

GERMAN TOURISM: FROM INCREASING BUSINESS TRIPS TO UKRAINE WAR IMPACT



First the Covid-19 pandemic, now the war in Ukraine. The world has been through a lot in the last couple of months and this has subsequently impacted the tourism industry, including German tourism.

Germany, as one of the strongest economies and tourism markets in Europe, has felt the impact of the health crisis and is now preparing for the effects of Russia's invasion in Ukraine.

Pre-crisis Levels in 2023

Despite increasing the booking numbers, German tourism is not expecting a return to the level before the Covid-19 crisis until the coming tourism year.

“In 2023, I'm optimistic that we can expect sales to be back at the pre-Covid levels,” said the President of the German Travel Association DRV, Norbert Fiebig, on Wednesday before the start of the online ITB Congress.

In general, people have a great desire to travel. Bookings for the summer season are increasing in travel agencies and on online travel portals and, since the beginning of February, have reportedly been above the level of the pre-crisis weeks of February 2019.

Moreover, people in Germany are planning to spend significantly more money on vacation and travel this year than in 2021. The DRV, which represents travel agencies and tour operators, expects positive impulses from the easing of Covid-19 rules for holidaymakers returning to Germany.

Furthermore, more than 50 % of Germans are planning a longer holiday trip again. More than every second German (57 %) is already certain that they will go on vacation this year.

Business Trips on the Rise

Another aspect of the German travel industry worth noting is the situation of the business tourism sector, according to the German Travel Management Association (VDR) in its current survey on the pandemic situation among VDR member companies.

Despite an expected pent-up demand, the drastic slump caused by the pandemic is far from being compensated for. In addition to the negative effects of the pandemic, rising costs and high bureaucracy, positive effects in terms of sustainability and safety for travelers as well as digital opportunities also play an important role.

The year 2021 started hesitantly at first: At the beginning of the year, most companies reduced their business trips to five to 10 % of the 2019 figures. By the middle of the year, a third of the VDR members had already reached up to 25 % of this level.

The trend will continue at the beginning of 2022. Around a quarter of the VDR members are now carrying out up to 50 % of their trips from 2019 and just as many allow business trips without

restrictions.

The Expected Impact of the War in Ukraine

Russia's war in Ukraine is “casting a dark shadow of uncertainty” on German tourism, Fiebig said in his speech before the start of the ITB Congress.

“Diplomacy must now quickly gain the upper hand so that this illegal war and the increasing suffering of the people can be stopped as quickly as possible,” said Fiebig. The extent to which the war will affect people's booking behavior after two years of the pandemic is not yet foreseeable.

Thus, at this point it is difficult to predict what the future holds for Germany in the context of the war in Ukraine. However, at this point it is safe to say that the flow of tourists both from Russia and Ukraine, for different reasons, will decrease in the coming months.

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