

GERMANY: PEOPLE ARE IN TRAVEL MOOD AGAIN



With the gradual easing of Coronavirus restrictions in Europe, the German tourism industry is gaining new hope. After a difficult period, tourism within the EU countries is reviving and the coming months should provide all stakeholders in the industry with a breath of fresh air. The travel mood is back again.

The world's largest tourism group TUI and Germany's industry leader DER Touristik reported increasing bookings recently. Both companies assessed price developments in a somewhat different manner.

While TUI contemplates average increases in prices, vacationers can, according to DER Touristik, hope for cheap offers this summer. **"Some of our service providers make very attractive offers,"** said Ingo Burmester, head of Central Europe at DER Touristik. This applies above all to destinations in other European countries.

TUI Heading for More Goals

In the coming weeks, TUI wants to head for more and more goals. Around a quarter of their tour program for the main season is currently fully booked. Customer interest has increased "noticeably" in the past week. "Germany and Belgium, in particular, are showing a clear recovery," the company's spokesperson said. Thus said, there are good signs for the 2020/21 winter season and the summer of 2021.

Prices are likely to increase by 14% on average, which will increase the urgently needed liquidity. In the medium term, however, there will be "cheaper" trips, according to the CEO of TUI Germany Marek Andryszak. "Prices tend to slide down rather than up," he said in May. The current holiday offer is much scarcer than in normal times. And the current average also includes trips that were booked before the lockdown.

First Tourists on Mallorca

After the first TUI hotels opened in Germany and Austria, tourists landed on Mallorca again soon after. Customers should initially take part in a two-week trial run. By the end of the week, the group plans to have carried out 20 flights to Mallorca, with two aircrafts for the neighboring island of Ibiza added.

Faro in the Algarve is also back on the itinerary. Additional Mediterranean destinations in Spain, Italy, Croatia, Greece and Cyprus are to follow in July, as well as vacation spots in Bulgaria or Switzerland. Half of the hotels should be open again in midsummer. For the fourth quarter, TUI is targeting a capacity utilization of 30% of the originally planned capacities.

Sharp Increase in Short-term Bookings

DER Touristik has noticed a sharp increase in short-term bookings after the cancellation of travel warnings. "The number of bookings is increasing week by week; people are in travel mood again. July and August are among the most booked. We are approaching the numbers of the pre-pandemic

times," Burmester said.

According to the company, domestic vacations and holidays in neighboring Austria are, particularly in demand. "Holidaymakers should decide quickly for the nearby destinations because with some offers the availability of beds could be scarce during summer holidays," he added.

DER Touristik has expanded its range for the winter season. Among other things, there are more ski holiday offers and reduced hotel prices in many places. Destinations for the coming summer season can also be already booked.

Airlines in Continuous Troubles

Refunds for flights cancelled due to the Coronavirus crisis continue to cause resentment. According to the German Travel Association (DRV), Germany alone is dealing with flight tickets worth around four billion euros. These cancellations are currently not processed by the airlines and therefore could not be paid back to customers, said a DRV spokesman.

"The consequences of this behavior of the major airlines are an existential threat for the sales partners licensed for the sale of air tickets. They find themselves in an economic emergency because the airlines fail to meet their obligation to repay, or only hesitantly," he added.

Refunds and Vouchers

Tour operators also had to cancel trips that had already been booked during the crisis. **Customers can choose between vouchers or a refund.** The reimbursements for the month would have already been completed, while refunds for May would be done in the coming days.

Confidence is also growing at the airports after the cancellation of the travel warnings. "As of this week, 215 destinations from German airports can be reached again. Little by little, life is returning to the airports," said Ralph Beisel, general manager of the airport association ADV. Most routes are to destinations in Europe, but still with significantly reduced frequencies. Domestic air traffic is yet again showing increasing occupancy figures.

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