

Hiccoughs in the economic sector and explosions around the world whilst asylum seekers populate Europe

Despite difficulties, the Finnish travel agency industry manages to match the previous year's pace in 2015

The ongoing economical strife in Finland has refused to desist in 2015. Political unrest, terrorist strikes and epidemics of disease around the world remained top headlines throughout the year.

Many travel agencies had done their best to prepare for the upcoming year, which was foreseen to be a challenging one, and for example tour operators had toned down their selection and supply to match a lower-than-normal demand from the consumers. Taking this into account, travel agency sales for the year 2015 accomplished better than expected. Business travel sales and sales other than serial-based package holidays grew significantly from the previous year.

According to the preliminary information gathered by the Association of Finnish Travel Agents (SMAL / AFTA) the total sales without taking into account the industry's internal recurring sales totaled at about 1919.9 million euros in the year 2015. In the year 2014 the corresponding number was 1918.3 million euros, meaning that there has been some growth. A year before the drop in sales stood at 5.4 per cent.

Business sales conducted to companies and communities totaled at 667.6 million euros, which comes to a raise of about 2.8 per cent when comparing to the previous year. The market grew despite the further drop on the median price of travel services, especially air travel. Most of the businesses in the sector reported growth in business travel transactions, meaning reservations related to business travel, and an increase in the sales of conferences, events and group travel. The downward tone of the economy of Finland, which sparked uneasiness early in the year, did not show in the needs for travel of Finnish companies or in the development of business travel sales.

The new package travel legislation will significantly affect the development and sales of package holidays, due to the new EU directive in package travel that was approved at the end of 2015. Package holidays have constantly changed to suit the needs of consumers throughout the years and nowadays more and more specifically tailored packages are sold through the internet either by travel agencies or by travel service providers. Some of these trips already pass the requirements set by the Package travel act, some do not. It is clear that the new legislation, coming into effect in 2018, will increase the amount of travel pertaining to this sphere.

Our statistics concerning package holidays done by airplane are largely based on tour operators' serial production, where it is more and more clearly seen that all operators cannot separate their package travel sales from the overall sales of the company. It is important, when talking about the total volume of package travel sales, to take into account that the sales of these package holidays are accounted in the other travel agency sales bracket.

From those tour operators that were accounted for in the statistics, in the year 2015 the number totaled at about 754.700 trips. This is about 14 per cent less than in the year 2014. In serial-based package holidays it was clearly seen that the supply was toned down to match a lower demand due to the upcoming challenging Finnish economic forecast. The total sales of the companies that were accounted for in this statistic, totaling at 670.1 million euros, dropped by only about 9 per cent when comparing to the previous year, meaning that the profitability of the companies grew.

Travel is by far the biggest product group in online sales. Out of all travel trips made via airplane, 69 per cent were sold online in the year 2015, when in the year 2014 the corresponding number was 70 per cent. The amount of sales online turned into a decline for the first time ever since travel sales online kicked off. This is an indicator that the amount of package travel holidays sold online is now at its zenith or is reaching it shortly. The sales of business travel trips online amounted in euro values to about 40 per cent of all online sales in the travel sector. Counting from business travel sales transactions, meaning reservations, this number amounts close to 50 per cent.

There is no exact information on the worth or breakdown of other travel agency sales. Despite that, SMAL / AFTA has gathered a lot of preliminary information from its membership base, and according to that information, other travel agency sales have grown from the previous year. The euro-based estimate for other travel agency sales was in the year 2015 about 582.2 million euros, totaling to almost 9.2 per cent in growth when comparing to the previous year. In addition to bus and/or ship package sales and packages built around special themes this number withholds a considerable amount of travel services purchased separately. When taking into account the drop in median price for travel services, the considerable growth in the sector of other travel agency sales is a positive sign of the allure of travel even during economically unsound times. The total for other travel agency sales also accounts for the so-called incoming travel sales, meaning trips in Finland or its neighboring areas, compiled by Finnish tour operators, that have been sold straight or through another tour operator to foreign travelers.

International and domestic scheduled flights sold by travel agents

The gross value of international and domestic IATA tickets sold by travel agents (including taxes and other similar charges as well as fuel surcharges) was 978 million euros in 2015. The value of ticket sales increased by 6.2 percent compared to the year 2014. The number of tickets totalled at 2.842.352 which was 7.4 per cent more than in the previous year. The average fare of accounted IATA tickets was 344 euros which was 4 euros less than the year before.

Credit card sales of international and domestic IATA tickets (including corporate travel accounts) have grown over the past few years. Last year, the portion of credit card sales was 53.1 percent. The figure was 50.7 percent in 2014.

Further information:

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