

THE CANARY ISLANDS ARE CLINGING TO NORDIC TOURISTS TO COMPENSATE FOR A DECREASE IN GERMAN VISITORS



The popularity of the Canary Islands destination contrasts with what is happening in the Eurozone market and the United Kingdom. Half the tourist arrivals to the islands comprise two nationalities: the British, accounting for 35.2% of the total, and the German, accounting for 18.4%. Although the German market is not performing well, the Nordics should compensate for the impact. The region is hopeful for visitors, particularly those who wait until the last minute to purchase and book their trips.

Germany is an important source market for the Canary Islands. There has been a slight increase in unemployment in the country, reaching 5.8% in August, with 2,696,000 people currently unemployed. This is a common trend during the summer break, but current short-term weakness is also a contributing factor. According to the Federal Employment Agency, the seasonally adjusted number of jobless individuals increased by 18,000. Compared to last year's August statistics, the number of unemployed people rose by 148,000, resulting in a two-tenths increase in the unemployment rate. Lopesan's CEO, José Alba, attributes the relative decline in demand to price increases, inflation, and connectivity. The company has experienced an 11% drop in German tourists. While current source markets still function, hotel businesses must adapt to new economic conditions.

Some markets have found a way to cushion the economic slowdown in the Canary Islands, with the Nordic market standing out. These countries do not use the euro as their currency except for Finland. In Sweden, for example, the krona has weakened against the euro since 2022, causing a 0.8% decline in GDP. The Norwegian krone has also lost 13.6% against the euro this year, with long-term rates of 3.86%. TUI, the largest operator on the market, has reported that "Gran Canaria is the absolute favorite of Norwegians both in autumn and winter" and has scheduled eight additional flights to meet the high demand. This year, the top five most popular destinations in the Nordic market are Gran Canaria, Crete, Cyprus, and Mallorca, according to Mørk-Løwengreen, director of TUI Nordic. TUI has seen a 30% increase in bookings compared to last year's autumn holidays, although the figures are still lower than pre-pandemic levels. Nonetheless, TUI is optimistic that the trend is positive and moving closer to normal levels.

Tourist expenditure in the Canary Islands is another fundamental factor contributing to the economy. Spending in June this year was €1.28 billion, an increase of 10.1% compared to the same month last year, with an average expenditure per visitor of €1,351 (4.6% higher). The islands welcomed 7.9 million international tourists in the first seven months of the year, a 16.3% increase from the same period in the previous year. Additionally, tourists spent 17.4% more to €11.386 billion. The average number of overnight stays in June was 7.7 days, 1.5 days shorter than the same month in 2022.

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