



Spend among German travellers is forecasted to recover to 2019 levels by 2024. Visitation levels are not expected to recover until 2025.

Market Insights

Travelling is the Most Important Need

Germans' natural appetite for travel is persistent despite tightened financial conditions and increasing price awareness, with German travellers continuing to book higher package prices. Based on GFK's general consumer research, travelling is the most important need after food. Travel remains highly valued for cultural experience and recreation.

Wide Open Spaces

Germans are drawn to destinations with plenty of outdoor activities, high safety standards and flexible booking options, all assets that Canada can deliver on. Relevant trends for Canada include the continued popularity for longer trips, increased demand for self-drive tours and RVs, and the rising importance of self-actualization, responsible and mindful travel options.

Shared Values

The German-Canadian relationship is based on shared values and a long history of close cooperation. With the passing of the EU-Canada Trade Agreement (CETA), new opportunities will arise for tourism. With increased awareness and attention on regenerative travel, destinations that offer responsible, economically sustainable, and regenerative travel options will resonate with German travellers.

Market Forecast (as of Fall 2022)¹

Spending and visitation levels (% relative to 2019)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Spend	100	8	11	50	77	104	124	132	138	146	151	155
Visitation	100	10	13	49	66	88	104	109	113	118	120	123

● 0%-50% ● 50%-75% ● 75%-100% ● 100%-120% ● 120%+

The following are the context and assumptions used to develop the Fall 2022 Market Forecast:¹



Travel sentiment and covid restrictions

- The fourth largest number of eTA applications in the first eleven months of 2022 came from Germany.
- Germany introduced new Covid measures in the fall/winter of 2022, but restrictions on outbound travel are expected to be limited.
- A YouGov survey found that 92% of Germans want to travel in 2023.



International travel conditions

- Consumer spending is expected to slow in 2023 due to economic conditions and resume growth in 2024.



Economy

- Germany will experience a moderate recession and experience a 1.0% decline in GDP in 2023.
- High gas prices will increase inflation and sustain it, reducing consumer's incomes.
- German industry will suffer from high gas prices and supply bottlenecks.
- Weak demographic growth will further constrain the German economy in the medium-term.

¹ Tourism Outlook Forecast Highlights, Fall 2022.



Total Long-Haul Travellers

Germans aged 18 and older who have taken a long-haul leisure trip outside of Europe, North Africa and the Mediterranean in the past three years, or plan to take such a trip in the next two years.

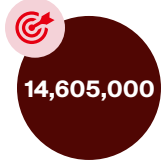
High Value Guests

High value guests (HVGs) immerse themselves in a destination, embrace heritage and culture, and genuinely seek to leave the destination better than they found it. They tend to be more affluent and educated than the average traveller. They share a curiosity for deeper, richer experiences.

Potential Market Size²



Total potential long-haul travellers



Canada's target market



Canada's immediate potential in the next 2 years



Total potential HVG travellers

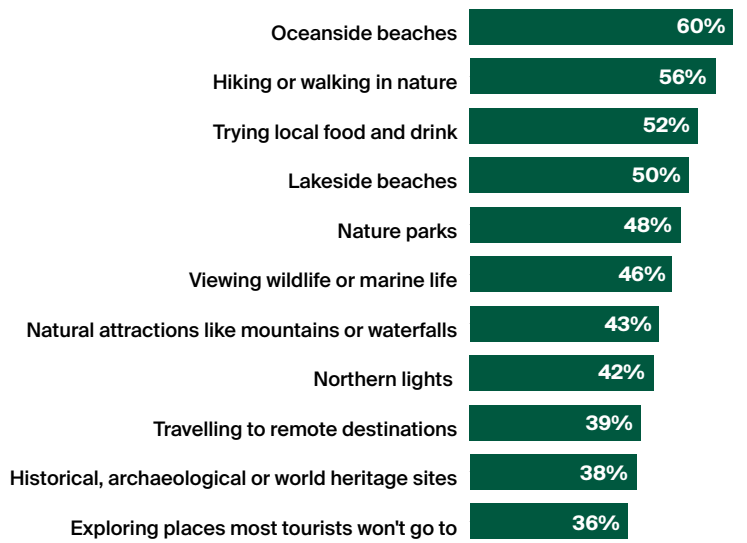
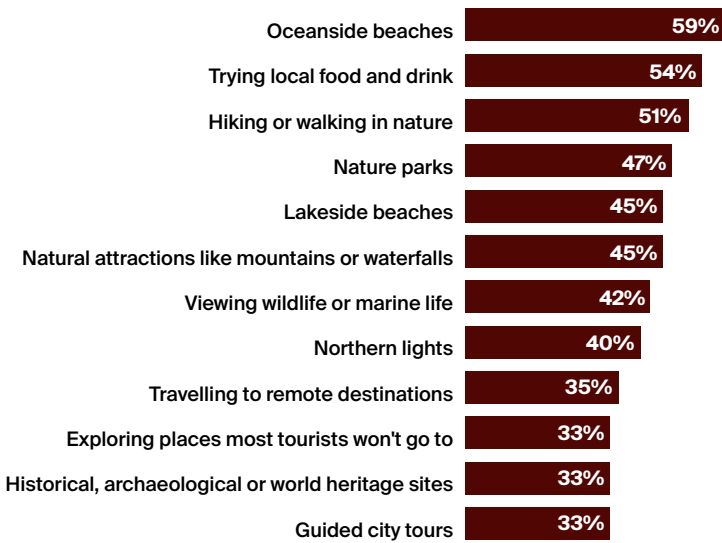


Canada's HVG target market

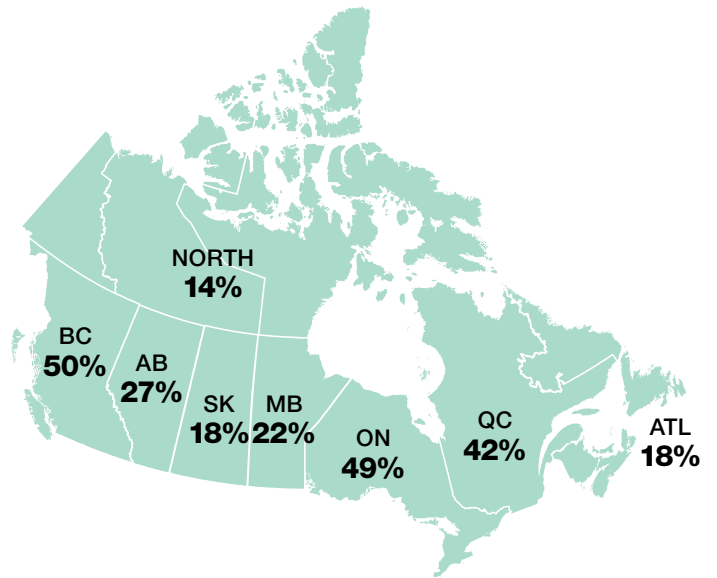
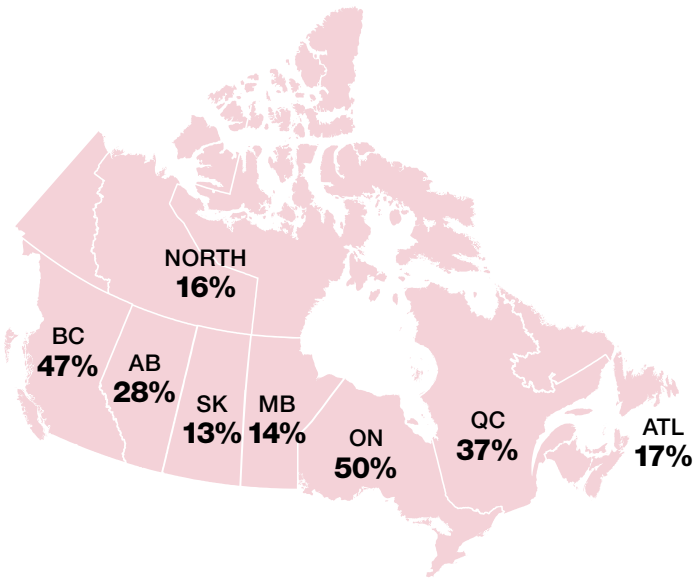


Canada's HVG immediate potential in the next 2 years

Top Activities of Interest While on Vacation³



Likelihood to Visit Canadian Regions (Next 2 Years)³



Travel Agent Usage for Future Trip to Canada³

NET Definitely / Very / Somewhat Likely
76%

NET Definitely / Very / Somewhat Likely
81%

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² Global Market Sizing 2022.
³ Global Tourism Watch 2021.