



## **Travel agency sales to grow strongly in 2022** **- Still some way to go to reach pre-pandemic levels**

After two challenging years, international travel finally started to pick up in 2022. Restrictions on travel and gatherings related to the Covid-19 pandemic still prevented many travel businesses from starting up in the first months of the year. Travel agents, tour operators, transport and accommodation companies, currency exchange companies, travel guides and many others, particularly those involved in and dependent on international travel, had expected extensive vaccination programmes and other health security measures to allow travel to start as early as the end of 2021, but the start of the recovery was delayed until April-May 2022. Some companies were able to launch their operations during the spring and summer, but many did not see the real start of operations until early autumn. Since then, growth has been strong. However, the months lost in the early part of the year inevitably had a negative impact on the year as a whole.

According to preliminary data collected by the Association of Finnish Travel Industry (SMAL), mainly from its member companies, total sales in the travel agency sector, excluding intra-sectoral recurring sales, were around EUR 1 300.1 million in 2022. In 2021, the figure was around EUR 307.4 million, and before the pandemic in 2019, total sales in the sector were around EUR 2 038 million, meaning that total sales in the travel agency sector in 2022 increased by almost 323% compared to the previous year, but remained just over 36% below the 2019 total.

### **Business and leisure travel recovered at the same pace**

The value of business travel sales to companies and corporations, as well as sales of events, meetings and group travel, was approximately EUR 410.4 million, an increase of 263% compared to the previous year's sales of business travel. Compared to the same period in 2019, the drop was still 40%.

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

Package tour sales by tour operators included in SMAL's statistics on flight-based package holidays showed a clear upturn after two years of slump. The number of leisure trips sold was just over 518 000, an increase of a whopping 344% on the previous year. However, when compared to 2019, the number of passengers was still down 41%. The turnover of package tour operators included in these statistics was EUR 494.7 million. Compared to the previous year, turnover increased by 374%. Compared to 2019, turnover in euros was also still down by 34.5%.

### **Domestic and maritime travel drive growth; recovery in inbound travel to Finland slower**

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 ferry packages and packages built around specific themes, this includes separately purchased travel services. Other travel agency sales also include flight-based



packages sold to domestic destinations and incoming sales, i.e. tours put together by Finnish travel agents in Finland or its neighbouring areas and sold directly or through another tour operator to international 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 in the Finnish market and most of them are no longer under the SMAL umbrella. Based on the available data, the estimate of the value of other travel agency sales in euro followed the same trends as for business travel and flight-based package sales. The estimated value of other travel agency sales in 2022 was around EUR 395 million, an increase of just over 339% compared to 2021. Sales in this sector also missed the 2019 level by around 33%. The recovery in this sector was driven by coach and maritime travel and domestic travel, which performed relatively well throughout the pandemic. With the exception of Lapland, travel to Finland was still lagging behind the pre-pandemic period.

### **International and domestic scheduled flights sold by travel agents**

The gross value of domestic and international IATA tickets (including taxes and other charges) sold through travel agents in 2022 was EUR 575.9 million, an increase of 264.6% compared to 2021. However, the drop compared to 2019 was still 45.6%.

The combined BSP air ticket sales of European countries increased by more than 150% in 2022 compared to 2021 and by almost 280% compared to 2020. However, compared to the pre-pandemic period in 2019, Europe's combined BSP ticket sales were 27% behind. In addition to Finland, the overall figures were dragged down by Sweden -36.9%, the Netherlands -36.7% and Germany -34.5%. In a few markets, such as Greece +23.5%, Iceland +16.6%, Georgia +14.1%, Latvia +12.9% and Cyprus +8.7%, BSP sales levels were already well above 2019 levels.

#### **More information:**

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