

STATE OF THE UNION: CHANGING TRAVEL & TOURISM TRENDS

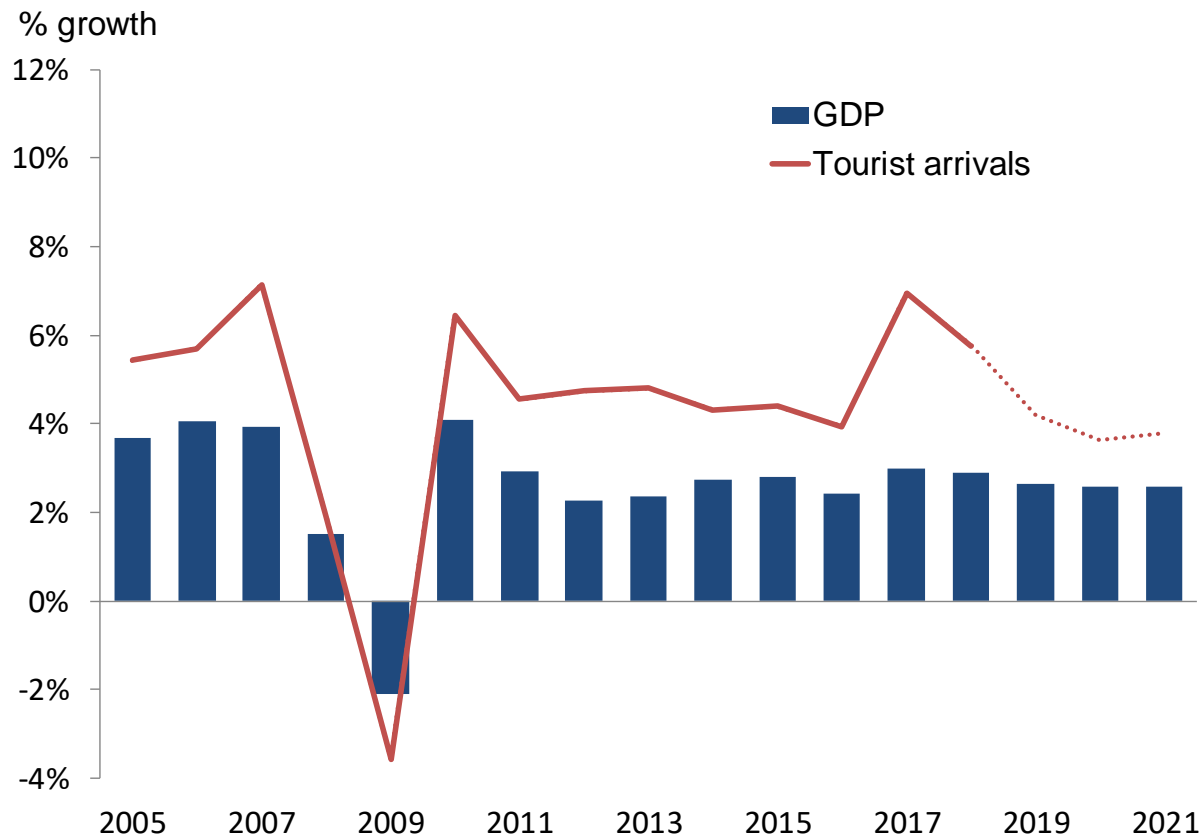
NHC CONFERENCE 2019

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Global travel to continue to outpace the economy

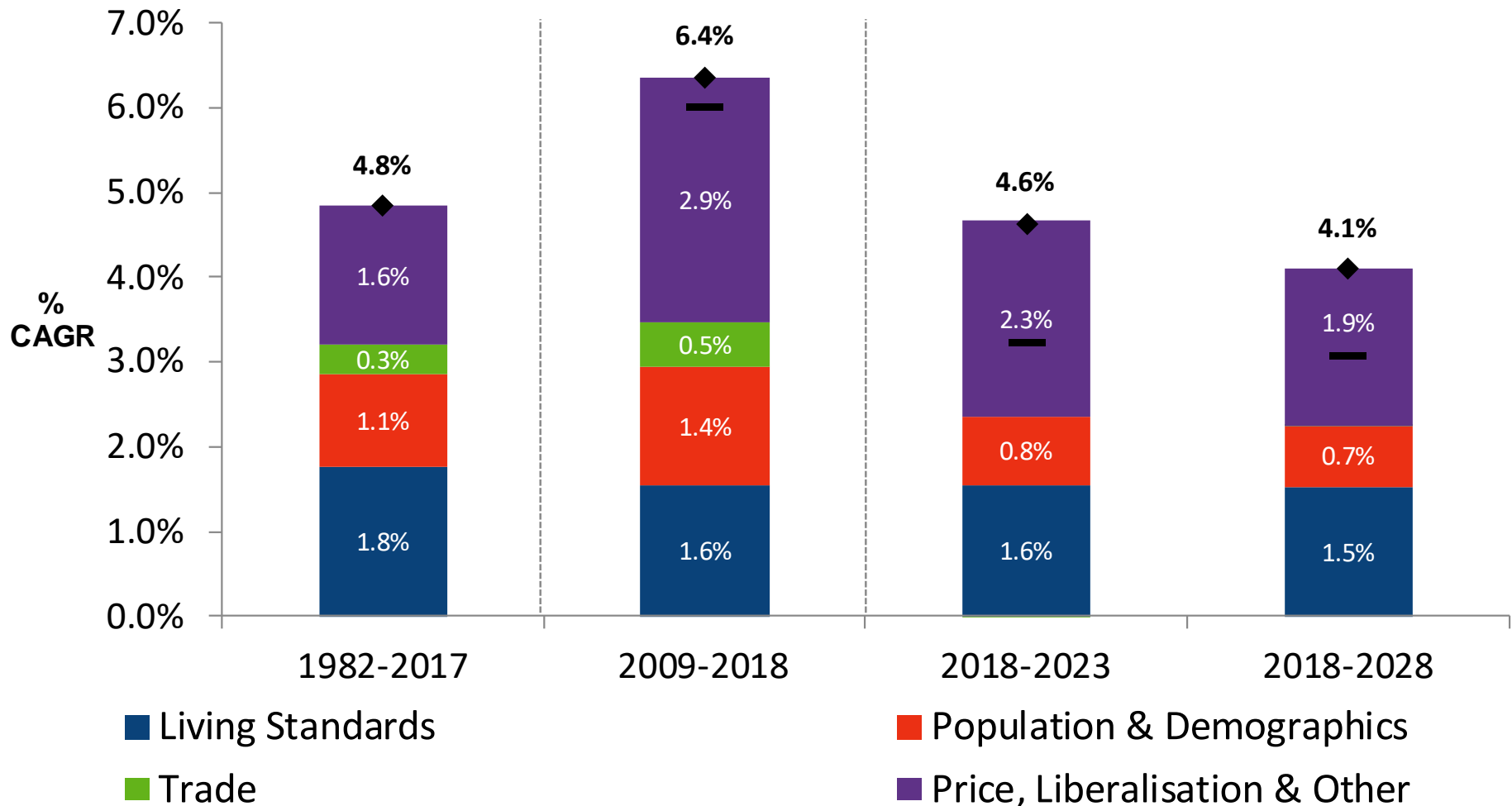
Global Tourist Arrivals & GDP



Source: Tourism Economics

Lower travel costs have stimulated travel

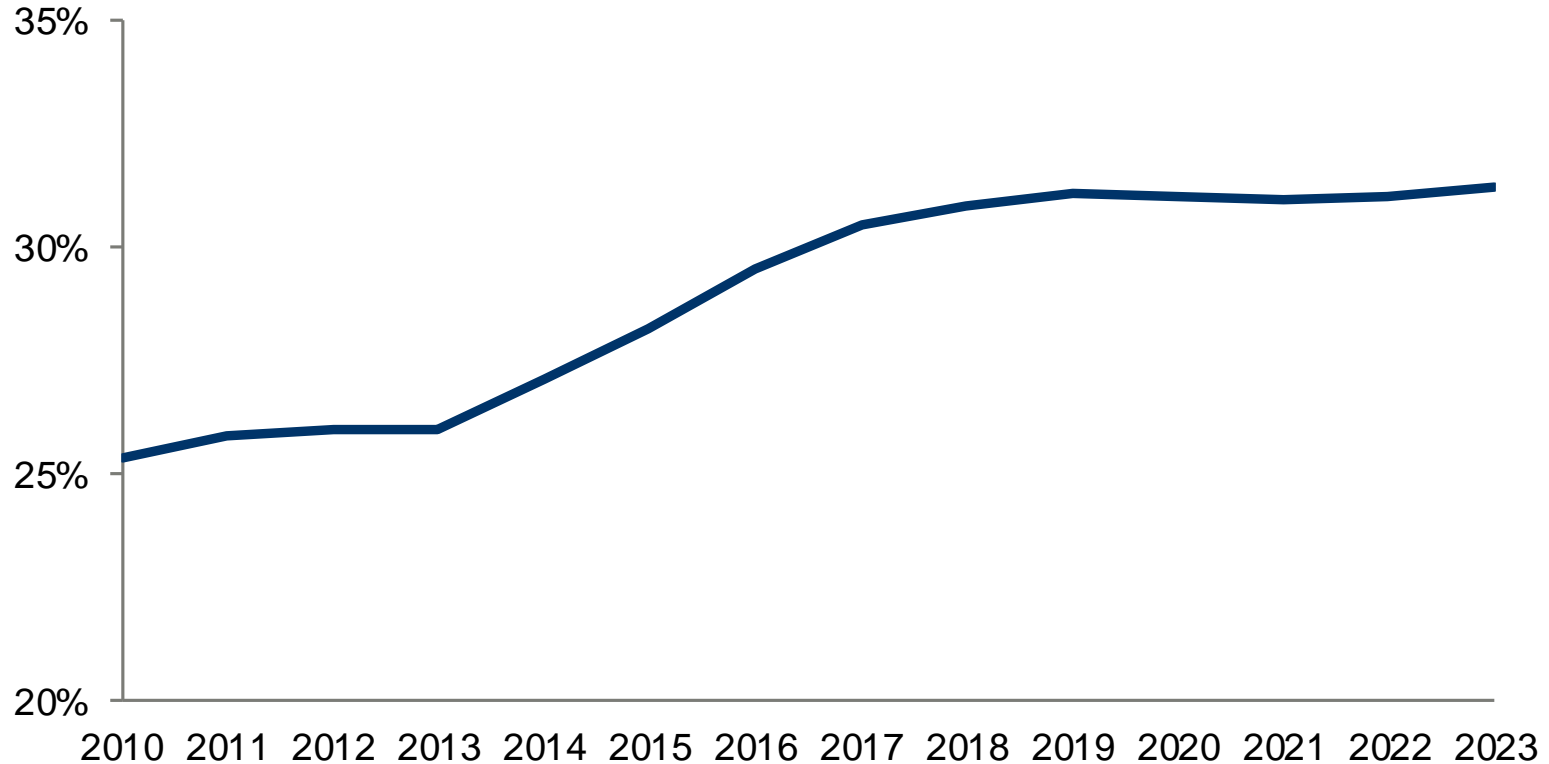
Decomposition of PAX growth over time, including forecast



International travel remains more dynamic

Nordic travel from beyond the region

% share of overnights from non-Nordic countries (incl domestic)

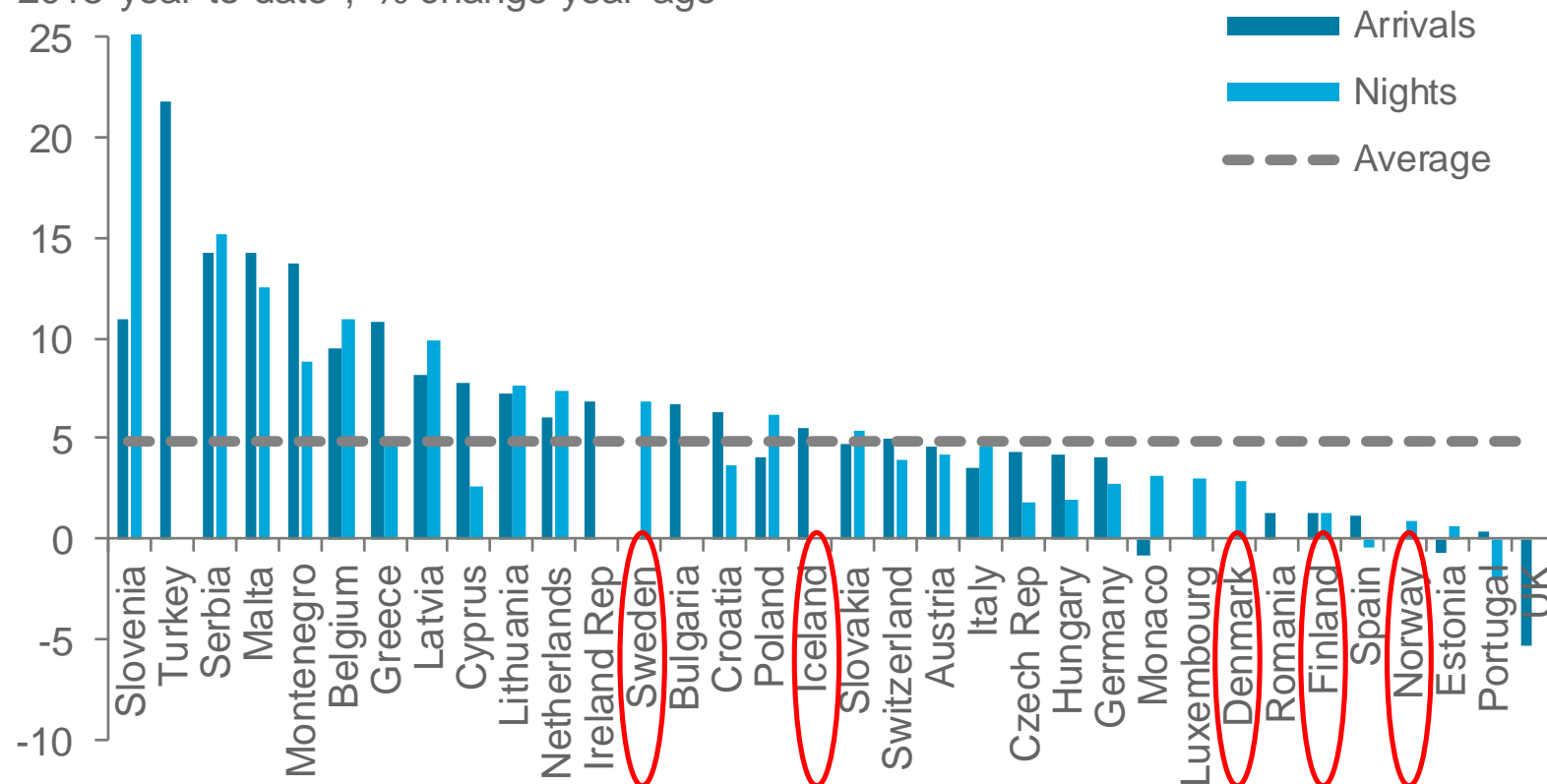


Source: Tourism Economics

Travel to European destinations grew in 2018

Foreign visits and overnights to select destinations

2018 year-to-date*, % change year ago

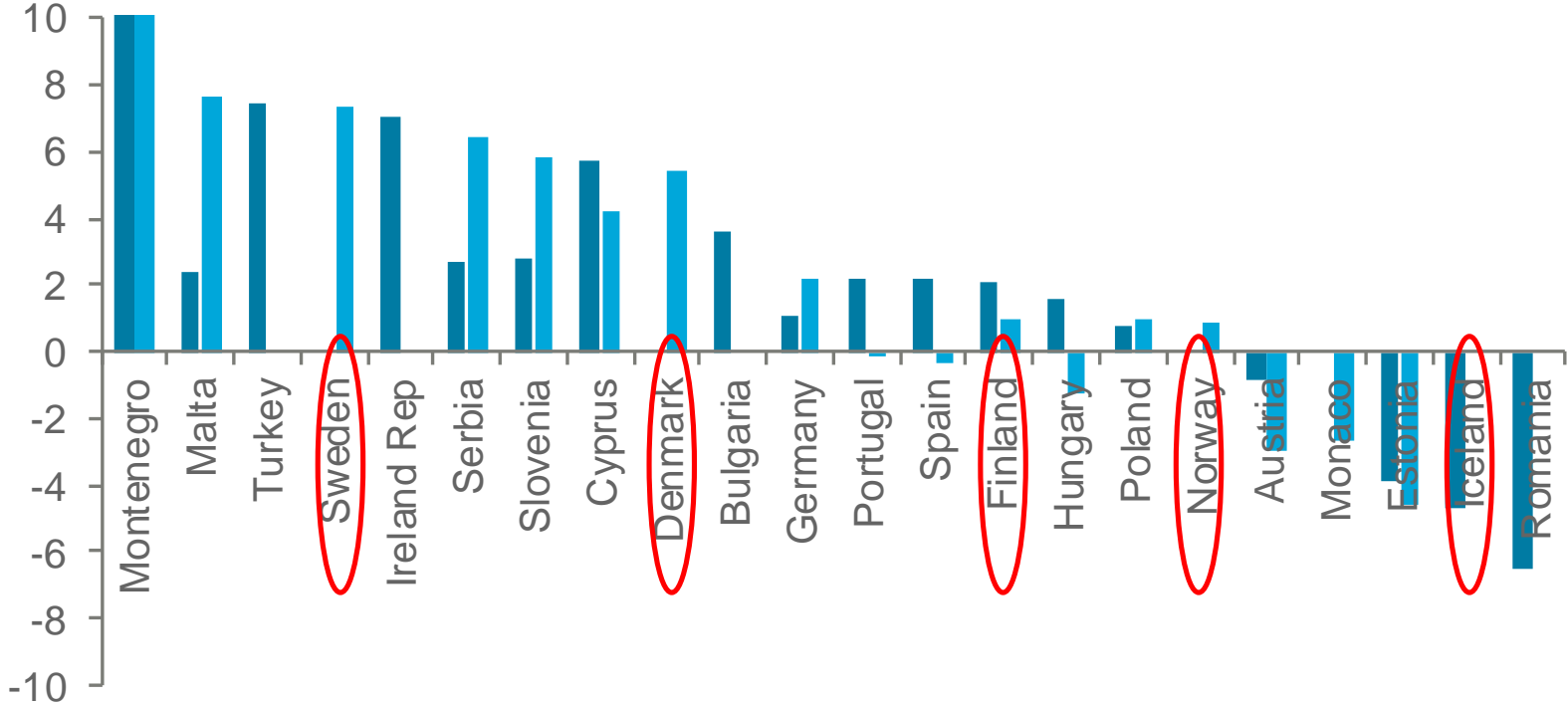


Source: TourMIS *date varies (Jan-Dec) by destination

Growth continuing in early 2019 data

Foreign visits and overnights to select destinations

2019 year-to-date*, % change year ago

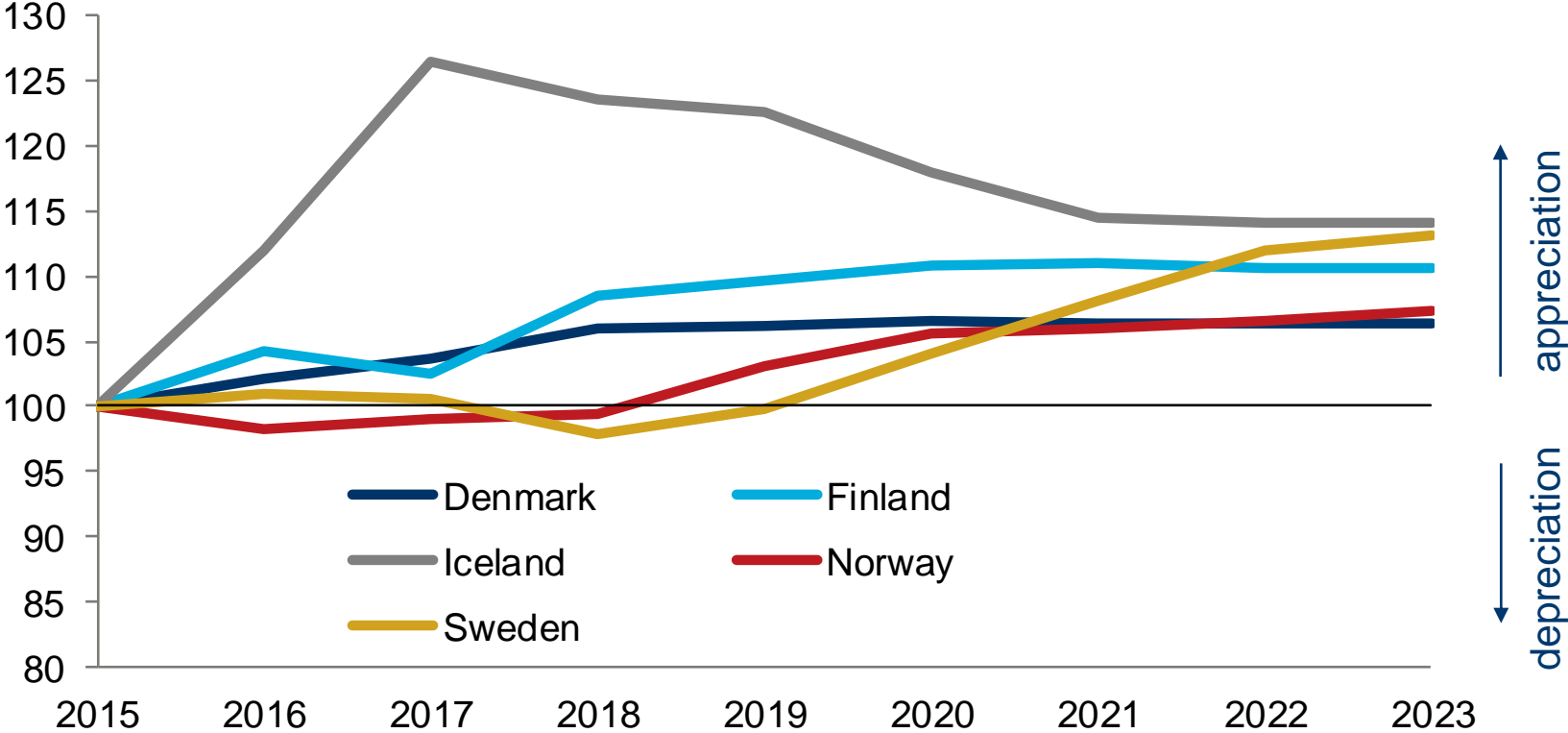


Source: TourMIS *date varies (Jan-Mar) by destination

Exchange rates competitive boost for Sweden

Nordic Exchange Rates

Index: weighted average rates, 2015=100,

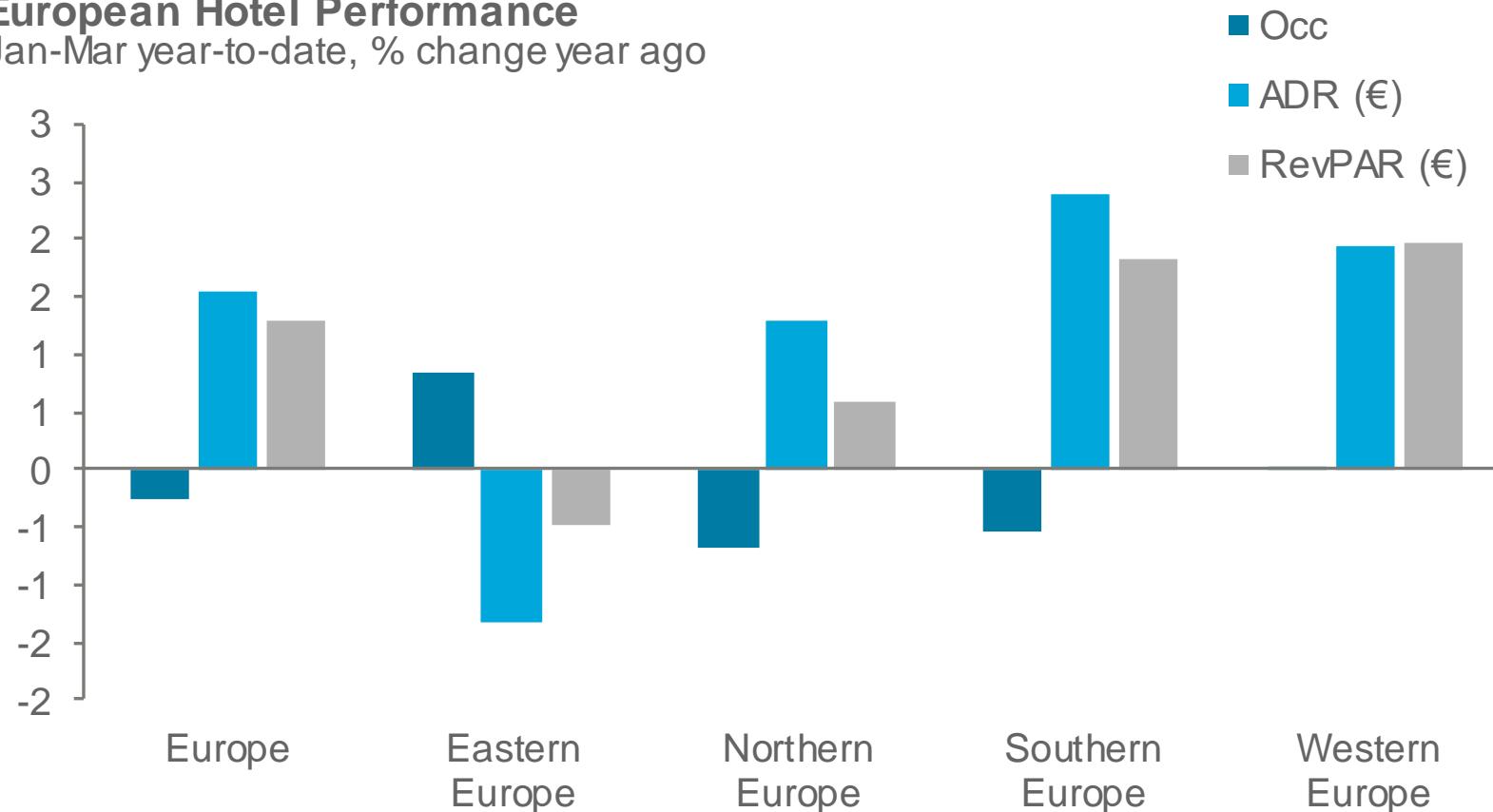


Source: Tourism Economics

Hotel capacity may limit occupancy growth

European Hotel Performance

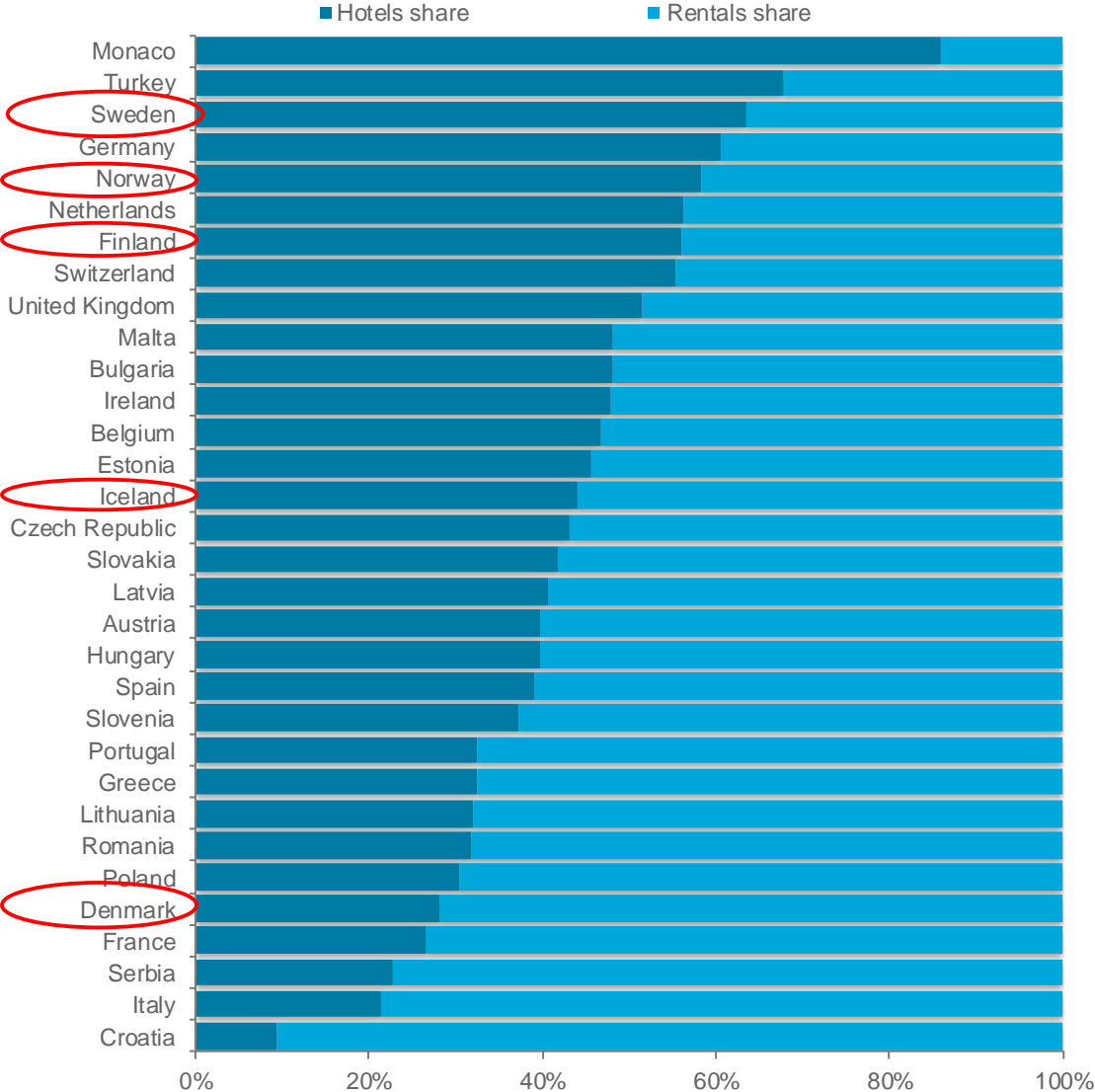
Jan-Mar year-to-date, % change year ago



Source: STR

Large proportion of capacity outside hotels in Denmark

Potential rental capacity compared with hotels capacity

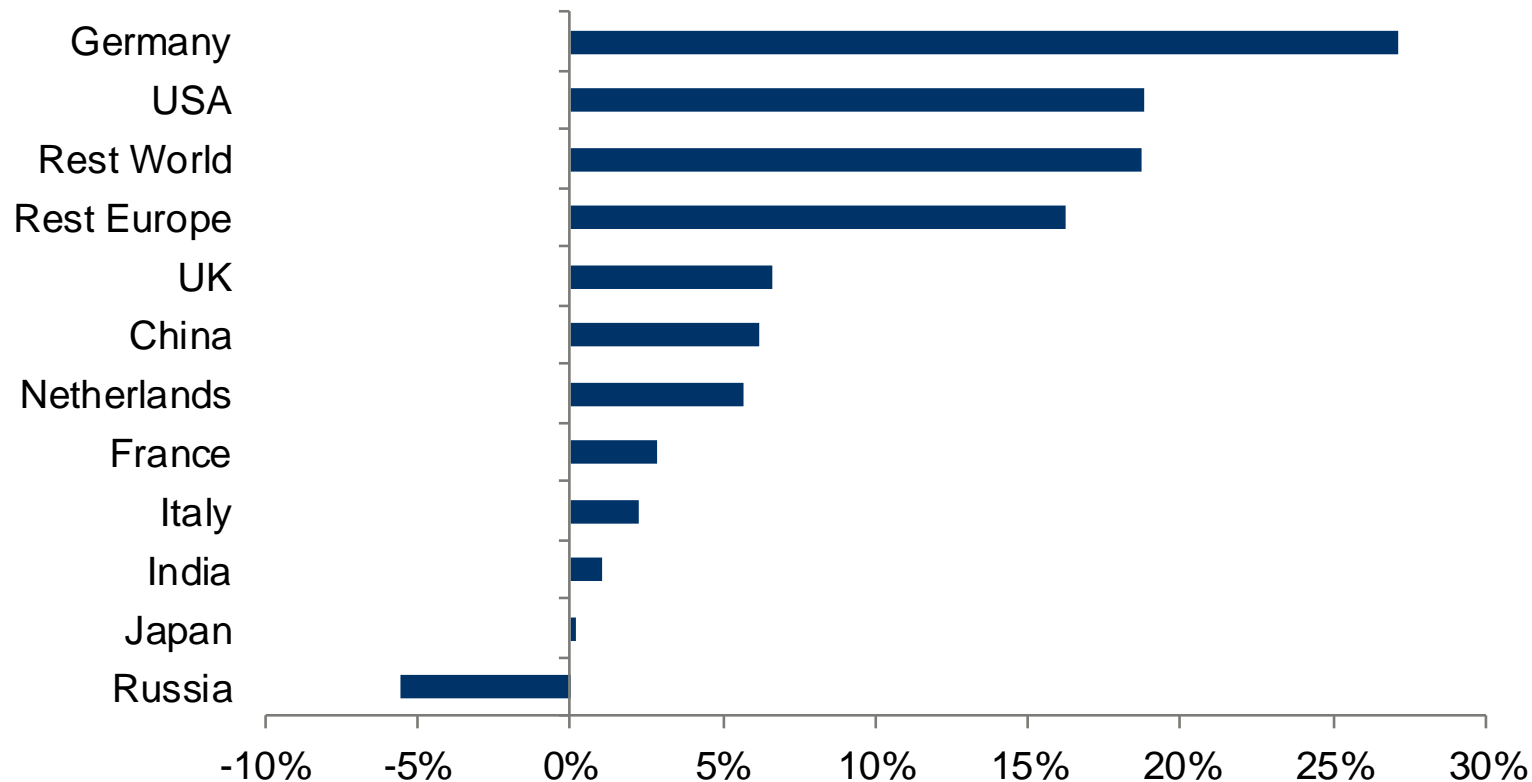


Source: Transparent, STR, Eurostat, ETC, Tourism Economics

Germany & US have been important markets

Contribution to Nordic inbound growth by major source market

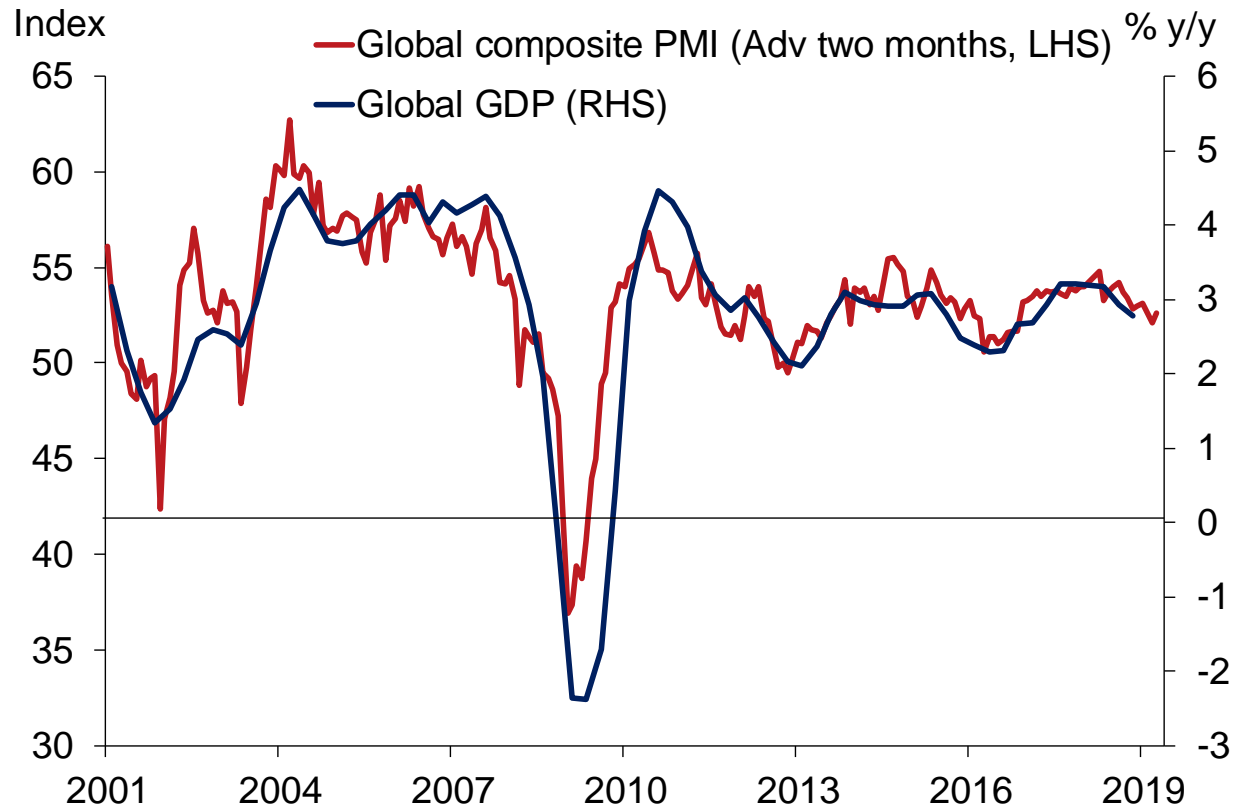
% share overnights growth 2013-18



Source: Tourism Economics

Global economic growth is cooling

World: GDP & PMI

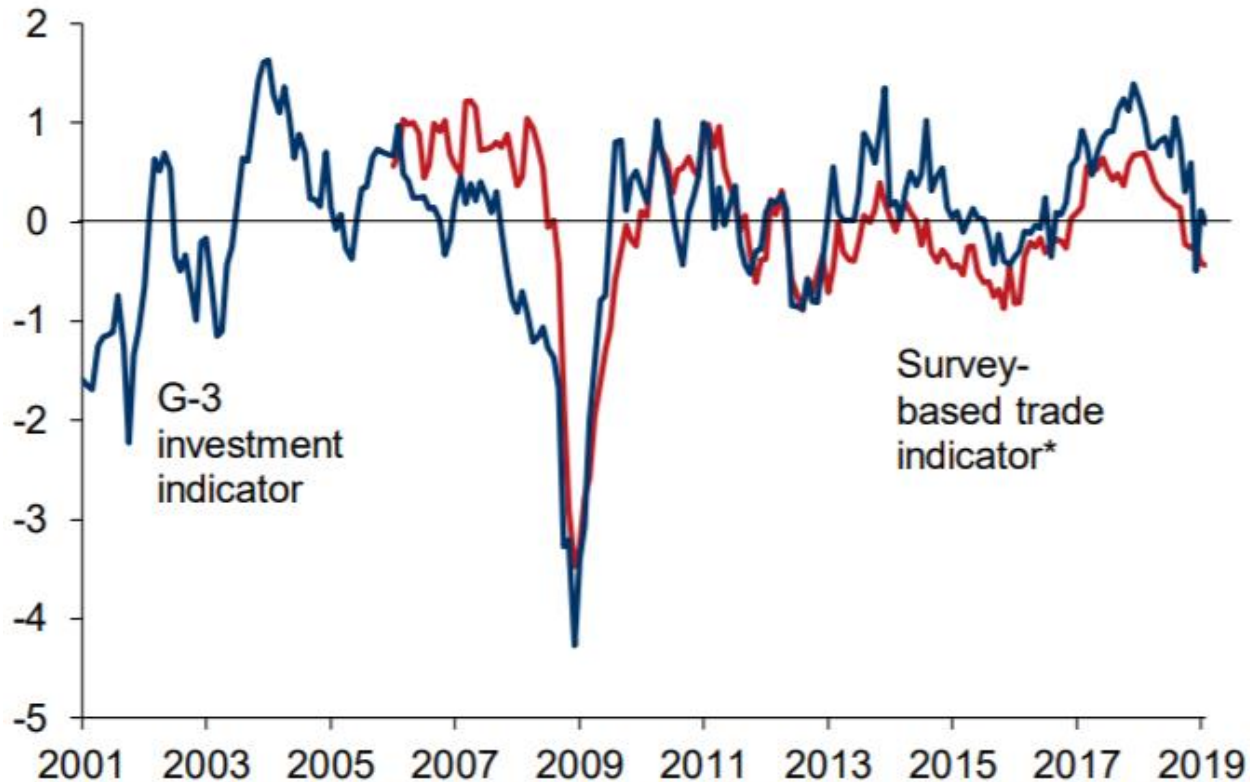


Source : Oxford Economics/Haver Analytics/Markit

Trade and investment are slowing significantly

World: Investment and trade

Standardised values

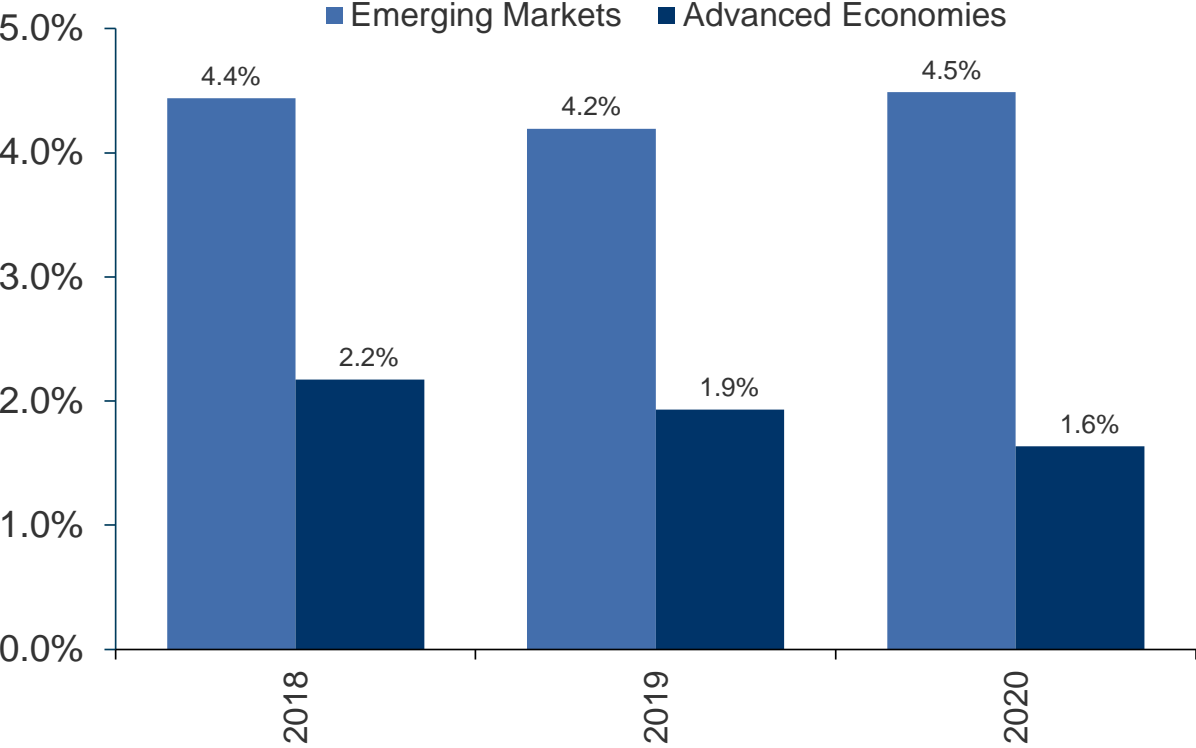


Source : Oxford Economics/Haver Analytics * Based on surveys from US, UK, Germany, France, Korea & China

Developed economy slowdown

World GDP

% change

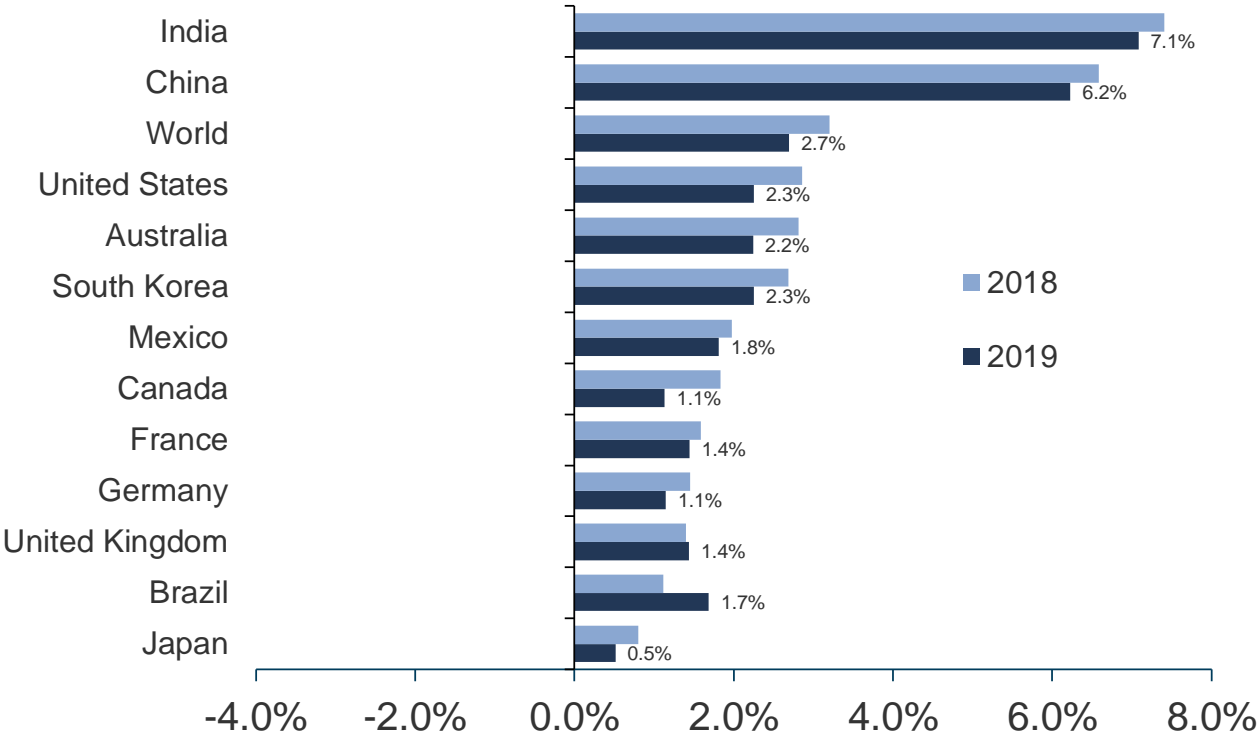


Source: Oxford Economics

Evident across a range of markets

World GDP by major market

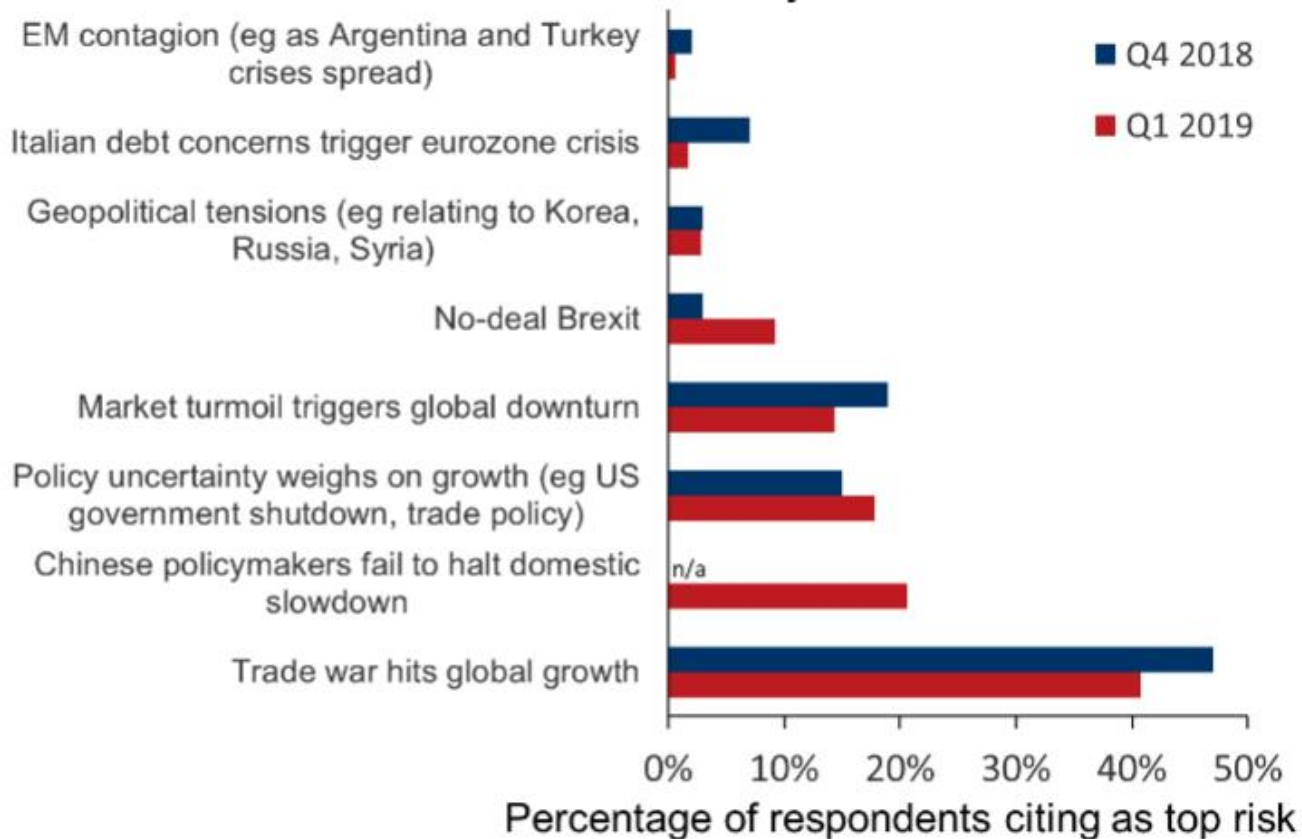
% change



Source: Oxford Economics

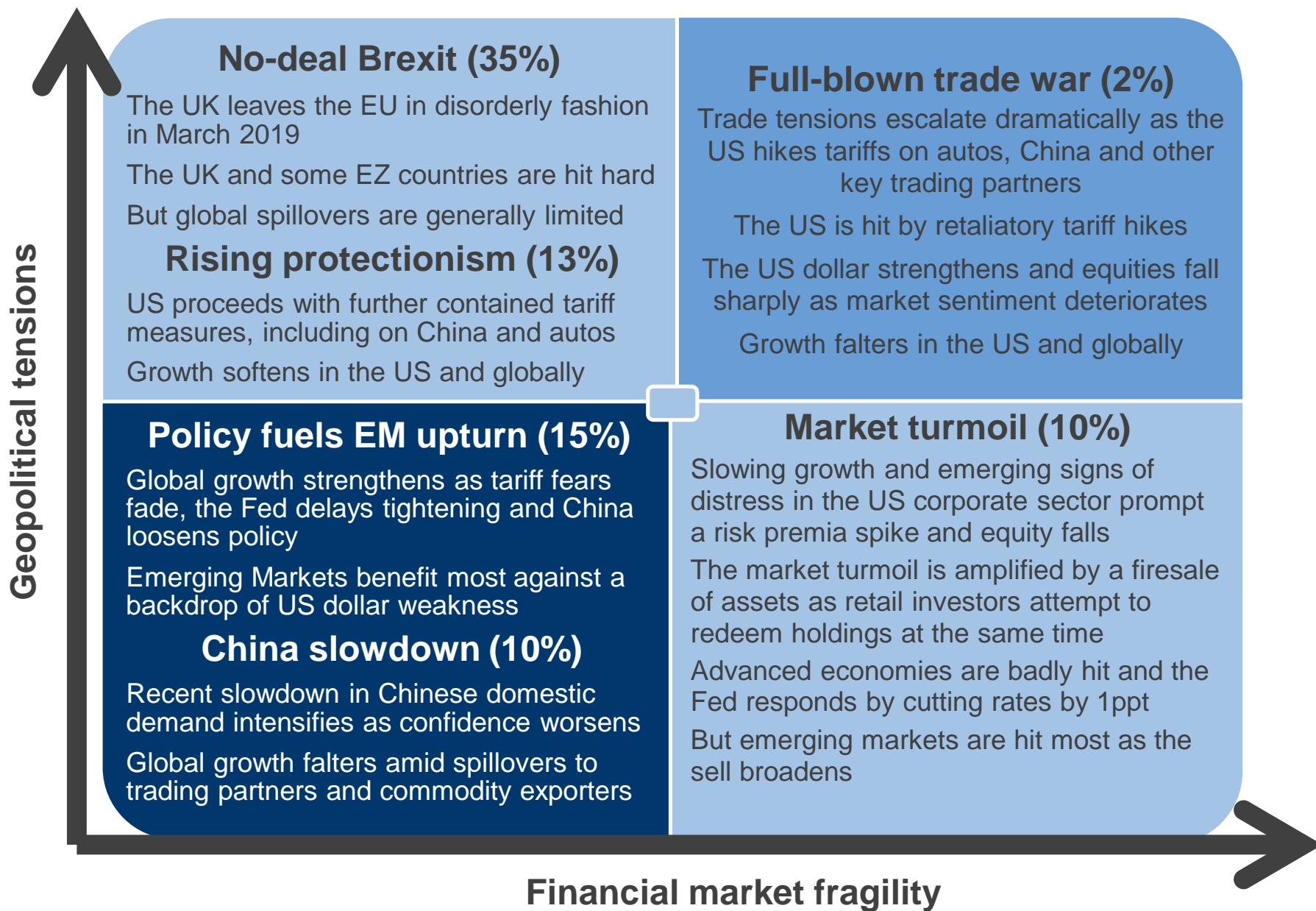
Trade war seen as #1 risk followed by China

What do you see as the top 3 downside global economic risks over the next two years?



Source : *Oxford Economics Global Risk Survey*

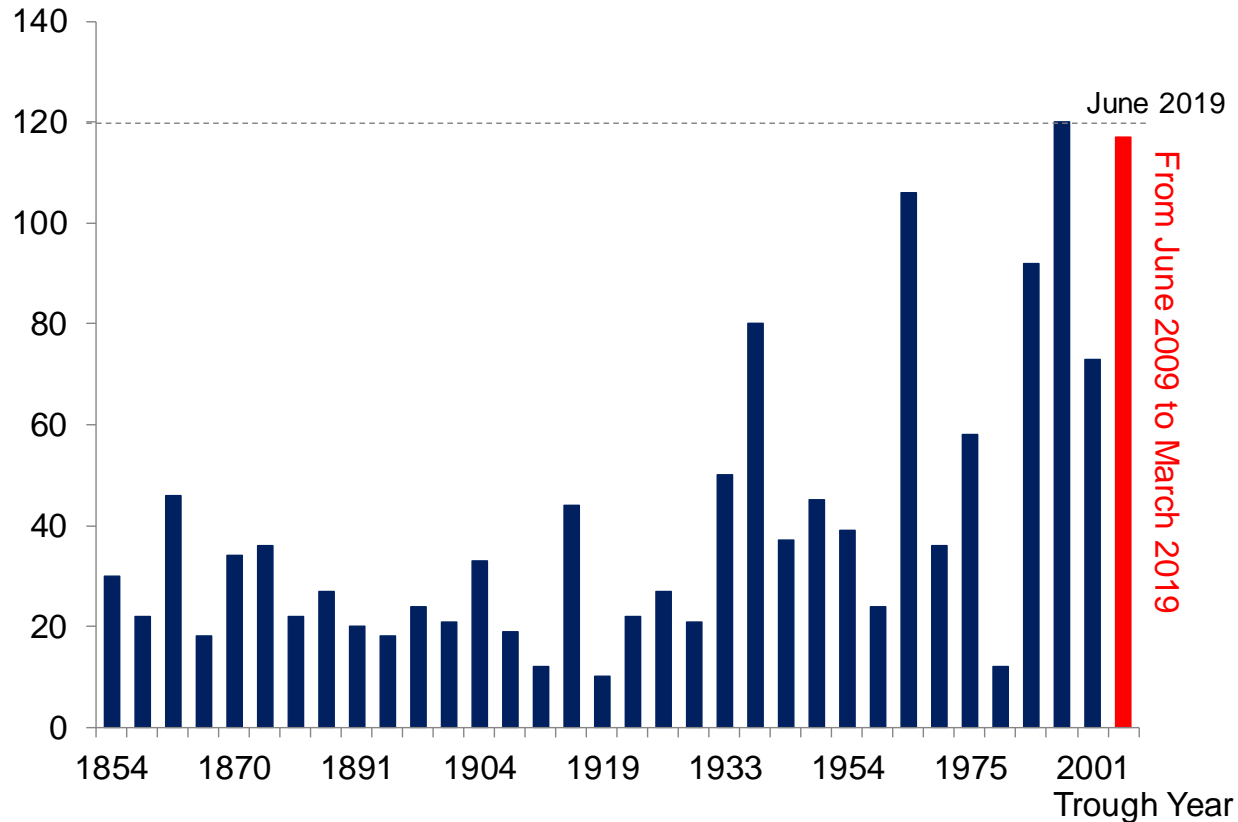
Macroeconomic risks are skewed to the downside



... but is a recession overdue?

US: Economic expansion reaching for new highs

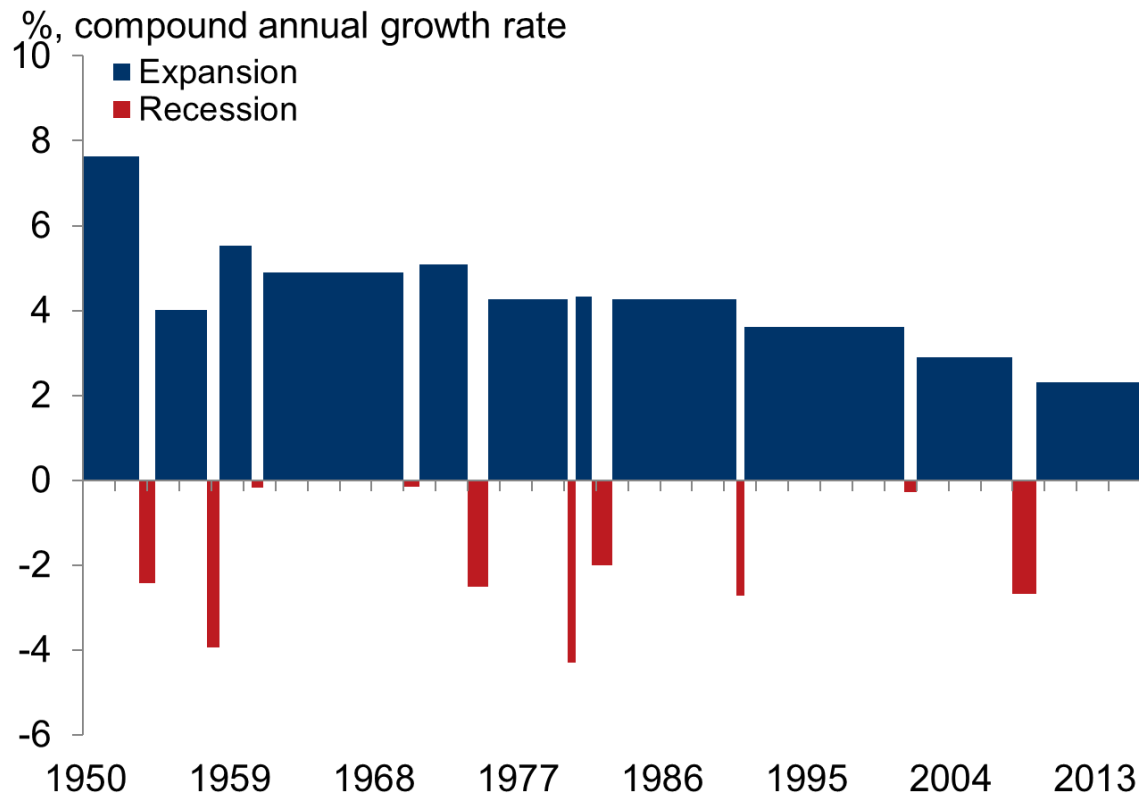
Number of months, Trough to Peak



Source : Oxford Economics, NBER

No! Expansions are the norm, not the exception...

US: Expansions and Recessions

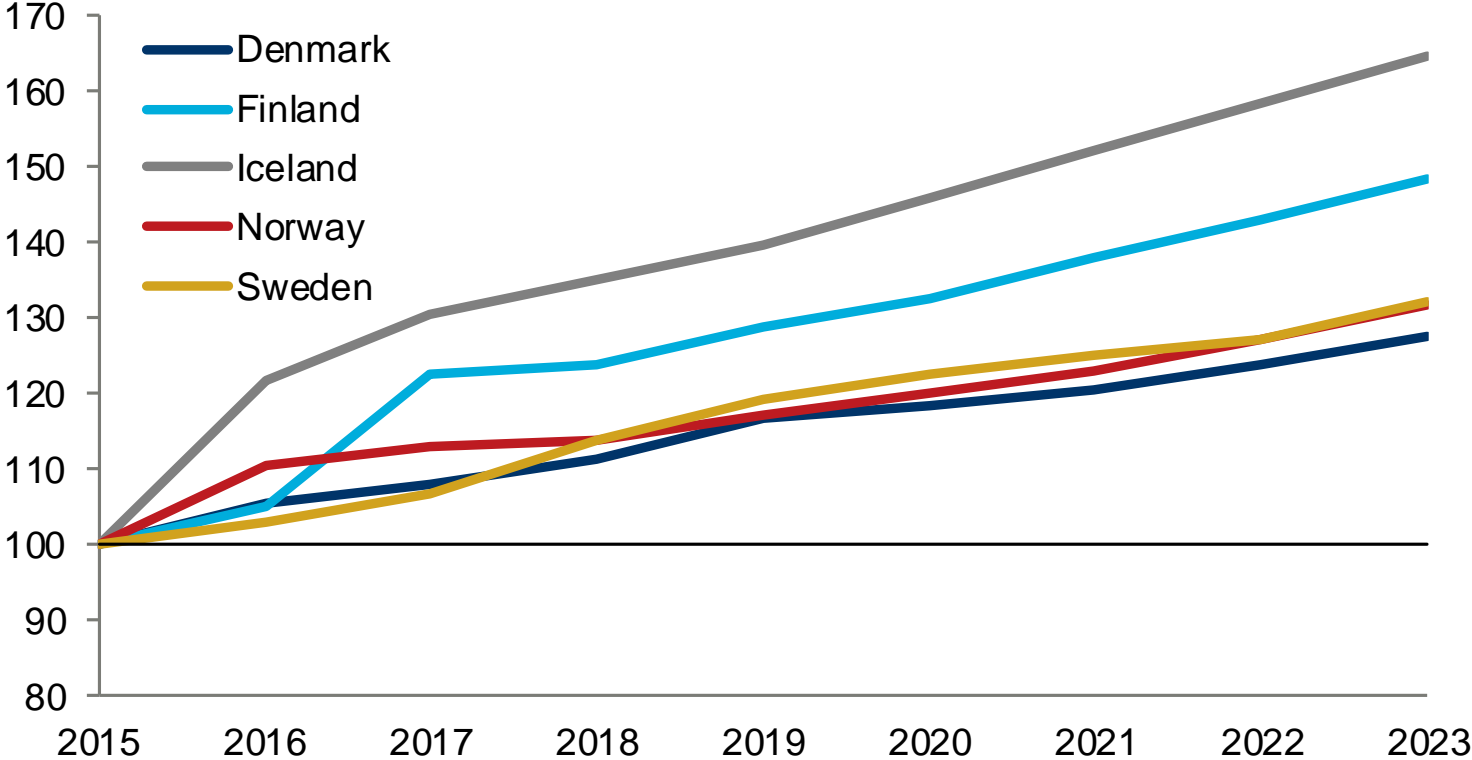


Source : Oxford Economics/Haver Analytics

Nordic travel demand to slow but not fall

Nordic Foreign Overnights

Index: 2015=100,

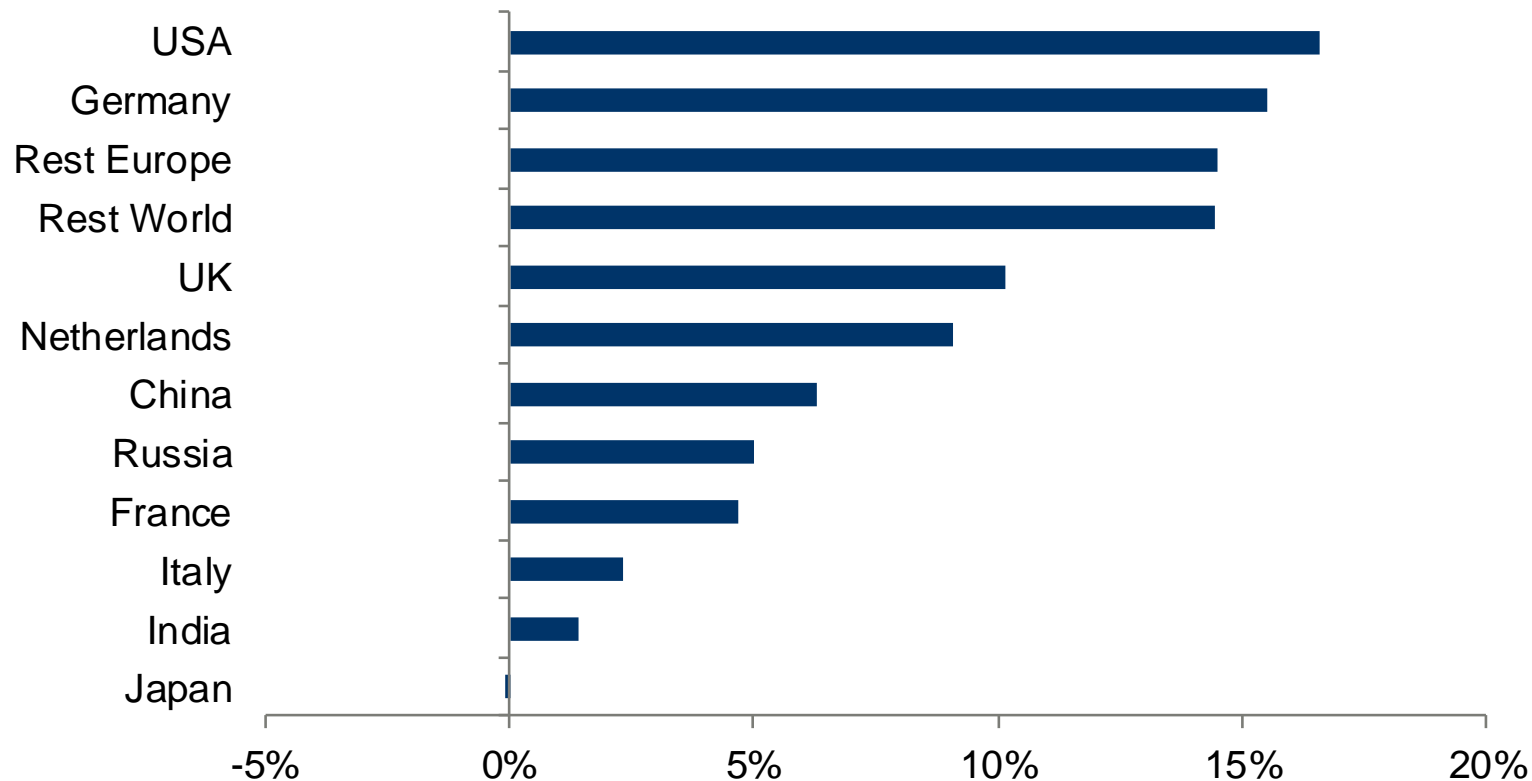


Source: Tourism Economics

US and short-haul markets will remain important

Contribution to Nordic inbound growth by major source market

% share overnights growth 2018-21

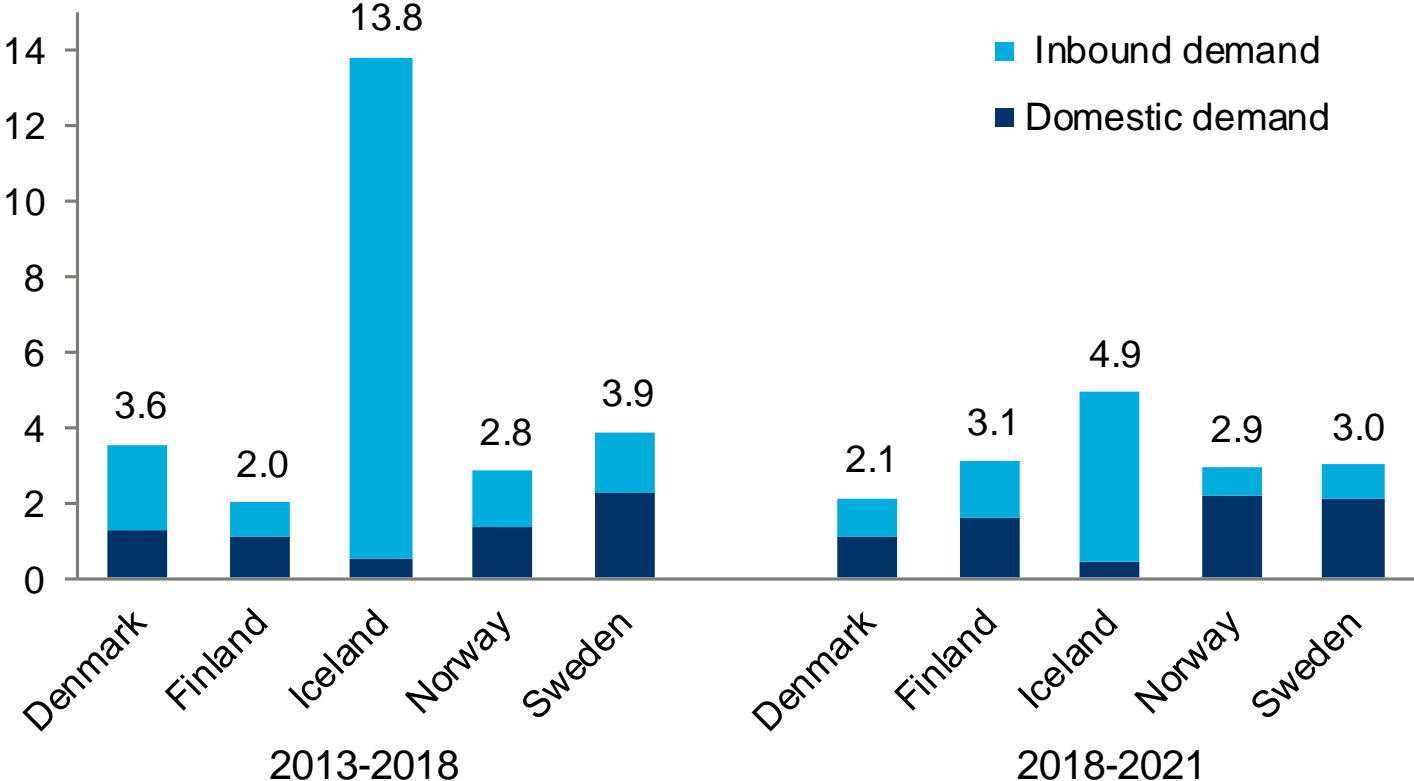


Source: Tourism Economics

But slower inbound to affect overall demand

Overnights growth contributions

% growth in overnights, CAGR



Source: Tourism Economics

Conclusions

- Global economic and travel growth is slowing, but not falling
- Developed market slowdown is more marked, with risks to downside, especially in 2020
- Destination performance varies according to source markets, competitiveness and capacity
- International travel to Nordic destinations to slow, affecting total performance as domestic remains stable

THANK YOU.
QUESTIONS?

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