

SWISS TOURISM FORECAST: SOLID GUEST NUMBERS IN THE WINTER



The Swiss tourism industry had a successful summer season and is now looking ahead to the winter months with cautious optimism. According to the KOF (Economic Research Center) winter forecast, the industry experienced a 6% increase in summer overnight stays, with 1.28 million guests, due to a recovery in foreign guests, particularly from China and the USA, and strong domestic demand.

The growth in Swiss tourism has resulted in a 10.6% increase in 2023, with 3.94 million additional overnight stays, surpassing pre-pandemic levels.

As the industry moves into the winter months, the momentum is expected to continue, albeit slower. **The KOF predicts an additional 270,000 overnight stays for winter 2023/24, building on solid figures from last year.** This growth is due to the hope that March 2024 will not be as snowy as the previous year, which was the least snowy month documented since 1990.

Swiss Tourism - Winter Forecast

According to the KOF forecast, the number of overnight stays is expected to increase to 270,000 during the winter of 2023/24, a rise of 1.6% compared to the previous season. The anticipated growth for this season is due to specific factors. Firstly, the warm weather in March 2023 significantly negatively impacted last year's winter business, resulting in almost 170,000 fewer overnight stays than in March 2019.

Secondly, European tourists, mainly from Germany, refrained from traveling last year due to an anticipated energy shortage. This resulted in heating restrictions in public buildings and dampened consumer sentiment. This event has provided a more profound basis for comparison, so the return to normality will also appear as growth.

The situation is similar with Chinese guests, who have been below their expected levels for a long time. However, they provide growth impulses seasonally and year-on-year. If Chinese guests remain at roughly the same level as seen in the summer months of 2023, there will be a growth of 133% compared to the previous season, corresponding to an increase of 120,000 overnight stays. These effects led to a growth rate compared to last year.

Domestic guests: A slight decline is expected in domestic tourism following a solid previous season. However, Swiss guests' overnight stays are still forecasted to be at 112% of the winter season 2018/2019 level.

European guests: It is expected that Switzerland will experience an 8% increase in overnight stays by European guests, which indicates healthy demand and a return to pre-pandemic levels (101% of the winter season 2018/2019). Supply bottlenecks, especially in Germany, characterized the previous winter season. Even if the economic environment stagnates, travel demand will likely be less affected than last winter.

Long-haul guests: The Asian markets are showing signs of recovery, with a particular focus on China. There is expected to be an increase in overnight stays, albeit on a lower base. Furthermore,

guests from the USA are also demonstrating substantial growth rates in the summer. It is estimated that this trend will continue in winter, although it may be at a slightly lower level.

According to the KOF, the winter of 2024/25 is expected to stagnate. Even though tourists from France have a positive impact, the long-term flattening of visitor numbers from Germany is slowing down European trends. Additionally, Swiss tourists are also expected to travel abroad more frequently.

Swiss Tourism - Summer Forecast

The outlook for Swiss tourism in the summer of 2024 is mixed. According to the KOF, there may be a slight decline of approximately 0.7% (equivalent to around 160,000 fewer overnight stays). This is due to a long-term stagnation among European guests and a decline in Swiss guests who cannot maintain the high level. However, there is a cautiously optimistic growth forecast if visa-related issues are resolved quickly and macroeconomic factors do not hinder the wealthier parts of the Chinese population from traveling. If these issues are resolved, Chinese tourists could almost return to pre-pandemic visit rates, contributing to positive growth in summer 2024.

Domestic guests: The latest data indicate domestic tourism is slowing down slightly following a solid previous year. This suggests that Swiss people have not yet returned to their pre-pandemic long-distance travel habits. Despite a projected decrease of 4%, the number of overnight stays by Swiss guests in the summer of 2024 is expected to remain very high at 111% compared to the 2019 season.

European guests: The forecast for Europe in 2024 predicts a slight reduction of -4% in overnight stays compared to the previous year. However, the numbers remain stable at 100% of the 2019 level, which indicates Switzerland's continued attractiveness. Positive trends in countries like France, England, and the Netherlands are helping to offset slow levels in Germany and Italy. It's worth noting that the decline in overnight stays is more significant because the KOF doesn't assume that France's overnight stays will maintain their high levels in the summer of 2023.

Long-haul guests: There has been a positive trend in long-distance travel, particularly from Asia. Compared to last year, there has been a 36% increase in overnight stays, which represents a full recovery to 105% of 2019 levels. China is expected to see a remarkable 50% growth, bringing the number of overnight stays to 84% of the comparable year of 2019.

By the summer of 2025, tourism numbers in most regions are expected to have returned to their pre-pandemic levels. Swiss guests are expected to level off by then. Visits from America are expected to remain high, whereas European guests are predicted to stagnate. The growth potential is expected from Asia; however, it remains unclear to what extent the number of guests will rise.

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