



**MEDIA RELEASE**

15 Jan, 2020

**ASSOCIATION OF FINNISH TRAVEL INDUSTRY**

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## Travel agencies sell slightly more in 2019 **Travel agency sales unchanged despite climate concerns and unstable world politics**

Travel sales in 2019 remained in an upward trend, though a far smaller uptick was seen than a year previously. Travel trade operating environments were affected by shifts in the global economy, threats of trade war, and other political strains. These along with the crisis of climate change has caused customers and companies alike to become more aware of the choices and policies they make. Business trips and leisure travel levels remained at the same level as one year previously, but it is now the eleventh hour for travel companies to understand and cater to customers with higher demands and greater climate awareness than before.

According to preliminary data gathered by the Association of Finnish Travel Industry (SMAL) mainly from its member companies, the travel industry's full turnover for 2019 (not including repeat sales) was approximately 2.038 billion euros. In 2018 the corresponding figure was 2.022 billion euros, representing a 0.8 percent increase.

Corporate business travel sales along with event, meeting, and group sales totaled at some 689.4 million euros, showing a 1.8 percent rise from last year. Event, meeting, and group sales rose in particular.

Our statistics on air-based package holidays are based largely on calculated serial tour operator production. The figures include packages tailored for customers by tour operators or by customers themselves using the tour operator's website. Travel package sales left out of these statistics for air-based packages have been incorporated into the "other" travel agency sales numbers mentioned later.

Sales for agencies included in air-based package statistics of SMAL for 2019 remained at the previous year's levels. The total number of sold trips was nearly 882,000, an increase of only about 1 percent from 2018. The turnover for these companies totaled at 755.6 million euros, which is a decrease of some 3 percent from last year.

Travel continues to be one of the biggest categories in all online sales. 79.3 percent of air-based package holidays were sold on the internet. Online sales saw over 4 percent growth from last year's figure. Business travel accounted for some 47 percent of online sales in euros, completely unchanged from 2018.

No definitive data on the value or distribution of other assorted travel agency sales is available. SMAL has gathered a broad range of preliminary data from its membership. The statistics include bus and/or cruise packages as well as separately purchased travel services designed around special themes. Other travel agency sales also include the so-called incoming travel service; meaning travel organized in Finland or nearby regions and which have been sold to international travelers either directly or through a third party.



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Calculating the value of other travel agency sales has become challenging, due mostly to the fact that large, internationally owned online travel agents are no longer physically present in the Finnish market nor under the SMAL umbrella. The estimate for 2019's total other travel agency sales in euros, based on the information available, is 593 million euros, an increase of 4.8 percent from the previous year.

### **Domestic and international scheduled flights sold by agencies**

The gross value of agency-sold domestic and international IATA tickets in 2019 (including taxes and similar payments as well as additional fuel costs) was about 1.059 billion euros. The number dipped by 8.3 percent from 2018. A major cause for the decrease is the variety of business models used by travel agencies in the international market. The cumulative average price of an IATA airline ticket was about 375 euros. Prices increased last year by some 19 percent.

Credit card sales including company travel accounts accounted for 61 percent of domestic and international IATA ticket sales, an increase of 5.1 percent on the previous year. The many dozens of airline bankruptcies in recent years are likely one reason for the subjective rise in credit card sales. Airline passengers do not yet enjoy the same economic safeguards as package travel customers do under the EU laws. Credit card payments are now considered to provide the only security for money used to pay for airline tickets.

#### **Additional information:**

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