Insights from the Nordics

Please note that this is a **sample report from January 2025** and not something we usually make accessible to the public. This report aims to provide you with a comprehensive overview of the current state of the travel industry.

The **Travel Trade update** provides an overview of the trade landscape and provide insights from our vast network of partners in the Nordic travel trade industry.

In the **Industry news and trends** section, we delve into the latest developments and emerging trends that are shaping the travel landscape. From technological advancements to shifts in consumer behaviour, we cover the key factors influencing the industry today.

Our **Airline news** segment highlights significant updates from major airlines, including new routes, fleet expansions, and strategic partnerships, all with a focus on the Nordics.

Finally, the **Economic outlook** section offers a brief analysis of the broader economic context. We encourage you to dive into our more comprehensive overview, which can be found on our website.

Travel Trade update

The Nordic tourism industry has kicked off the consumer show season with TravelXpo in Oslo, Norway (January 10-12). A day prior to the show, the Norwegian outbound travel industry gathered for a full workshop day at Norway's leading B2B event, Travel Match. The B2B workshop welcomed a record-high number of exhibitors from many different corners of the world, and – as always – the quality of attending buyers was very good.

The fruitful day ended with the annual Grand Travel Awards, a colourful event that honours the best of the industry, such as Related's clients Havila Kystruten, who won the award for Ferry company of the year with traffic in or to Norway, and Thailand that was chosen the best travel destination of the year.

In February, the second Travel News Market Denmark takes place in Copenhagen. The event has been sold out on the supplier side for some time already, confirming the great interest in the market and the steady growth in Danish outbound travels.

The general sentiment in the market remains positive:

1. The Norwegian and Swedish outbound travel is picking up after a slow start following the travel bans of the pandemic.
2. The Norwegian travellers are increasing their travel budgets
3. The Nordic economies are improving greatly, and strong growth is expected in 2025, positively influencing the Nordic travellers

Travel Trade update

Finnish growth is driven by leisure travel

As members of the Association of the Finnish Travel Industry, SMAL, we have received statistics and insights about Finnish outbound travels from the past year.

According to preliminary data collected by SMAL, mainly from its member companies, total travel agency sales excluding intra-sectoral recurring sales were around EUR 1 909.6 million in 2024 which is an increase by around 5.9 per cent compared to the previous year. Compared to total sales in 2019, the sector's sales in 2024 were only 6 per cent behind.

SMAL's statistics over air-based package holidays to foreign countries in 2024 (including tailor-made packages and long-haul cruises with/without flights) show that Greece is the main package tour destination for the Finns, followed by Spain.

An interesting observation of the same data collection is that the U.S. is only in the 4th place in the list over package tours to long-haul destinations, with Thailand, Cap Verde, and Mexico on the first three spots. 1,861 packages were sold to the U.S., the same number for Thailand was 23,842

However, with 107,000 Finnish arrivals to the U.S. (+4.8 per cent YOY) in 2024, and 87,000 arrivals to Thailand, USA remains the leading long-haul destination for Finnish travellers (leisure and business). From these numbers, we can draw the conclusion that the USA is primarily a destination for individual bookings and that most travellers book hotels, flights and rental cars separately, either directly with the suppliers or through various booking sites.

Upcoming events/fairs in 2025:

- 4 February — Travel News Market, Copenhagen, Denmark
- 17-18 February — ETOA Nordic, Copenhagen, Denmark
- 21-23 February — Ferie for alle, Herning, Denmark
- 1 March — Swansons US Show, Malmö, Sweden
- 4-6 March — ITB, Berlin, Germany

Industry news and trends

Eastern European destinations trend among Danes

According to Momondo, the top 10 most sought-after destinations by Danes continue to be dominated by classic favourites such as Malaga, London, Bangkok, Paris, and Barcelona. However, Danes are increasingly interested in exploring Eastern Europe, with less mainstream destinations seeing large increases in searches compared to last year. The destinations seeing the largest increase in interest are Kutaisi in Georgia (+245 per cent), Ajaccio in France (+233 per cent), Mostar in Bosnia-Herzegovina, and Ohrid in North Macedonia (+86 per cent).

2025 travel trend predictions by Apollo and TUI

Apollo and TUI, two major Danish travel agencies, share their predictions for key travel trends for 2025. Apollo notes **the increasing popularity of "destinations dupes" with travellers opting for lesser-known and more authentic alternatives**, for example Naxos instead of Mykonos. They also highlight active holidays and solo travel, which are particularly popular among women.

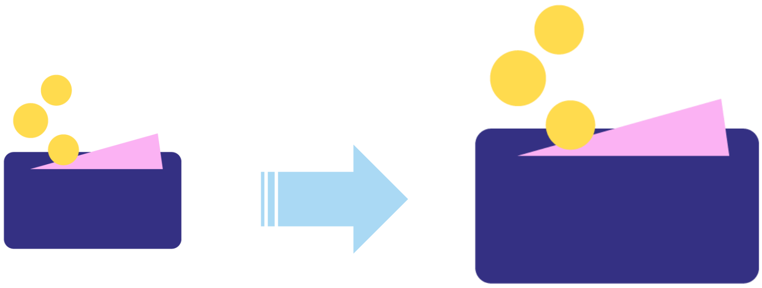
TUI emphasises an increasing demand for customisable trips and screen-free vacations, with travellers prioritising relaxation and cultural immersion. Generational travel and off-the-beaten-track exploration are also gaining traction among their customers.

Both agencies highlight concept hotels, sustainability and authenticity as key travel trends for 2025.

Industry news and trends

Norwegians are increasing their summer holiday budgets

According to Virke's annual *Reisepuls* report, more than 60 per cent of Norwegians are planning a summer holiday in 2025, with **households allocating an average of 53.150 NOK in 2025, up from 45.900 NOK in 2024**. This increase is driven by increased real wages, lowered inflation and anticipated cuts in the policy rate boosting household purchasing power and allowing for increased travel budgets.



Domestic holidays remain popular among Norwegians, with 63 per cent of summer travellers staying in Norway, and 51 per cent planning to go abroad. Those going abroad are favouring classic destinations like Spain, Greece, Sweden, Italy and Denmark. Key factors influencing their choice of destination include personal finances, trip costs and destination safety.

Danish skiers are changing their booking patterns due to snow insecurity

A recent survey conducted by Epinion for SkiStar, Scandinavia's leading ski holiday company, highlights the importance of snow reliability for Danish skiers. The survey found that 65 per cent of Danish skiers are concerned about whether there will be sufficient snow at their chosen destination, and 35 per cent have experienced poor skiing conditions, either due to a lack of snow or unusually warm weather. To lower the risk of inadequate snow, Danish skiers are increasingly choosing higher altitude destinations, booking trips during more snow-sure periods, or opting for northern destinations such as Norway and Sweden, where snow reliability is less of an issue.

Industry news and trends

More Finns are planning holidays abroad in 2025

In 2025 upwards of 70 per cent of Finns plan to travel abroad, a significant increase from 56 per cent in 2024. Spending patterns reveal that families and couples spend the most money on travelling. **There is a growing demand for destinations such as Spain, Greece, Croatia, Cyprus, and Portugal, however, Finns are also interested in closer destinations like Norway and long-haul destinations such as Thailand, Malaysia, Maldives, Vietnam, the Caribbean, and Africa.** Travel trends show increasing interest in culture, nature, food, and wellness-focused trips. Additionally, responsible travel is a growing priority, with 51 per cent valuing sustainable options, and 34 per cent interested in regenerative tourism.

Norwegians are opting for Spain, Greece, and Turkey as holiday destinations

Anette Syversen, Director of FINN reise, notes that Norwegians are planning their holidays, both Winter, Easter and Summer, well in advance, particularly family trips are booked early. **Regardless of season, those planning a holiday outside Norway continue to be drawn towards classic and sun-filled destinations like Spain, Greece, and Turkey.**

The most popular international destinations during the Winter holiday is Gran Canaria, Tenerife, Hurghada, Costa del Sol, and Antalya. For the Easter holiday, Antalya, Mallorca, Crete, Gran Canaria, and Costa Brava are in focus. During the summer holiday Crete, Rhodos, Antalya, Mallorca and Gran Canaria are especially popular.

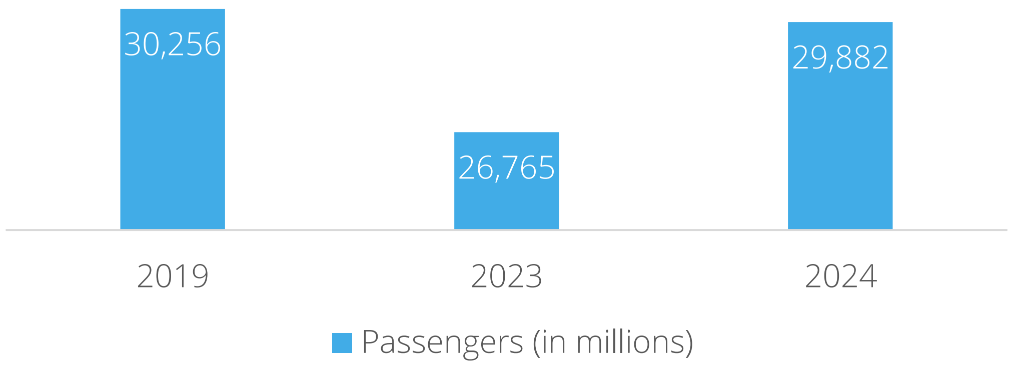
Global tourism nears full recovery in 2024

In 2024, global tourism nearly returned to pre-pandemic levels, according to UNWTO 1.1 billion people travelled internationally between January and September, a 98 per cent recovery of 2019 figures. Regions like the Middle East (+29 per cent) and Africa (+6 per cent) exceeded 2019 levels, while Europe saw a modest overall growth of 1 per cent, with standout destinations like Albania (+77 per cent), Malta (+30 per cent) and Portugal (+18 per cent). Asia-Pacific has recovered more slowly, reaching 85 per cent of 2019 levels, but is projected to experience significant growth in the coming decades.

Airline news

Copenhagen Airport eyes new passenger record in 2025

In 2024, Copenhagen Airport welcomed 29.9 million passengers, just shy of its 2018 record of 30.3 million passengers. The airport experienced significant growth, with an increase of 11.6 per cent in travellers compared to 2023. December was particularly busy with 2.2 million passengers, the highest number in the airport's history.



The strongest growth was seen in intercontinental travel, which rose by 20.6 per cent, resulting in nearly 3.5 million passengers. European routes also saw a notable 11.4 per cent rise, accounting for 84 per cent of the total traffic. In contrast to intercontinental and European routes, domestic travel declined by 5.9 per cent, due to reduced capacity on key routes. 2025 is expected to set new records, with passengers having access to 175 destinations, and new long-haul routes to destinations like Seattle and Seoul, as well as new seasonal routes to Nuuk and Minneapolis.

Denmark's new flight tax takes effect

As of 1 January, the flight tax introduced by the Danish government is officially phased in. The tax is set to vary by flight distance and gradually increase until 2030. European and domestic flights now cost an additional 30 DKK, medium-long haul flights cost 250 DKK, and long-haul flights cost an extra 300 DKK. By 2030, these numbers are expected to rise to 50, 310 and 410 DKK respectively.

Jacob Pedersen, Chief Equity Analyst at Sydbank, predicts the tax will dampen Danes' interest in flying, potentially reducing domestic passenger numbers by as much as 10-15 per cent. The impact on international routes, especially long-haul flights, is expected to be less significant.

Airline news

EASA calls for more actionable steps to reach 2050 emissions targets

The latest European Aviation Environmental Report by EASA, in collaboration with the European Commission, the European Environment Agency, and Eurocontrol, highlights the challenges and opportunities in achieving sustainable aviation by 2050. The report emphasises that while progress has been made, the sector faces significant obstacles, including supply chain issues, and high costs and limited availability of sustainable aviation fuel (SAF).

The report calls for translating ambitious goals into concrete actions in order to meet the 2050 emissions targets. For example, the report suggests revising the EU's Energy Taxation Directive to incentivise low-emission fuels and supporting initiatives live CORSIA's carbon offsetting programme. Emerging technologies, such as CO2 capture and storage, are also highlighted as potential contributors to sustainability goals.

Norwegian lowers 2024 operating profits expectations further

Norwegian Air has revised its 2024 operating profit forecast down to 1.85 billion NOK. Since April 2024, the expected operating profit has been cut by more than 40 per cent. Norwegian has suffered substantial currency-related losses, additionally they have faced an expensive pilot agreement, and increased wet lease costs.

Economic outlook

Nordic economies are showing resilience amid global uncertainty. Despite unique challenges, rising real wages, better consumer confidence, and positive household consumption drive growth.

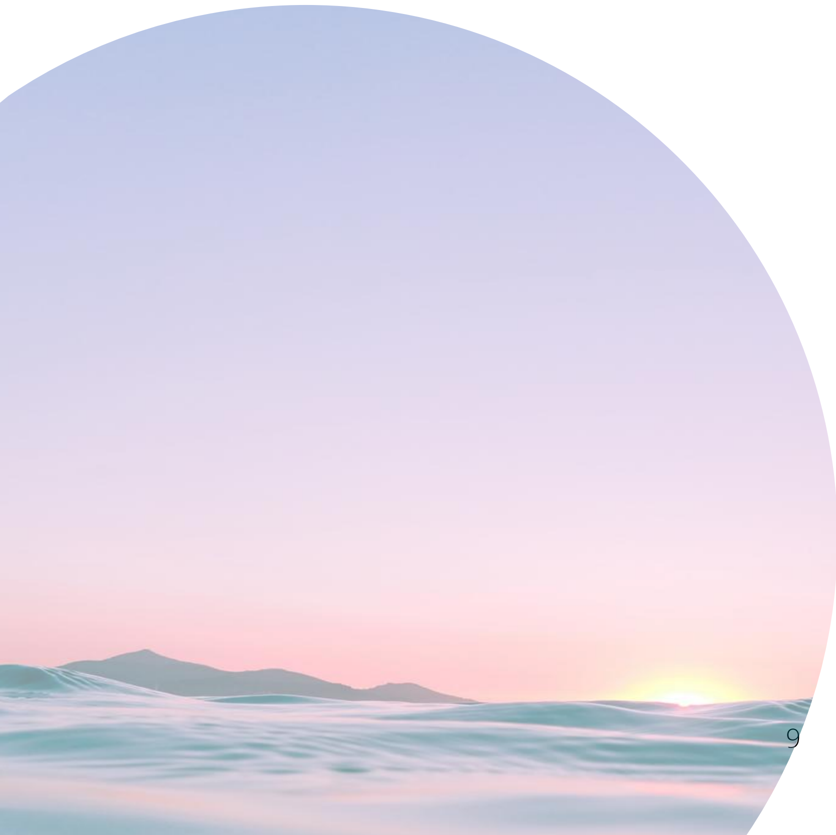
In Sweden, the recovery is strong, with unemployment already having peaked and GDP growth expected to accelerate in 2025.

Norway's economy is characterised by a gradual recovery, with consumer spending expected to recover even further with real wage growth and lower interest rates.

Denmark's economy is strong, and private consumption is set to pick up in the coming year.

Finland is gradually emerging from a recession, but stronger growth is expected in 2025. This is caused by falling interest rates and low inflation. Despite these differences, compared to other European countries, the Nordic economies are performing well.

For a more comprehensive economic outlook, please visit our website



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