

## EMEA-Market

## Update- Q2 2021

**LEISURE TRAVEL**

**United Kingdom**

* Q2 saw the re-opening of hotels in the UK (17th May) as well as the restart of domestic travel. International travel did not however progress as much, with most countries still on the amber and red list, meaning anyone coming back to the UK from any countries on those two lists will have to self- isolate for 10 days either at their home (amber list) or at a quarantine airport hotel at their expense (red list) in addition to a number of costly PCR tests to be taken at different stages of the quarantine. This has naturally not encouraged people to travel abroad.

Here is the most up to date list of green, amber and red countries:

[https://www.gov.uk/guidance/red-amber-and-green-list-rules-for-entering-england](https://nam02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gov.uk%2Fguidance%2Fred-amber-and-green-list-rules-for-entering-england&data=04%7C01%7CMBoubion%40preferredhotels.com%7Cfaa4e6da016d40f0c04408d94173d328%7C6752f108339240eea7291f58085694d7%7C0%7C0%7C637612787979494542%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=u3WHE5JlLq0oZc3g3hMpTFWU6Bskz8P4HJx2ReQgdek%3D&reserved=0)

* Vaccine roll out continues to be strong during Q2 in the UK, with four in five adults having received their first dose and three in five being fully vaccinated.

More than 74.5 million people in the UK have received their [coronavirus](https://nam02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.independent.co.uk%2Ftopic%2Fcoronavirus&data=04%7C01%7CMBoubion%40preferredhotels.com%7Cfaa4e6da016d40f0c04408d94173d328%7C6752f108339240eea7291f58085694d7%7C0%7C0%7C637612787979494542%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=n6KLnABa0Kps6Ozr%2FVHCYmMhvEs1nW%2FeNg68dR6dC%2Fo%3D&reserved=0), vaccines as the NHS opened up its programme to all adults in England during Q2

Of the 74,577,678 vaccinations given as of end of June, 43,127,763 were first doses and 31,449,915 were second doses.

* Despite the successful vaccine roll out, the spread of the Delta variant across the UK inevitably delayed travel restrictions being eased. When originally 21st June had been set by the Government, as the date when most restrictions would be lifted, including having to quarantine when returning from an “amber list country”, this has now been pushed back to 19th July, to allow more young people to get vaccinated too, as it has been proven that Delta is spreading quickly amongst younger generations too
* Those agents working for larger agencies are slowly but surely returning to work from furlough, when smaller businesses continue to operate with just their Owner / Director
* Despite the above, the number of enquiries received are growing. Most enquiries are for very last minute travel (within the same week) or very long lead, into 2022 and beyond.

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**France**

On June 9, France reopened its borders to travelers – but with conditions. French authorities introduced a colour-coded classification of countries based on health indicators. Within the European Union, passengers are subject to an EU “vaccine passport”, which must be systematically checked upon boarding.

This list may be adapted according to the evolution of the pandemic. While sanitary restrictions have been loosened, the Delta variant could cause a viral surge this summer if adequate public health measures are not adopted, warn specialists and health authorities.



* The rebound continues. All destinations combined, travel sales by agencies increased by 6% in June 2021, versus June 2019. This is the first time that the cumulative business volume of French distribution has increased since the start of the health crisis in March 2020.
* Mainland France remains in the lead (+ 57%) in June, ahead of Greece (+ 88%), which has definitely won the battle for attention among holidaymakers, by starting its tourist season very early. Spain, in third place (+ 102%) is the other winner in southern Europe. On the other hand, Italy (-17%) underperforming compared to the average of medium-haul destinations.
* Long-haul only represents 7% of sales. Very active in boosting tourism, the Dominican Republic and the United Arab Emirates (Dubai) represent the first two long-haul destinations. Their status of "orange" country - according to the classification of the French government - does not slow down the projects of the French. However, globally, distant countries are still struggling, and accumulate only 7% of sales. Morocco, Turkey and Mauritius show the most notable declines, of 50% at least, over two years.

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**Iberian Peninsula & Mediterranean**

June 9th Has been the date Spain and European Union, and including US have open up to travelers. Vaccination certificate or PCR test before traveling (72h prior) it’s needed, but no quarantine in required.

Airlines such Air Europa, Iberia and Level have started Bcn and MAD connections with New York in June

Spain, Portugal appear on Ambar for UK, which has slowed down the bookings from this market, July 19th British will be able to travel without having to quarantine, and we are seeing an increase in bookings of this market specially in the islands.

The most booked destinations for Spanish aside from Spanish coast an Island (local) are Portugal, Italy, Greece, and Maldives as Longhaul, specially due to the new Iberia direct connection from Madrid and good flight rates, and Riviera Maya.

**Overall TRENDS Leisure**

**Outgoing**

• We are seeing quite last-minute bookings since Europe opened up only beginning June, this can be translated also in a **delayed high season towards end September and October.**

• Travelers are paying more attention to **friendly cancellation policy**, due to the changing restrictions.

• **Short Haul markets will remain crucial**, Germany, UK and France as top recovery countries for Europe.

• **Sustainability**: People are more and more environmentally conscious, its important to publish and market any efforts hotels might be doing and have in place at the hotel on this matter, any action where they are giving back.

• **Easy testing access**/options for travelers to get back to their respective countries, as many will need negative Covid test to enter if not totally vaccinated. It’s a good idea to add that information in your website and in any quotation to make things easy to the booker

* **Travel Agents will be more important than ever,** to book with confidence, experience and secure the traveler’s trips with the right insurance and best products.

**Incoming**

* While Spain (local market) France and Germany have been the leading markets into Spain, we can see now an important increase on UK and US bookings in the last few days- Two other markets are increasing numbers compared to 2019: **Denmark and Sweden**. Vueling, the Spanish Airline, has added new flights to new scandi cities into Spain: Gotemborg, Stavanger, Bergen and Helsinki.

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**CORPORATE/BUSINESS TRAVEL**

**UK- Corporate & Entertainment**

USD = 0.72 GBP

* The UK’s Covid19 vaccination efforts have been very successful and at the end of Q2 over more than 43 million people in the UK have received at least one dose of a coronavirus vaccine - part of the biggest inoculation programme the country has ever launched. With the aim of offering vaccines to all adults by mid-July, the government says the continued success of the vaccine programme is crucial to further easing of restrictions.
* The UK has halted easing of restriction due to the new Delta Variant and is on the ‘no travel’ list for many other European Countries, which has inhabited the initial start of leisure travel and business travel slightly.
* Companies are slowly liftin travel bans, but uptake in travel remains slow and cautious for many. TMC’s are looking to go back into the offices after Q3 and are largely on furlough still or working from home.
* Irish hotels re-opened on the 2nd of June 2021. From 19 July 2021, Ireland plans to operate the EU Digital COVID Certificate (DCC) for travel originating within the EU and EEA.
* London-headquartered travel management and meetings company Reed & Mackay has added a meetings booking service into its platform by white-labeling the Meetingsbooker.com tool. Effective immediately, Reed & Mackay clients now can book travel, accommodation and event needs in one place through the TMC's platform, according to Reed & Mackay.
* FCM will launch a new carbon offsetting program in partnership with sustainability consultancy South Pole and plans to offset all global staff travel retroactive to 2019. The program will enable FCM clients to mitigate the carbon emissions generated by their corporate travel and meet some sustainability targets, according to FCM.
* American Express Global Business Travel and Shell Aviation will create an alliance that will allow GBT's corporate clients to buy sustainable aviation fuels for their business travel needs. The collaboration will allow them to combine the buying power of airlines and GBT's corporate business travel customers "to drive a step change in production and usage of Sustainable Aviation Fuel.
* Corporate travel planning and engagement specialist Tripism will incorporate joint clients' booking data from BCD Travel into its platform via API under a new partnership between the companies. Tripism will use the data to determine when a traveler is returning from a trip, which will trigger communication aimed at soliciting feedback and reviews for flights, hotels, restaurants and other trip-related services, which subsequently can be used by other Tripism users when planning corporate travel. Access to up-to-date reviews and information about supplier hygiene and cleanliness protocols will be particularly important as travel re-emerges after the Covid-19 pandemic, the companies noted. Under the deal, Tripism also will become part of BCD's SolutionSource marketplace, which offers BCD clients access to third-party travel services.
* Many entertainment groups for touring continue to be postponed, due to delays in restrictions being lifted and still no sign of definitive timelines of stadium and arena events. Have received some more enquiries for September onwards, with the hope of restrictions lifted for events, especially as most of the adult population at that point would have been vaccinated.
* Filming continues to go ahead and Netflix recently split their agency between BCD (existing agency already) for production and publicity requests. Tripactions will support corporate and online bookings needs.

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**France**

* Timeline: Most of the Buyers aim at reverting to their regular timeline. Several RFP Kick Off Meetings will therefore be scheduled in September this year and be followed by the launch of the RFPs (ie: AXA, BNP Paribas, Chanel, LVMH, Total…)
* Program Size and consolidation: Since their potential to several destinations have decreased, various accounts consider decreasing the number of hotels they are going to solicit and select and to drive business to their main partners (ie: for 2021, BNP Paribas reviewed their list by -30% ; Airbus by -60% and Kering solicited only 97 hotels vs. 500 last year).
* Challengers: Despite a decrease in the number of the hotels in various programs, Buyers will consider a limited number of business cases under very strict conditions (ie: new openings, short walking distance from local offices…)
* Dual Rate Loading: Most of the accounts have implemented a dual rate strategy in 2021 (fixed rates and dynamic rates) and will keep applying the same for 2022.
However, RoomIt recommendation towards the accounts they will handle RFPs on behalf of will consist in asking for a decrease in the rates and in maintaining only a negotiated rate.
* 1/3 party: RoomIt remain one of the strongest 1/3 parties in the market. The French office will centralize all the RFPs they will handle from Europe. In addition, further to the situation, we are observing some changes in the RFPs management from historical 1/3rd parties partners (ie: Chanel will switch from HRS to American Express GBC; Michelin will switch from RoomIt to Areka…).

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**Iberian Peninsula & Mediterranean**

* **As per GBTA,** Spanish Business Travel association, for the next 3 months:

51% of corporates surveyed will start with domestic travel

21% with international travel (mainly short-haul)

More than Half respondents Expect Sales/account management trips to fully recover within a year.

Overall there is a growing positivism towards Q4 due to the vaccination numbers and Covid certificate for traveling.

* **TMCs such GBTA and CWT** have most of their team still in furlough during Q2 and Q3. The ones working are on 50% of hours and homebased. They expect to start re-hiring from Q4.
* **BCD TRAVEL** Spain has now merged together with GLOBALIA and together it’s the biggest TMC in Spain, within the group AVORIS.

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