

The summer travel outlook 2022 report

Global travel trends in Q3 2022



Foreword

Now that restrictions have been lifted in most parts of the world and consumers are eager to travel, there is a sense of excitement in the travel sector.

The impact of the pandemic has meant that long-established travel trends are evolving.

As we gradually regain normality, new patterns emerge and reliable, real-time data is needed to make sense of them. This is essential for discovering new markets and opportunities.

It was against this background that ForwardKeys decided to compile a Travel Outlook Report, which sheds light on where people are travelling this summer season and how trends have changed - and turn it into knowledge that travel industry professionals can use to their advantage.

The summer Travel Outlook Report 2022 will be followed by an end-of-year report which will be published during the international travel industry's premier event, [World Travel Market London](#), 7–9 November at Excel London.

You can register for the event [here](#).



Olivier Ponti
Vice President – Insights
ForwardKeys

June 2022

Travel, exploration, and discovery is in our DNA. As humans, we yearn for adventure and to widen our horizons. That is why, despite the significant challenges of the past few years, travel has seen demand skyrocket as we emerge from the pandemic.

With consumer demand high, and as people strive to get back to their pre-pandemic lives, long awaited family reunions and dreams of leisure travel resume. With this rebound we see new and exciting trends emerging, such as the interest in sustainable travel choices, and the desire to go big and target those 'bucket list' holidays.

It's a huge relief to so many of us to see this momentum, but from a trade perspective, we observe an industry working extremely hard in the background to rebuild the infrastructure to deliver on these dreams.

This November, at [World Travel Market London](#) we plan to table the biggest issues impacting the travel trade and play our part in guiding the travel sector to new horizons - facilitating peer to peer learning, networking, and delivering those crucial business deals to ensure the industry's future.

We look forward to welcoming you!



Juliette Losardo
Exhibition Director
World Travel Market London

June 2022



What to expect from travel in summer 2022

In news that will no doubt bring a collective sigh of relief from travel industry stakeholders and tourists alike, the outlook for summer 2022 points towards a long-awaited return to normality.

With 2022 seeing travel restrictions lifted, connectivity re-established and consumer confidence regained, demand for international travel is on the rise once more, marking a departure from the domestic travel trend that dominated in recent years.

As we look towards summer, it is Europe leading the table for both outbound and inbound international travel. This is thanks to a combination of an active intraregional travel market and the reactivation of transatlantic travel – primarily from US travellers, whose interest in Europe remains high despite the ongoing conflict in Ukraine and an increase in air fares.

In the Americas, Central America and the Caribbean are the recovery pacemakers thanks to the perennial lure of the local beach destinations.

Meanwhile, a significant proportion of the travellers driving Africa's recovery can be categorised as 'visiting friends and relatives' (VFR), with long-haul leisure travel to certain Sub-Saharan destinations also contributing to the continent's reactivation.

In the Middle East, travel recovery is being led by major transit hubs, where traffic is returning as intercontinental travel rebounds.

Finally, the easing of restrictions in key markets has kick-started Asia Pacific's reactivation. As witnessed in other regions, VFR travel has been the first segment to begin its recovery. In the leisure tourism arena, Asia Pacific must follow the example of its counterparts, rebuilding connectivity, standardising health protocols and regaining consumer confidence to facilitate and encourage inbound travel. The reactivation of China outbound, crucial to the region's full recovery, remains uncertain.

The summer travel outlook 2022 report will be followed by an **end-of-year report to be published during the largest travel trade event globally, [World Travel Market London](#)**, which takes place 7–9 November.



Reshaping Travel Together

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DATA SETS & SMARTS INCLUDED IN THE REPORT

ACTUAL AIR TICKETS

Actual Air Tickets draws on information from all the major online travel agencies and combines it with data on tickets booked directly at the airlines. Provided by air transport associations IATA and ARC, this data is processed, cleaned and enhanced by ForwardKeys to add significant value.

Over 100 airlines currently share their data, and with this number rising all the time. Users benefit from high levels of granularity, with detailed information available on airport dwelling times, traveller characteristics, trip duration, booking classes and more.

- ▶ Unless specified otherwise, the results refer to “tourist arrivals”, defined as passenger arrivals for stays of at least one night at the destination as part of a round trip.
- ▶ “Summer” period is defined as July to September.
- ▶ On-the-book results are based on data available as of 8 June 2022, compared to the equivalent period in 2019.
- ▶ The analysis of Europe excludes Russia as an origin market.

SEARCHES

Drawing on the largest database of flight searches made via online travel agencies (OTAs) and airline websites, the Searches dataset is enriched by ForwardKeys to provide insight into travel intention.

FARES

The ForwardKeys Fares dataset shows the average air fare in US dollars – excluding taxes and commission – for tickets sold between two locations connected by direct flight. Fares are displayed by the date on which the ticket is sold rather than by the date of the flight itself. Users gain insight into the prices paid for tickets to a certain destination and can determine how much travellers are willing to pay and how fares change over time.

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PRODUCTS



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Summer travel outlook hints at return to normality

After two summers of restricted travel due to the Covid-19 pandemic, a return to normality now appears to be on the horizon. Globally, the recovery outlook for summer 2022 is more positive than in the previous months (-35% July–Sep vs -54% Jan–June, when compared with the same periods in 2019).

Although Africa and the Middle East continue to top the recovery table (-17%), with the Americas in second place (-24%), it is Europe that can be considered the big winner for summer 2022, recording an improvement of 16 percentage points and the highest overall tourist arrival volumes.

Recovery in the Americas is led by Central America and the Caribbean, where many destinations have benefited from the early reopening of borders to tourists. The opposite can be said of South America, which is recovering at a slower rate due to the later easing of restrictions.

Evidence from the previous two summers shows us that the first wave of travel following the relaxation of restrictions tends to be dominated by travellers who had been isolated from loved ones back home or living abroad. It is therefore no surprise to see the reactivation of Asia Pacific, where key markets have only recently begun reopening, being driven by VFR travel. Meanwhile, the recovery of leisure travel in Asia Pacific is being hindered by – among other factors – limited airline capacity, [which is driving up air fares](#).

Several Middle Eastern airports act as transit hubs for traffic between Asia Pacific and Europe, which has led to the Middle East indirectly benefiting from Asia Pacific's VFR recovery, with the closure of Russian airspace to many European countries also contributing.

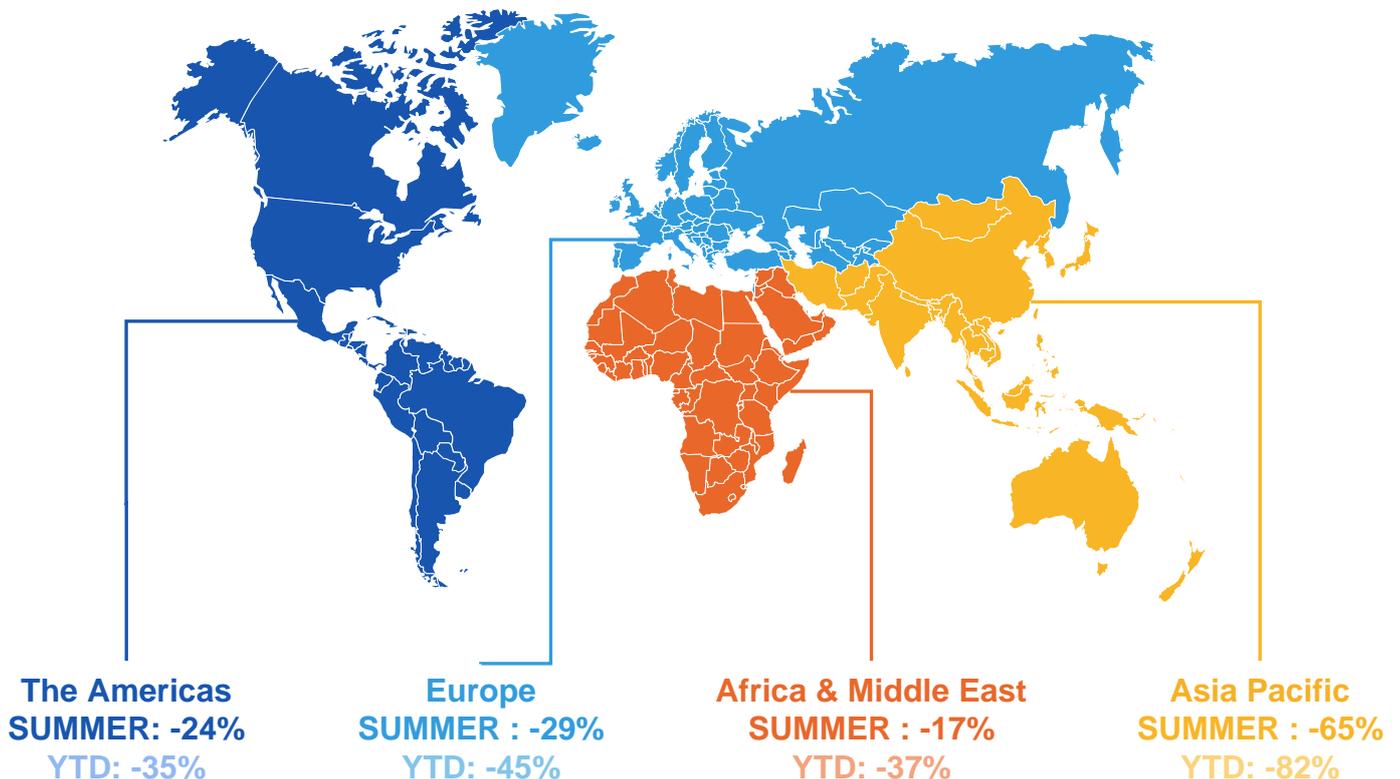
Worldwide international arrivals year-to-date (YTD, Jan–Jun) and summer (Jul–Sep) as of 8 June 2022 vs 2019



Worldwide international tourist arrivals

SUMMER: -35%

YTD: -54%



Summer 2022 bids adieu to domestic travel dominance

The previous two years saw a boom in staycations. As confidence in long-distance travel industry plummeted due to uncertainty surrounding bookings, health risks and ever-changing border controls, it was generally considered safer to holiday close to home.

However, the outlook for summer 2022 reveals that more travellers are ready to venture further afield, as is evidenced by a drop of 17 percentage points in domestic travel worldwide.

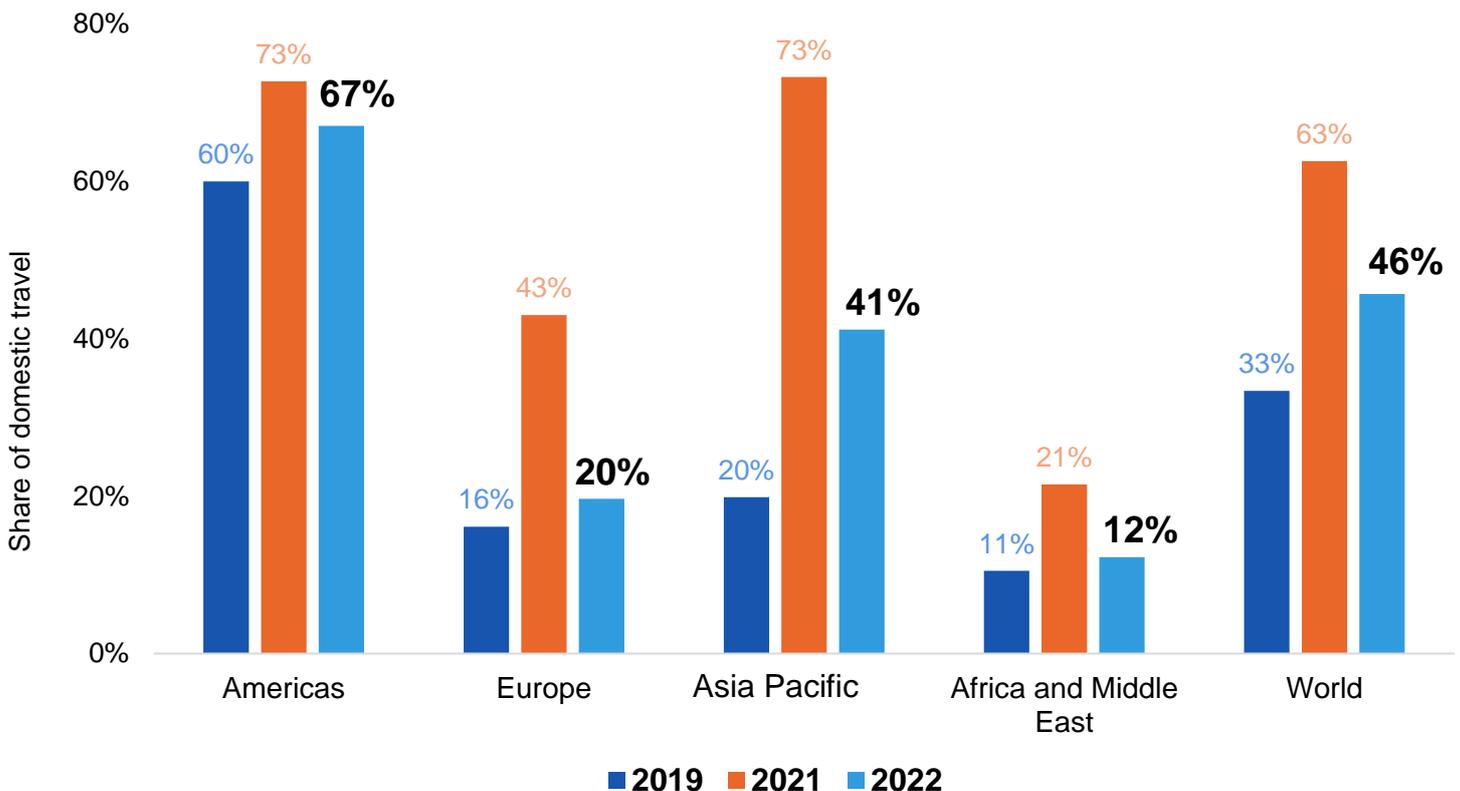
The region experiencing the most significant decrease is Europe (43% in 2021 down to 20% in 2022), owing to the continent's strong intraregional travel market as well as the reactivation of transatlantic travel.

Although Africa and the Middle East saw a less significant increase in their domestic travel sector in 2021, they are now experiencing similar levels of domestic travel as in 2019.

Domestic travel is also down slightly in the Americas, influenced by the lifting of restrictions and the resulting increase in international tourism.

Although domestic travel has dropped significantly in Asia Pacific, it remains relatively high at just over twice the 2019 level. This is largely due to China's strict ongoing travel restrictions.

Share of domestic arrivals over all tourist arrivals between January and May



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Long-haul travel recovery driven by transatlantic travel

Transatlantic connections and favourable travel environments in the Americas and Europe are leading a resurgence in long-distance travel, with intraregional travel in both regions accounting for a smaller share of the overall market than last year (Europe: 35% in 2021 down to 25% in 2022; the Americas: 22% in 2021 down to 16% in 2022).

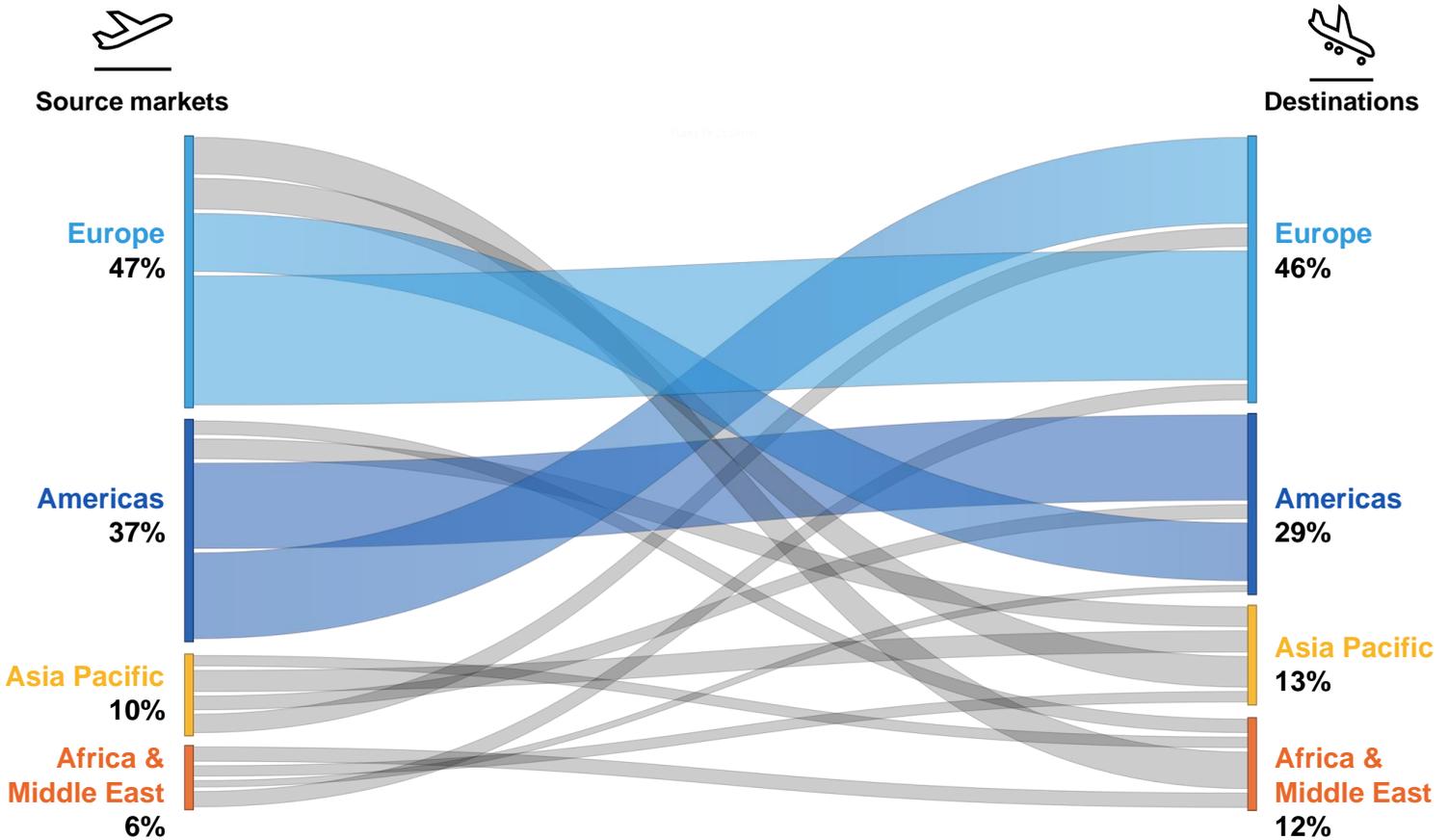
Where the two regions' share of intraregional travel has dropped, the share of travel between the two regions has increased: travel from the Americas to Europe is up by five percentage points in 2022 as compared with 2021, while travel from Europe to the Americas is up by six percentage points in the same period.

Although the share of European travel to Africa and the Middle East has halved since last year (4% in 2021 down to 2% in 2022), Europe remains a relevant contributor to long-haul VFR and leisure travel in Africa.

The low intraregional activity in Asia Pacific (3%) can be attributed to the ongoing absence of China from the international travel map. Increasing shares to Asia Pacific from the Americas (1% in 2021 up to 2% in 2022) and Europe (1% in 2021 up to 3% in 2022) reflect the recent reopening of key Asia-Pacific destinations.

Overall, the resurgence of long-haul travel is a positive sign for the recovery of the wider air travel market.

International travel on the book in Q3 2022



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Caribbean and European destinations top the charts

At the city level, summer travel recovery is being led by Caribbean destinations – namely Montego Bay (Jamaica; +23%), Punta Cana (Dominican Republic; +19%) and Cancun (Mexico; +14%).

The latter two destinations have remained open throughout the pandemic, encouraging tourism through consistent messaging and firmly established health protocols. This approach has helped them to maintain their popularity despite now facing more competition than during the height of the pandemic.

Most of the other high-ranking destinations for summer are European cities, with Europe capturing 46% of total worldwide international arrivals.

The top European performers for summer 2022 are mainly sun and beach destinations in Southern Europe. However, offering a promising sign for the recovery of leisure travel in Europe, several cities that do not fit the ‘sun and beach’ category also perform well, such as Reykjavik (Iceland; -5%), Paris (France; -16%) and Milan (Italy; -16%).

Top-performing cities in the Asia Pacific region – namely Delhi (India; +4%) and Manila (the Philippines; -11%) – largely owe their success this summer to VFR travel, with many travellers arriving from countries with large communities of migrant workers that stay for extended periods. The presence of two Asian cities in the global ranking of resilient destinations is a promising sign of the reactivation of travel in the continent.

Most resilient destination cities*. International tourist arrivals on the book in Q3 2022 vs 2019

	Destination city	Var vs 2019
1 st	Montego Bay (JM)	+23%
2 nd	Punta Cana (DO)	+19%
3 rd	Cancun (MX)	+14%
4 th	Cairo (EG)	+10%
5 th	Delhi (IN)	+4%
6 th	Tel Aviv-Yafo (IL)	+1%
7 th	Istanbul (TR)	0%
8 th	Palma Mallorca (ES)	-1%
9 th	Malaga (ES)	-4%
10 th	Reykjavik (IS)	-5%
11 th	Athens (GR)	-5%
12 th	Nice (FR)	-8%
13 th	Lisbon (PT)	-8%
14 th	Orlando (US)	-9%
15 th	Manila (PH)	-11%
16 th	Paris (FR)	-16%
17 th	Porto (PT)	-16%
18 th	Milan (IT)	-16%
19 th	Beirut (LB)	-17%
20 th	Madrid (ES)	-17%

* Only considered cities with at least 0.5% global share of tickets on the book for Q3 travel. Russia excluded as origin country.



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Central America and the Caribbean continue to dominate

International tourist arrivals on the book in the Americas, Q3 2022 vs 2019



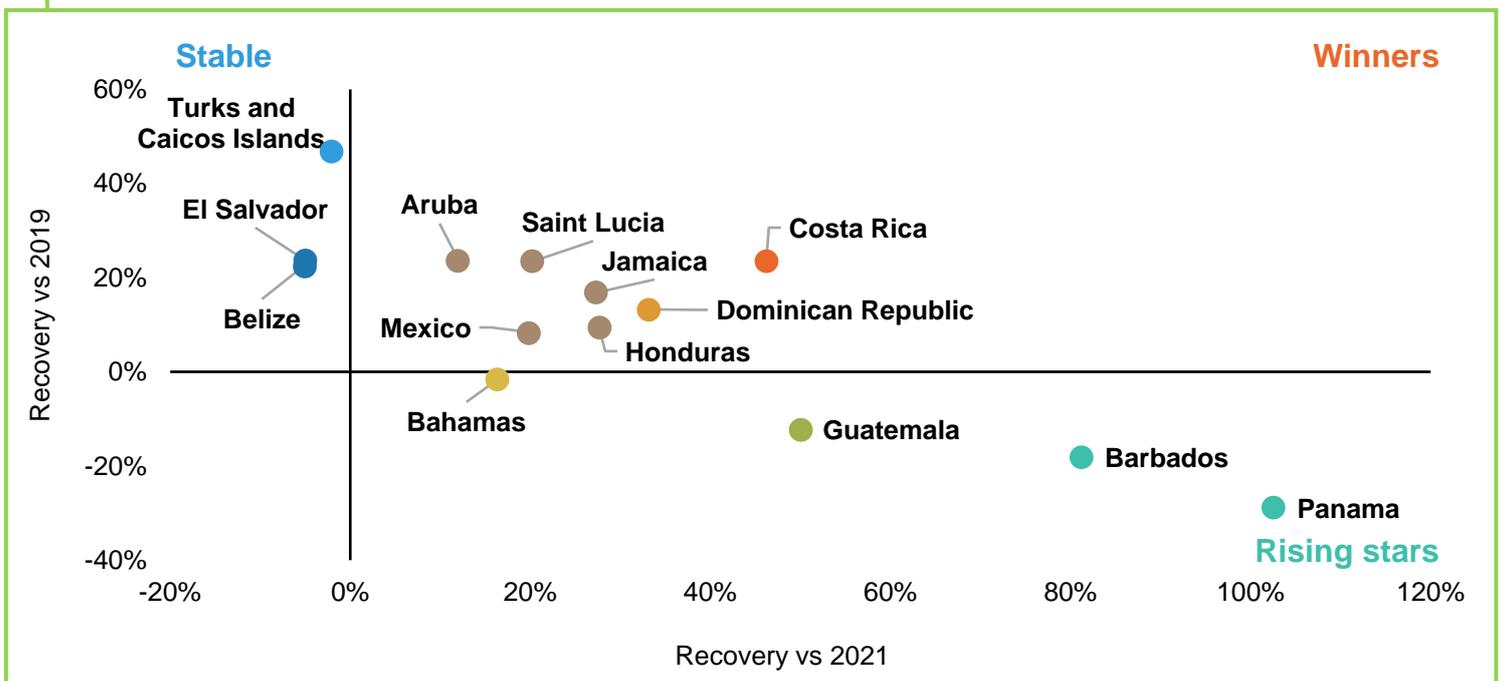
In the Americas, different sub-regions are recovering at different rates. Leading the way are the countries bathed by the Caribbean Sea: Mexico, Central America and the Caribbean (+5%). The United States and Canada (-31%) are falling behind and South America (-25%) is feeling the effects of its delayed lifting of restrictions.

Central America and the Caribbean owes its leading position to the flexible approach to travel restrictions employed by many of its top destinations – as well as to its keen source markets in the US and Europe.

Top-performing destinations in the sub-region include Costa Rica (+24%), the Dominican Republic (13%) and Jamaica (+17%), which have surpassed their performance in summer 2019 and 2021.

Quickly catching up are destinations such as Panama (-29%), Barbados (-18%) and Guatemala (-12%). Although these have not achieved their 2019 levels, they have significantly improved on their 2021 performance.

Meanwhile, arrivals in Turks and Caicos (+47%) , El Salvador (+24%) and Belize (+23%) have levelled out. While they have comfortably surpassed their summer 2019 performance, these destinations have not reached the heights of 2021.



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Rising air fares result in changing travel habits

The long-awaited offer of unrestricted travel has driven demand for tickets, leading to a steady increase in sales for summer 2022 that levelled off around April 2022.

This is despite ticket prices steadily increasing due to inflation, the rising cost of fuel and reduced air capacity.

It will be interesting to monitor how this trend develops and how these factors affect ticket sales beyond summer 2022 and in the long term.

Although intraregional travel also experienced a steady increase in sales, similar to the US to Europe tickets, demand started to decelerate around March 2022.

The increase in fares for intraregional travel have remained stable since December. Again, this trend will be interesting to monitor in the next quarter.

Travellers may compensate for the higher cost of air fares by adjusting their travel plans. For example, a lower percentage of tickets for travel from the US to Europe are for premium cabin classes (19% in 2021 down to 15% in 2022), while the average length of stay is shorter (16 days in 2021 down to 12 days in 2022).

With these travel trends approaching pre-pandemic values, this is another indicator of the normalisation of long-haul travel.

US arrivals on the book in Europe in Q3



Average Length of stay

12 days

16 days in 2021

11 days in 2019



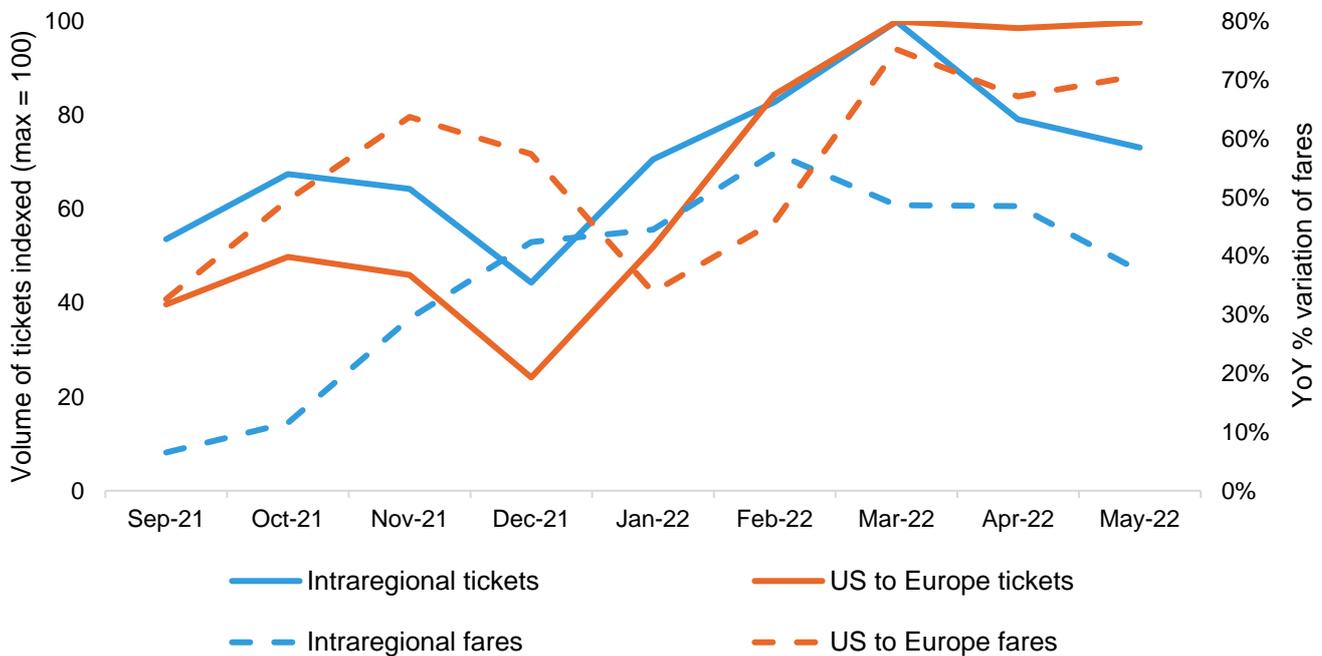
Share of premium cabin classes

15%

19% in 2021

12% in 2019

Evolution of tickets issued for US outbound travel (indexed) and year-on-year air fare variations



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Southern Europe thrives while Eastern Europe struggles

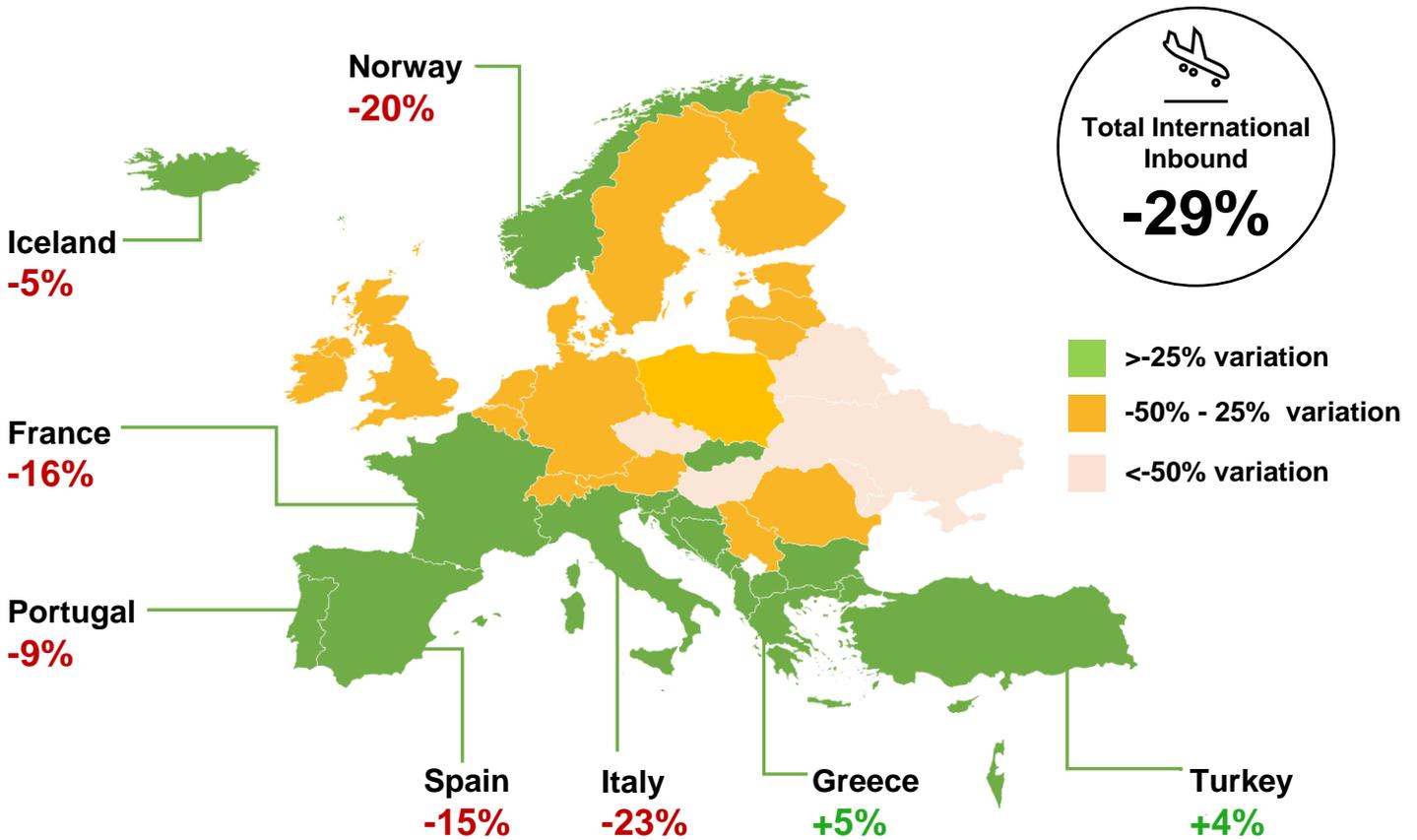
The lifting of travel restrictions in most countries has led to a largely positive outlook for Europe this summer, with intraregional travel – a lifeline in the more difficult 2021 summer season – again making a significant contribution to the continent’s performance. However, the escalation of the crisis in Ukraine has presented an obstacle to Europe’s full travel recovery.

Unsurprisingly, many of the countries experiencing the slowest rates of recovery are in Eastern Europe, adjacent to Russia and Ukraine.

At the other end of the scale are the Southern European countries, which have benefited from strong demand for sun and beach destinations. Indeed, four of the fastest-recovering nations – Greece (+5%), Turkey (+4%), Portugal (-9%) and Spain (-15%) are in Southern Europe, while France, the top-performing Western European country (-16%) can also offer sun, sea and sand.

Unable to offer that ever-popular combination, Central Europe and the majority of Northern Europe are recovering relatively slowly. However, two Scandinavian destinations – Norway (-20%) and in particular Iceland (-5%) – have successfully positioned themselves as ‘alternative’ destinations and are therefore performing well against the continental average.

International tourist arrivals on the book in Europe, Q3 2022 vs 2019



* Russia excluded as origin country



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Travellers opt for beach holidays over city breaks

Sun and beach destinations are recovering at a far faster rate than urban destinations.

The impressive rebound of summer destinations like Antalya (Turkey; +81%), Mykonos and Rhodes (both Greece; both +29%) is partly attributable to the early reopening and proactive communication of their countries.

Greece in particular was among the first European nations to reopen to non-essential travel and has been clear and consistent in its messaging throughout the pandemic.

The consumer confidence that this approach fostered continues to reap rewards for the country, with six Greek cities among the top-performing sun and beach destinations.

The relatively slow recovery of urban destinations is indicative of a residual hesitance among travellers to visit large, busy cities and the resultant preference for beach destinations.

It is interesting to note that the urban destinations with the best rates of recovery – Naples (Italy; +5%), Istanbul (Turkey; 0%), Athens (Greece; -5%) and Lisbon (Portugal; -8%) – are well connected to local sun and beach resorts.

International tourist arrivals on the book in European destinations in Q3 2022 vs 2019



SUN AND BEACH
-3%



URBAN
-25%

Top resilient “Sun and Beach” destinations	Var vs 2019
1 st Antalya (TR)	+81%
2 nd Tirana (AL)	+36%
3 rd Mykonos (GR)	+29%
4 th Rhodes (GR)	+29%
5 th Chania (GR)	+26%
6 th Heraklion (GR)	+23%
7 th Thira (GR)	+20%
8 th Thessaloniki (GR)	+17%
9 th Alicante (ES)	+16%
10 th Funchal (PT)	+11%

Top resilient “Urban” destinations	Var vs 2019
1 st Naples (IT)	+5%
2 nd Istanbul (TR)	0%
3 rd Athens (GR)	-5%
4 th Lisbon (PT)	-8%
5 th Florence (IT)	-11%
6 th Paris (FR)	-16%
7 th Milan (IT)	-16%
8 th Madrid (ES)	-17%
9 th Edinburgh (GB)	-24%
10 th Dublin (IE)	-24%

* “Sun and Beach” and “Urban” indexes are based on the aggregated performance of 100+ city destinations in Europe. Russia is excluded as origin market.



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VFR travellers drive Africa's recovery

Long-haul air connectivity to Africa has rebounded quickly, and certain Sub-Saharan countries are set to experience fast travel recovery thanks to a combination of VFR and long-haul leisure travel.

Along with a generally more stable travel environment, these conditions result in a bright outlook for travel to Africa in summer 2022 as compared with last summer.

While the two countries leading Africa's summer travel recovery, Nigeria (+14%) and Ghana (+8%), are not on the traditional tourist map, they do have significant diasporas in Europe and North America – as does Ivory Coast (+1%).

The strong performance of these nations can therefore be attributed to a pent-up demand from expatriates to visit friends and relatives back home.

Tanzania (+3%), Cape Verde (0%) and the Seychelles (-2%) – African countries that are on the tourist map – also have relatively positive outlooks for the coming summer.

This is thanks to a renewed appetite for long-haul leisure travel to these destinations, predominantly from Europe.

International tourist arrivals on the book in Africa in Q3 2022 vs 2019

Destination country	Var vs 2019
Nigeria	+14%
Ghana	+8%
Tanzania	+3%
Ivory Coast	+1%
Cape Verde	0%
Seychelles	-2%
Senegal	-6%
Namibia	-15%
Uganda	-18%
Mauritius	-27%
AFRICA	-23%

Transit hubs lead the way to Middle East recovery

The reopening of some Asian countries and the reactivation of intercontinental travel has brought traffic back to the Middle East hubs.

In summer 2022, major international airports such as Doha (-16% passenger arrivals vs. 2019, of which 99% are transfers) and Abu Dhabi (-35%; 97%) will be used primarily by VFR travellers transferring to Asia from Europe, North America or Africa and vice versa.

Cairo (+23%; 32% share of transfers) is a world-leading tourist destination as well as a transit hub and have benefited from a rebound in leisure tourism, reaping the rewards of improved connectivity from European and neighbouring markets.

Although Dubai (-33%; 87%) largely remains a connecting hub, on-the-book medium and long stays at destination for summer 2022 have shown far more resilience than transfers and short stays.

This indicates that Dubai is consolidating its position as a destination and not merely a transit hub.

International arrivals (transfers & overnight stays) in the Middle, Q3 2022 vs 2019

Destination airport	Var vs 2019	Share of transfers
DXB - Dubai (AE)	-33%	87%
DOH - Doha (QA)	-16%	99%
AUH - Abu Dhabi (AE)	-35%	97%
CAI - Cairo (EG)	+23%	32%

Easing of restrictions reignites interest in Asia Pacific

Flight searches for long-haul travel to Asia Pacific reflect the region's long-awaited travel comeback, with many destinations having relaxed their restrictions in recent months.

For example, on 10 February, the Philippines opened to vaccinated travellers, with the only entry requirement being a pre-departure test. On 18 April, Australia opened under similar conditions.

India opened to all travellers, without quarantine requirement, on 27 March, while Indonesia opened, without quarantine or testing requirements, on 18 May.

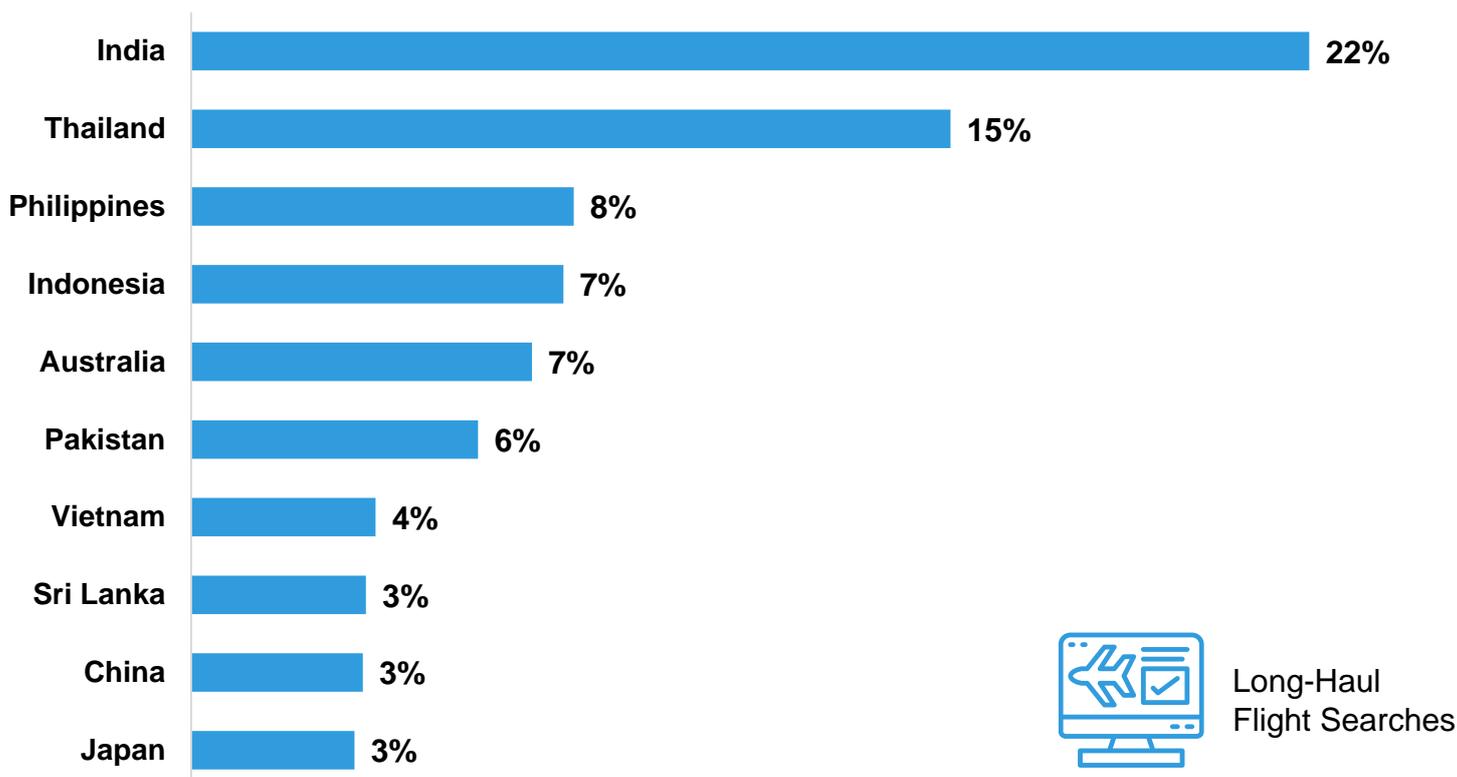
Thailand opened on 1 May without quarantine and tests but with the requirement for pre-travel registration including details of vaccination and insurance.

India leads the way in terms of percentage share of flight searches, with its impressive performance driven by a combination of VFR and leisure travel.

Other strong performers in the region, the Philippines, Indonesia and Australia, benefit from the same combination of VFR and leisure travel, while Thailand remains one of the region's top destinations for holidaymakers.

Asia Pacific continues to lag behind the other regions in its travel recovery. After years of strict entry requirements, the region now has to regain consumer confidence and rebuild air connectivity to provide sufficient capacity and affordable travel from key long-haul markets. It will also have to survive another summer without Chinese travellers.

Flight searches for long-haul travel to destinations in Asia Pacific made between 1 Jan and 12 Jun 2022; % share of all searches



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Recovery

Chart the recovery of inbound travel by comparing the evolution of ticket sales with travel intent as indicated by flight searches.



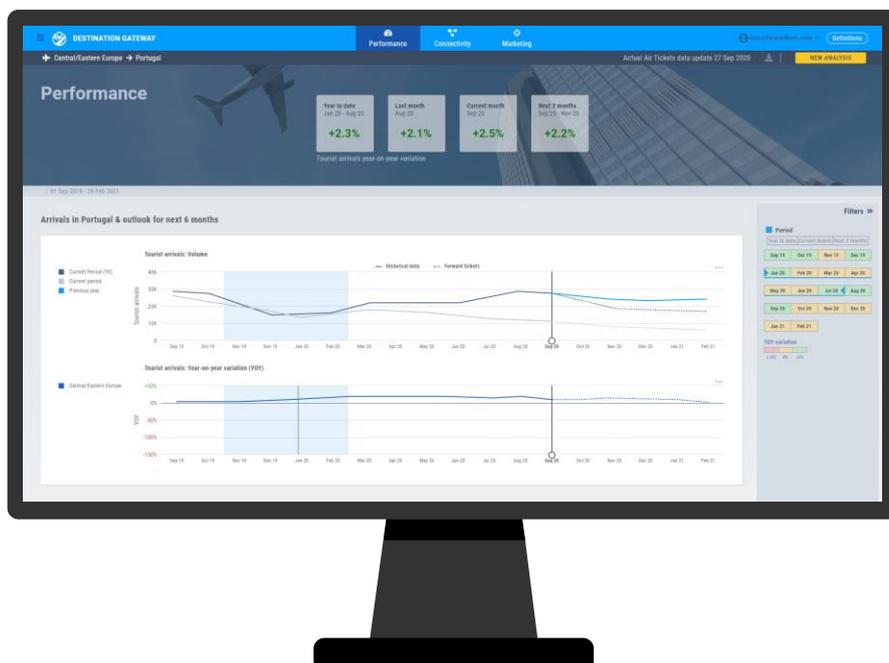
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