



Travel agency sales continue strong growth in 2023 - Leisure travel in particular on the rise

The year 2023 confirmed the growth in travel agency sales that had already started in spring 2022. Although numerous political and economic challenges overshadowed consumer and business confidence in the economy and faith in the future, these threats were not significantly reflected in international travel in Finland. In particular, leisure travel attracted Finns back to the world. Work-related travel, as well as travel to Finland from abroad, was also on an upward curve. The supply of travel services and accessibility of destinations are not yet at the pre-pandemic level, which has an impact on the recovery in travel.

According to preliminary data collected by the Association of Finnish Travel Industry (SMAL), mainly from its member companies, total travel agency sales excluding intra-sectoral recurring sales were around EUR 1 802.6 million in 2023. In 2022, the figure was around €1 300.1 million, and before the pandemic in 2019, total sales in the sector were around €2 038 million, which means that total sales in the travel agency sector in 2023 increased by around 38.7 % compared to the previous year. Total sales in 2019 were only 11.6 % behind. With the majority of travel agents having been virtually at a standstill during the worst years of Covid-19 pandemic, the level of recovery achieved by the industry in 2023 can be quite satisfactory.

Leisure travel as a driver of growth

Business travel sales to companies and communities, as well as sales of events, meetings and groups, amounted to EUR 565.7 million, an increase of 37.8 % compared to the previous year's sales of business travel. Business travel has been the tourism sector that has been the slowest to recover since the pandemic. There has been much speculation as to whether business and other work-related travel will return to pre-pandemic levels. Compared to the same sales in 2019, the backlog was 17.9 %.

The statistics on air-based package holidays are largely based on pre-planned serial production by tour operators. The statistics also include travel packages tailored by the tour operator according to the customer's wishes or put together by the traveler himself using the operator's website. Sales of package tours which are not included in the statistics for air-based packages are included in other travel agency sales, which are mentioned later.

Package sales of tour operators included in SMAL's statistics on air-based package holidays continued the growth that started in spring 2022. The number of leisure trips sold was over 676,000, an increase of 30.5 % compared to the previous year. Compared to 2019, the number of trips was down by around 23 %. The turnover of package tour operators included in these statistics was €687.6 million. Compared to the previous year, turnover increased by 38.8 %. Compared to 2019, turnover in euros was only 9.1 % down.



Travel services sales, domestic travel and travel to the neighboring countries supported growth; travel to Finland driven by Lapland

No precise information is available on the value or distribution of other travel agency sales. Over the years, SMAL has collected extensive data from its members on the sales of different types of travel agents. In addition to bus and/or cruise packages and packages built around specific themes, this includes separately purchased travel services. Other travel agency sales also include air-based packages sold to domestic destinations and incoming sales, i.e. trips put together by Finnish travel agents in Finland or its neighboring areas and sold directly or through another tour operator to foreign tourists.

Estimating the value of other travel agency sales is challenging even under normal circumstances, due to the fact that, among other things, the large international online travel agencies are no longer physically present on the Finnish market and most of them are no longer under the SMAL umbrella. Based on the available data, the estimated value in euro of other travel agency sales in 2023 compared to the previous year increased at almost the same rate as business travel and air-based travel packages. The estimated value of other travel agency sales in 2023 was around €550 million, an increase of 39.2 % compared to 2022. Sales in this sector were only 7.3 % below the 2019 level. Sales were strong for both domestic and international leisure travel, such as ferry-bus tours, and individual travel services. Travel to Finland was very Lapland-driven and, with the exception of Lapland, did not yet reach the level of 2019 for the country as a whole.

International and domestic scheduled flights sold by travel agents

In November 2023, according to statistics from the International Air Transport Association (IATA), the sales of air tickets at global level had reached 99 % compared to the corresponding numbers in 2019. The gross value of domestic and international IATA air tickets (including taxes and parafiscal charges) sold through travel agents in Finland in 2023 was EUR 701.3 million, an increase of 21.8 % compared to 2022. However, the decrease compared to 2019 was still 33.8 %. Although there was an increase in air ticket sales by travel agents, Finland's BSP sales in 2023 were still the weakest in Europe after Russia and Ukraine. This weak air ticket sales performance was explained by the Russian overflight ban and the slow recovery of tourism in the major Asian markets of China and Japan after the Covid-19 pandemic.

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