailand	-75%
		Vietnam	-77%
		Worldwide international arrivals	-45%

Source: ForwardKeys Actual Air Tickets

* Excluded 1 night stays from the analysis

DATA APPENDIX

Top destinations in 2022: Countries

The Americas - Top destinations in 2022

Destination country	Var vs 2019				
Americas	-29%	Costa Rica	0%	Martinique	19%
Argentina	-39%	Cuba	-65%	Mexico	0%
Aruba	3%	Curaçao	11%	Nicaragua	0%
Bahamas	-15%	Dominican Republic	5%	Panama*	-32%
Barbados	-26%	Ecuador	-25%	Peru	-47%
Brazil	-34%	El Salvador	10%	Puerto Rico	-4%
Canada	-38%	Guadeloupe	17%	Saint Marteen	9%
Chile	-54%	Guatemala	-17%	Turks and Caicos Islands	15%
Colombia	-19%	Honduras	-10%	U.S.A.	-39%
		Jamaica	-5%	US Virgin Islands	32%
				Worldwide international arrivals	-45%

Europe - Top destinations in 2022

Destination country	Var vs 2019				
Europe	-36%	Finland	-39%	Netherlands	-38%
Albania	5%	France	-31%	Norway	-25%
Armenia	-26%	Georgia	-46%	Poland	-43%
Austria	-49%	Germany	-47%	Portugal	-16%
Azerbaijan	-50%	Greece	-12%	Romania	-41%
Belgium	-44%	Hungary	-59%	Russia	-88%
Bulgaria	-44%	Iceland	-14%	Serbia	-30%
Croatia	-39%	Ireland	-31%	Spain	-26%
Cyprus	-28%	Israel	-39%	Sweden	-37%
Czech Republic	-64%	Italy	-40%	Switzerland	-35%
Denmark	-34%	Latvia	-49%	Turkey	0%
		Malta	-30%	United Kingdom	-40%
				Worldwide international arrivals	-45%

Source: ForwardKeys Actual Air Tickets

* Excluded 1 night stays from the analysis

DATA APPENDIX

Top destinations in 2022: Cities

Only destination cities with more than 0.235% of global international arrivals are listed. Aggregated results for the continents include all the countries.

Tourist arrivals' results are based on ForwardKeys Actual Air Tickets as of 18 October 2022 (combining historic results and tickets on the book until year end) . Only considered travellers with return trip staying at least one night in the destination.

Africa and Middle East - Top destinations in 2022

Destination city	Var vs 2019
Africa and Middle East	-26%
Abu Dhabi (AE)*	-44%
Addis Ababa (ET)*	-30%
Amman (JO)	-21%
Bahrain (BH)	-33%
Beirut (LB)	-31%
Cairo (EG)	-18%
Cape Town (ZA)	-48%
Casablanca (MA)	-37%
Doha (QA)*	-25%
Dubai (AE)*	-15%
Jeddah (SA)	-41%
Johannesburg (ZA)	-52%
Madinah (SA)	-51%
Mauritius (MU)	-24%
Nairobi (KE)	-32%
Riyadh (SA)	-18%
Worldwide international arrivals	-45%

Source: ForwardKeys Actual Air Tickets

* Excluded 1 night stays from the analysis

Asia Pacific - Top destinations in 2022

Destination city	Var vs 2019
Asia Pacific	-76%
Bangkok (TH)	-75%
Colombo (LK)	-45%
Delhi (IN)	-36%
Denpasar (ID)	-74%
Dhaka (BD)	-9%
Ho Chi Minh City (VN)	-69%
Islamabad (PK)	-1%
Kuala Lumpur (MY)	-73%
Lahore (PK)	4%
Male (MV)	-6%
Manila (PH)	-50%
Mumbai (IN)	-45%
Phuket (TH)	-72%
Seoul (KR)	-78%
Singapore (SG)	-69%
Sydney (AU)	-70%
Tokyo (JP)	-83%
Worldwide international arrivals	-45%

DATA APPENDIX

Top destinations in 2022: Cities

The Americas - Top destinations in 2022

Destination city	Var vs 2019				
Americas	-29%	Lima (PE)	-44%	Rio De Janeiro (BR)	-48%
Aruba (AW)	3%	Los Angeles (US)	-51%	San Francisco (US)	-47%
Bogota (CO)	-23%	Mexico City (MX)	-24%	San Jose (CR)	-9%
Boston (US)	-37%	Miami (US)	-28%	San Jose Cabo (MX)	21%
Buenos Aires (AR)	-36%	Montego Bay (JM)	0%	San Juan (PR)	-2%
Cancun (MX)	9%	Montreal (CA)	-28%	San Salvador (SV)	10%
Chicago (US)	-35%	Nassau (BS)	-15%	Santiago (CL)	-53%
Fort Lauderdale (US)	-36%	New York (US)	-37%	Santo Domingo (DO)	-1%
Honolulu (US)	-72%	Orlando (US)	-34%	Sao Paulo (BR)	-26%
Houston (US)	-34%	Panama City (PA)*	-32%	Toronto (CA)	-40%
Las Vegas (US)	-39%	Puerto Vallarta (MX)	13%	Vancouver (CA)	-45%
		Punta Cana (DO)	12%	Washington (US)	-36%
				Worldwide international arrivals	-45%

Europe - Top destinations in 2022

Destination city	Var vs 2019				
Europe	-36%	Geneva (CH)	-31%	Paris (FR)	-31%
Amsterdam (NL)	-38%	Hamburg (DE)	-46%	Porto (PT)	-15%
Antalya (TR)	66%	Helsinki (FI)	-38%	Prague (CZ)	-64%
Athens (GR)	-16%	Istanbul (TR)	-4%	Reykjavik (IS)	-14%
Barcelona (ES)	-38%	Lisbon (PT)	-19%	Rome (IT)	-45%
Berlin (DE)	-42%	London (GB)	-40%	Stockholm (SE)	-38%
Brussels (BE)	-44%	Madrid (ES)	-22%	Tel Aviv-Yafo (IL)	-39%
Budapest (HU)	-59%	Manchester (GB)	-44%	Venice (IT)	-39%
Copenhagen (DK)	-34%	Milan (IT)	-39%	Vienna (AT)	-49%
Dublin (IE)	-29%	Munich (DE)	-40%	Warsaw (PL)	-40%
Dusseldorf (DE)	-56%	Naples (IT)	-14%	Zurich (CH)	-34%
Edinburgh (GB)	-34%	Nice (FR)	-31%	Worldwide international arrivals	-45%
Frankfurt (DE)	-44%	Oslo (NO)	-25%		
		Palma Mallorca (ES)	-28%		

Source: ForwardKeys Actual Air Tickets

* Excluded 1 night stays from the analysis

FORWARDKEYS INSIGHTS TEAM

This report was brought to you by ForwardKeys Insights experts

The COVID-19 pandemic has accelerated the pace of change in the travel industry, causing significant disruption to organisations that rely on tourism.

With the most comprehensive air travel data in the sector, ForwardKeys provides unparalleled insight on evolving trends and traveller preferences. This helps tourist boards, travel retailers and other tourism-dependent enterprises to understand how the industry is changing – and how these changes affect their business.

Yet it is not only ForwardKeys clients that benefit from this level of insight, as several of the company's top minds frequently share their expertise with global audiences at industry events. As guest travel and tourism speakers, ForwardKeys analysts including Olivier Ponti address the latest travel trends, describe how data is transforming the market and advise industry players on extracting the most value from this data.



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INSIGHTS EXPERTS



Olivier Ponti
Vice President
Insights



Juan Gómez
Head of Market
Intelligence



Luis Millan
Head of Research



Nancy Dai
Insights Expert



Shingai George
Insights Expert

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info@forwardkeys.com

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