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Strong economy spurred travel agent sales to rise in 2018

Travel industry sales continued to grow in 2018, as they did the previous year. Finland's strong economy led to a high volume of business trips and enticed people to leisure travel domestically and locally as well as abroad. Political unrest in many destination countries negatively affected sales growth for several years previously. As conflicts have simmered down in some regions in 2018, the travel industry last year responded with a rise in sales.

According to preliminary data gathered by the Association of Finnish Travel Agents (AFTA) mainly from its member companies, the travel industry's full turnover for 2018 (not including repeat sales) was approximately 2.022 billion euros. In 2017 the corresponding figure was 1.938 billion euros, representing a 4.3 percent increase. Sales of business trips and serial flight-based travel packages grew considerably. The clearest gains were made in the sale of leisure travel packages.

Corporate business trip sales along with event, meeting, and group sales totaled at some 677.5 million euros, showing a 3.4 percent rise from last year. Event, meeting, and group sales rose in particular.

Our statistics on package holiday flights are based largely on calculated serial travel agency production. The figures include packages tailored for customers by travel agents or by themselves using the agency's website. After the travel package law change of July, 2018 an increasing number of trips have been package deals. It bears mentioning for the sake of the total volume of travel package sales that travel package sales left out of the statistics for air-based packages have been incorporated into the later mentioned other travel agency sales numbers.

Sales for agencies included in AFTA's air-based package statistics grew especially fast in 2018. The total number of sold trips was over 876,000, an increase of 11.8 percent from 2017. The turnover for these companies totaled at 778.5 million euros, which is an increase of 7.6 from last year.

Travel is one of the biggest categories in all online sales. 76.7 percent of air travel packages were sold on the internet. Online sales saw a small uptick from last year's 75 percent. Business trips accounted for 46.7 percent of online sales in euros.

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No definitive data on the value or distribution of other assorted travel agency sales is available. AFTA has nonetheless 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 trip service; meaning trips organized in Finland or nearby regions and which have been sold to foreign tourists either directly or through a third party.

However, calculating the value of other travel agency sales has become challenging in recent years, due mostly to the fact that large, internationally owned online travel agents are no longer physically present in the Finnish market nor under the AFTA umbrella. The estimate for 2018's total other travel agency sales in euros, based on the information available, is 566 million euros, a just over one percent increase.

Domestic and international scheduled flights sold by agencies

The gross value of agency-sold domestic and international IATA tickets in 2018 (including taxes and similar payments as well as additional fuel costs) was about 1.155 billion euros. The number dipped by 6.3 percent from 2017. A total of 3,676,676 tickets were sold, which is 3 percent less than the year before. The cumulative average price of an IATA airline ticket was about 314 euros. Prices fell last year by 3.4 percent.

Credit card sales including company travel accounts accounted for well over half of domestic and international IATA ticket sales. Following last year's dip, the share of credit card sales grew from 50.1 percent to 55.9 percent in 2018.

Additional information:

CEO Heli Mäki-Fränti, AFTA, tel. 040 575 1303