

## Travel agency industry showed positive sales figures in 2013 – after all

The general economic uncertainty was reflected also in expectations of travel agents and tour operators on the development of the sales in 2013. Weak economic trends affected especially many companies and consumers' confidence in their own and in Finland's economy stayed low.

From this point of view Finns continued to travel surprisingly actively – a phenomenon that was seen in many markets all over the world. The travel and tourism business was considered as one of the few growing industries, in Finland as in the whole world. In spite of the low expectations for the year 2013 the travel sector beat the sales figures of 2012.

Numbers of business travel experienced a small bending downwards but sales of leisure travel services increased instead clearly. Despite the growth in euros the travel agency sector – as well as the whole travel industry – is faced with concerns emerging from the hard competition among the industry and profitability of the companies.

According to preliminary data collected by the Association of Finnish Travel Agents (AFTA/SMAL) the total sales of the member companies of the Association - excluding the sector's internal multiplying sales – was 1 994,3 million euros with a 2.2 per cent increase to 2012. A year prior, the recorded increase was up to 4.6 per cent.

The value of business travel sales to corporate clients totaled at 683.1 million euros which was one per cent less than the year before. In the end, the weak situation of both the Finnish economy and many individual companies did not cause any major collapse in business travel sector as feared beforehand.

The value of air based holidays in 2013 was 797.6 million euros with an increase of 4.1 percent to the numbers of the previous year. In the past years, the number of passengers has stabilized between 900 000 and one million. In 2013 the amount of passengers according to the tour operators joining our statistics was approximately 938 000. This was 0.4 per cent less than the corresponding figure in 2012. The statistics on air based holidays shows that not all the companies were able to specify a share of package holidays out of their overall sales. In these cases the package holidays are included in the 'other travel agency sales' (later in this press release).

In 2013, a total of 69 per cent of package holidays were sold via the Internet, whereas the corresponding number in 2012 was 64 per cent. In business travel sales the share of online sales was 44 percent. In 2012 the figure was 40 percent.

There are no exact data available on the value and the share of other travel agency sales. Nevertheless, AFTA/SMAL has gathered preliminary data from its members and it appears that the 'other travel agency sales' also continued to grow. In 2013 the value of this sector's sales was approximately 513.6 million euros which was some 3 per cent more than in the previous year. Demand for bus, train and /or ferry packages as well as agencies' other own production remained at a very good level. Also the sales of separate travel services – such as air tickets and accommodation – continued to grow very strongly in the brick-and-mortar travel agents as well as with online travel agents.

### **International and domestic scheduled flights sold by travel agents**

The gross value of international and domestic IATA tickets sold by travel agents (including taxes and other similar charges as well as fuel surcharges) was 930 million euros in 2013. The value of ticket sales decreased by 5.6 per cent compared to the year 2012. The number of tickets totalled at 2.485.168 which was 7.6 per cent less than in the previous year.

Credit card sales of international and domestic IATA tickets (including corporate travel accounts) continued to grow in 2013 being nearly 50 per cent of the total sales. In 2012 the corresponding figure was 43.5 per cent.

Further Information:

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