



Luxembourg for Tourism

# Latest travel insights

Quarterly Report – June 2025





# Contents

Executive Summary **03**

Recent Performance Data **08**

LFT Hotel & Camping Survey **15**

Search & Booking Data (Hotels/Flights/Campsites/Travel Themes) **21**

E-Reputation **28**

Short-term travel intent surveys **31**

Economic and travel Forecasts **42**



# Executive Summary

# Executive Summary (1/4)



## Performance year-to-date 2025, vs. 2024 (provisional figures)

- Luxembourg, arrivals (Jan-Mar): total paid +7%, hotels +9%, campsites -8%, youth hostels -3%, other paid +11%.
- Luxembourg, arrivals (Jan-Mar), best-performing source markets: IT +76%, PT +20%, LU +19%, FR +14%, US +10%, BE +8%.
- LFT estimate, Apr: hotels ~+2%, campsites ~+35%, youth hostels -0%, all inbound (paid + non-paid) ~+3%
- Luxembourg, hotels (Jan-Apr): occupancy rate 67% (+3%), ADR 145€ (-1%), RevPAR 98€ (+2%)
- Luxembourg, visitors (Jan-Apr): tourist infos +0% (Lux-City), -4% (other) ; castles +11% ; museums -2% ; leisure sites +25%.
- Strong performance in Q1/25 of inbound tourism in Europe (+5% arrivals), boosted by winter sports, ongoing recovery in Central & Eastern Europe and growing off-season demand in the Mediterranean, with affordability and air connectivity remaining key drivers.
- Strong demand from key short-haul markets, but also a signs of a gradual return of Chinese and Japanese travel. Visitor growth from the UK and the US thanks to advantageous exchange rates of the Sterling and the dollar vs. the euro.
- Growth in European air travel passenger demand (+7%) as well as in available seat capacities (+6%) in Q1.
- Subdued growth in European hotel performance in Q1 (while luxury travel demand drives ADR in many other parts of the world). RevPAR in Western Europe shows just +2% year-on-year growth whereas ADR continues to outperform the European benchmark in Southern Europe.

## LFT Hotel & Camping Survey

- Hotel occupancy rate forecast: 72% (May), 74% (Jun), 73% (Jul), a 1-2 point decline for May-Jun and 1 point increase for Jul.
- The decline in May-Jun is driven by business travel, while leisure travel booking are forecast to grow in all 3 months (except for the long weekends in May-Jun). Slightly better occupancy rate forecast for the North & East regions than for the rest of the country. Hotel turnover Jan-Apr: +3% vs. 2024.
- The Business events demand forecast is much better for conference & special event venues than MICE hotels: net total growth of 8 points for May-Dec.
- Major events are an important driver for leisure demand growth both at hotel (28% agreeing) and camping level (33% agreeing).
- Camping occupancy rate forecast: 56% (May), 60% (Jun), 77% (Jul), 5 pts growth for May, 16 pts for Jun, 5 pts for Jul, and 7 pts for long spring weekends.



# Executive Summary (2/4)



- Rentals and motorhomes are key drivers of demand growth on campsites this spring, with esp. rentals showing strong increase in share of bookings.
- Investing into quality of the offer, high operating costs, the economic situation and labour shortages are top key challenges for hotels and campsites.
- On-site spending tends to be more under pressure than last year, for 58% of hotels and 29% of campsites.
- Optimism with regard to the remainder of this year's season prevails (60% of hotels and all campsites agreeing).

## Current search & booking data

- Since the start of May, weekly search and booking growth for hotels but decline for flights, as lead times expand for both segments compared to 2024.
- Hotel searches for future stays are 24% higher than in 2024, partly due to calendar effects.
- Current strong year-on-year search growth for business travel indicates untapped growth potential for hotel bookings next weeks in this segment.
- Flight bookings for future stays are 6% higher than in 2024 as current search trends show further growth potential for new bookings in July and after.
- Strong year-on-year growth for future hotel stays from most European markets (except IT, PT, IE) and for future air travel from all leading markets (except DE), with varying contributions of leisure and business travel demand to growth depending on source markets.
- Camping bookings for future stays are up 8% vs. 2024 for May-Oct (+5% for Jul-Aug), with all key source markets contributing to growth.
- Comparatively weak growth in travel-related searches on Google in most source markets, both generally and for destination Luxembourg. Exceptions are hiking-related searches (growth vs. 2024 in most markets) and city trip searches to Luxembourg (growth in FR, IT, ES, AT).

## Luxembourg's E-Reputation

- Luxembourg's online reputation, as measured by its Net Sentiment Index, reached +88 in April on a scale from -100 to +100 exceeding the European benchmark. Positive sentiment was driven by castles, cycling, the LUGA festival, accommodation and outdoor activities.
- Luxembourg's overall satisfaction rating on online review sites remained largely stable in April, while the European benchmark score declined. Perception of value for money of Luxembourg's offer notably improved in April, especially with regard to accommodation.

# Executive Summary (3/4)



## Short-term travel intent surveys

- European markets :
  - 72% of Europeans consider to take at least one trip in spring/summer this year (-3 points vs. 2024). Travel intent is high in UK, ES, NL and is higher than last year in AT, CH, PL.
  - More Europeans than last year intend to travel next in either August or September (21%, up 4 points).
  - 61% of Europeans are planning to take two or more trips (2024: 57%), with Luxembourg considerers particularly frequent travellers.
  - Planned travel budgets by Europeans for trips until September are forecast to rise by 15% per trip (+22% among Luxembourg considerers).
  - 23% of Europeans are favourising sun & beach holidays (+5 points vs. 2024), contributing to air travel remaining the preferred means of transport.
  - Further holiday types gaining in popularity include culture and nature and, among Luxembourg planners, outdoor and culinary/wine holidays.
  - The economic situation and rising travel costs remain travellers' top concerns, but their relative importance has dropped at the expense of geopolitical tensions. Safety, welcoming locals and connectivity are key destination choice criteria.
- Domestic travel (Luxembourg residents) :
  - 36% of residents are considering an overnight stay in Luxembourg until December (57% when living for less than 10 years in Luxembourg).
  - Hotel (44%) is the favourite accommodation type, followed by camping and countryside houses ("gîtes ruraux").
  - Interest for domestic leisure travel in autumn 2025 (34% of trips) appears to be relatively strong compared to inbound leisure travel.
  - Residents living for less than 10 years in Luxembourg more often would consider longer stays (4-7 nights; 31%) than their Luxembourgish peers.
  - Eislek is clearly the most popular region for an intended domestic leisure break in 2025 (37% of trips), followed by MPSL and Moselle.
  - Main reasons in favour of domestic travel include ease of access and seeing something different (and curiosity due to lack of familiarity for foreign residents), those against domestic travel in 2025 include too high familiarity with the country and preference for other destinations.
  - Preferred holiday types are nature & countryside and resting & relaxation, with travel intent for wellness and culinary trips relatively higher among domestic than inbound travellers.



# Executive Summary (4/4)



## Economic and travel forecasts

- After declining for 2 consecutive months, EU consumer confidence improved in May as did the general economic sentiment.
- In the current context of high uncertainty due to the unpredictability of US trade policy, GDP and inflation forecast is to be approached with caution.
- The latest IMF forecasts suggests 2.8% GDP growth worldwide (0.8% in the Euro area) and 4.5% inflation worldwide (2.1% in the euro area).
- The current uncertainty will be a drag on investment propensity and business confidence. Consumer confidence may be less impacted, esp. in the euro area, and private consumption is forecast to recover (+1.4% vs. 2024) supported by resilient labour markets, rising wages and falling inflation.
- As core inflation in the euro area drops, further rate cuts by the ECB are expected in 2025 amid fears of a potential trade war hitting economic growth.
- Prices for tourism-related goods and services were about 5% higher in January-April 2025 than last year.
- Global international arrivals are forecast to grow +10%, arrivals to Europe +8%, to Western Europe +6%, to Luxembourg +4% (LFT forecast). Tourists are expected to spend 14% more across Europe than they did in 2024, as spending growth is expected to outpace arrivals growth.
- This suggests still substantial growth despite economic and geopolitical headwinds, but the absence of a longer-term trade agreement between the US and the EU presents potential downside risks to this outlook, both for arrivals and for spending, potentially even for intra-European travel.
- However, lower economic growth across Europe may also trigger a further increase in short-haul and domestic travel due to budget considerations.
- Additional air capacity and new rail connections could boost intra-European demand, although the ongoing threat of transport disruptions (strikes etc.) presents a challenge.
- A likely depreciation of the dollar and declining consumer spending in the US may slow US travel to Europe in 2025. Data also suggests decreasing travel to the US due to stricter border controls and negative sentiment. This creates opportunities for Europe from other long-haul markets, e.g. China.
- In the medium term, however, European travel is expected to come back in line with its long-term growth trend (+5%/year).



# Recent Performance Data



# Hotels & Campsites

## Nights & Arrivals



HOTELS (Statec data)	Jan-Mar 2025	vs. Jan-Mar 2024
Nights	406.788	+9,4%
Arrivals	222.526	+8,5%

Source: Statec, provisional figures.

YOUTH HOSTELS	Jan-Mar 2025	vs. Jan-Mar 2024
Nights	25.478	-4,0%
Arrivals	13.666	-3,3%

Source: CAJL.

TOTAL PAID <sup>1</sup>	Jan-Mar 2025	vs. Jan-Mar 2024
Nights	482.942	+9,8%
Arrivals	248.563	+7,3%

Source: Statec, provisional figures.

CAMPSITES (Statec data)	Jan-Mar 2025	vs. Jan-Mar 2024
Nights	29.894	+9,8%
Arrivals	7.621	-8,1%

Source: Statec, provisional figures.

RENTALS (Statec data)	Jan-Mar 2025	vs. Jan-Mar 2024
Nights	20.782	+43,9%
Arrivals	4.750	+10,5%

Source: Statec, provisional figures.

<i>LFT estimate</i>	April 2025 vs. April 2024	Easter 2025 vs. Easter 2024
Hotels <sup>1</sup>	~+2%	Slight decrease
Campsites <sup>2</sup>	~+35%	Moderate increase
Youth Hostels <sup>3</sup>	-0%	na
Total inbound (paid + non-paid) <sup>4</sup>	~+3%	~+14%

<sup>1</sup> Based on LFT survey & MKG Hospitality (occupancy rate), and Sojern booking data

<sup>2</sup> Based on LFT survey & Tommybookingsupport booking data

<sup>3</sup> Actual data as reported by CAJL, nights.

<sup>4</sup> Based on sources mentioned under <sup>1,2,3</sup>, mobile phone data and LFT/Ilres Visitor Survey 2024-2025.

# Arrivals by source markets



Arrivals in paid accommodation (Statec data)	Jan-Mar 2025 vs. Jan-Mar 2024
Total inbound	+2%
FR	+14%
BE	+8%
DE	-6%
NL	+4%
UK	-9%
IT	+76%
US	+10%
ES	-4%
PT	+20%
CH	-12%
PL	-0%
LU	+19%

Foreign markets listed in decreasing  
order of actual market share.



# Hotels & Short-term Rentals



<b>HOTELS Luxembourg City (MKG data)</b>	<b>Jan-Apr 2025</b>	<b>vs. Jan-Apr 2024</b>
Occupancy rate	67,4%	+2,9%
ADR	145,1 €	-1,0%
RevPAR	97,7 €	+1,8%

Source: MKG Hospitality.

<b>SHORT-TERM RENTALS (Sharing Economy) (*)</b>	<b>Jan-Mar 2025</b>	<b>vs. Jan-Mar 2024</b>
Occupancy rate	49,4%	+15,7%
Supply (capacity)	7.701	+8,8%

Data refers to short-term rentals on Airbnb, HomeAway, VRBO.  
Source: Lighthouse/ETC.

# Tourist Info & Attractions

## Visitors



Tourist Infos	Jan-Apr 2025 vs. Jan-Apr 2024
Luxembourg City	+0%
Other regions	-14% / -4% <sup>1</sup>

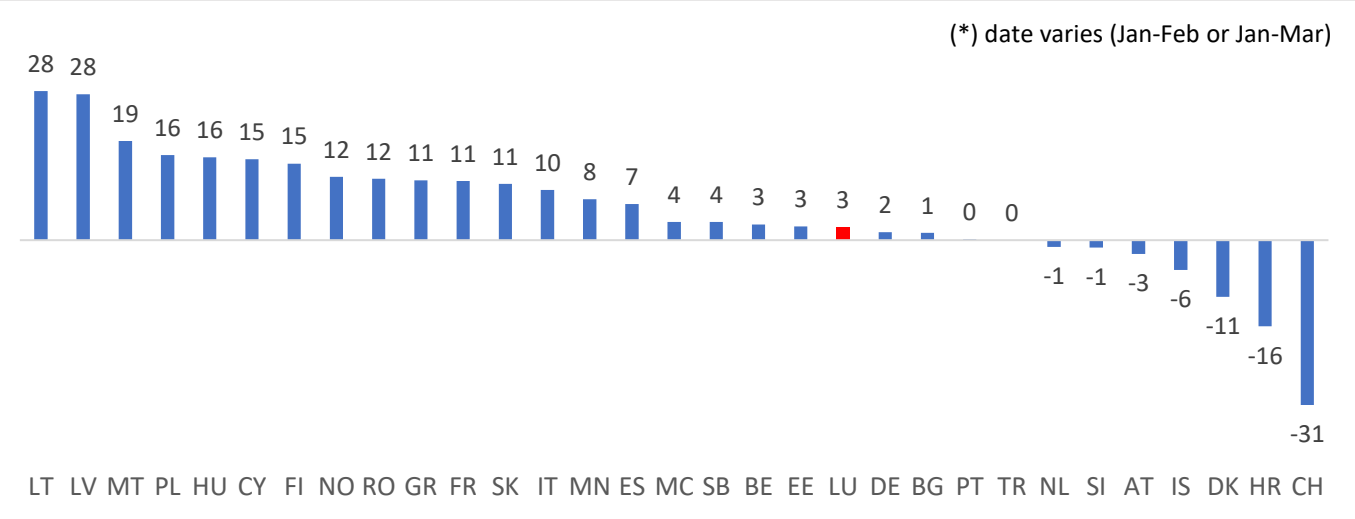
Tourist Attractions	Jan-Apr 2025 vs. Jan-Apr 2024
Castles	+11%
Museums	-10% / -2% <sup>1</sup>
Leisure sites	+25%
Guided tours	+3% (City) / -1% (ORT)

<sup>1</sup> Without Schengen TI & Musée Européen Schengen (closed in 2025).

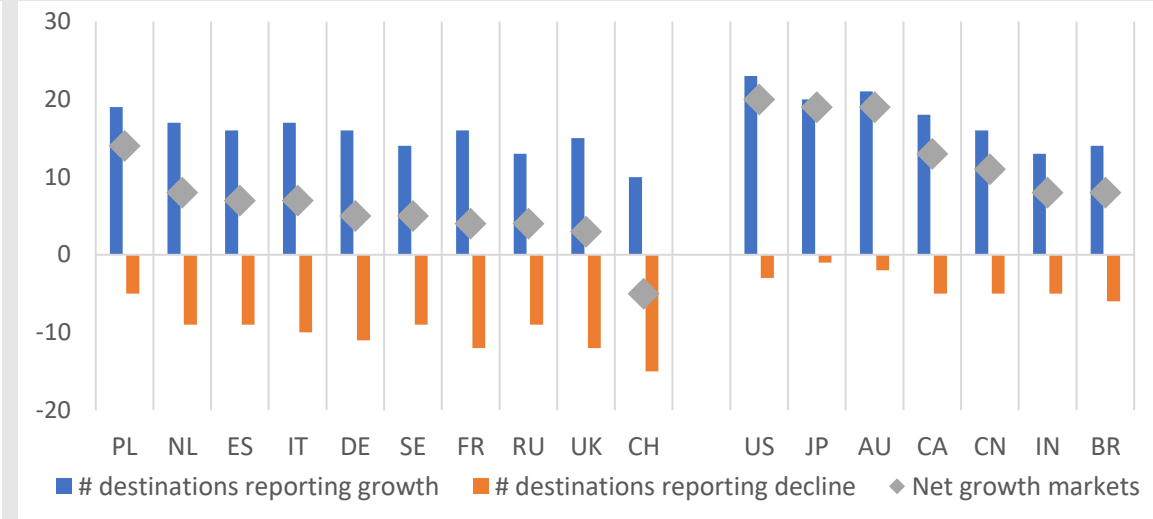
# European inbound travel in early 2025



Inbound arrivals to European destinations, 2025 (\*), % change vs. 2024



Source market demand to European destinations, 2025 (\*) vs. 2024



The **European tourism sector** continues to build on last year's positive evolution. Preliminary data covering January through March reveal a 5% uptick in visitor **arrivals** and 2% growth in **nights**, compared to 2024 figures. Destinations specializing in winter experiences performed particularly well, especially those offering good value-for-money. Numerous regions across **Central and Eastern Europe** are witnessing a revival in tourist confidence. Romania's full integration into the Schengen area at the start of 2025 has likely bolstered its visitor numbers. Some **Mediterranean** destinations saw record visitor levels early this year. Contributing factors likely include visitors avoiding peak travel periods, better affordability, improved air connectivity, and a more varied offer in off-season months.

March-April saw **aviation disruptions** across UK, Germany and Italy as well as a widespread power outage affecting the Iberian Peninsula—though the impact on overall demand and consumer confidence remains unclear. **Flight searches** surged 36% for the **Easter holiday** period and jumped 59% for sun and beach destinations, according to data from ForwardKeys. City and nature destinations showed more modest gains in searches, though still outperforming Easter 2024 by 26% and 14% respectively. LFT's survey indicated a slight decline in hotel bookings alongside a significant uptick in camping demand in **Luxembourg** for Easter.

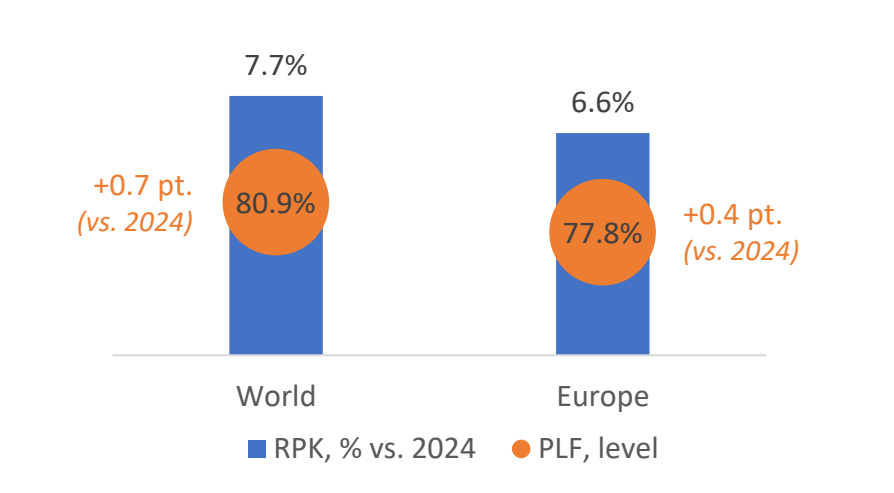
The majority of European destinations benefited from increased visitor flows from key **short-haul markets**. French visitors contributed substantially to first-quarter growth in Austria, Netherlands and Luxembourg. The strong British Pound vs. the euro has yielded strong UK visitor growth across various European destinations. Travel from both **China and Japan** to Europe showed substantial growth, while Brazilian and Indian visitor numbers continued their upward trend. Nearly all reporting European destinations have experienced growth from the **US** in Q1 /2025 vs. 2024, supported by the still-advantageous Euro/Dollar conversion rate and good air connectivity.



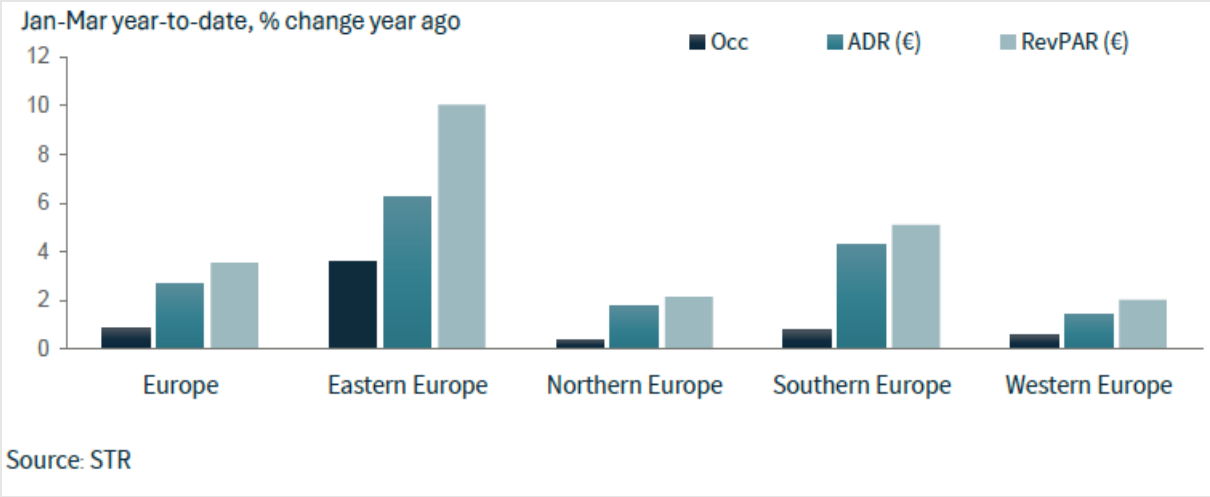
# Air travel, hotels & short-term rentals performance



RPKs<sup>1</sup> and PLF<sup>2</sup>, international air travel, Jan-Mar 2025



European hotel performance, 2025 vs. 2024



**European air passenger demand** showed solid growth in **Q1/2025**, vs. both 2024 and 2019. International revenue passenger kilometres (RPK) were 7% higher than last year (+8% worldwide). Available **seat capacities** grew by 6% in Europe. As a result, passenger load factors (PLF), although still very high, showed only marginal year-on-year growth. Asia-Pacific stands out as the World's sub-region with strongest PLF growth in Q1/2025 over last year. Aviation activity worldwide will continue to expand, as the number of **scheduled passenger flights** indicates a 4% year-on-year rise from last year for **April-May**.

**Global hotel performance** has generally improved compared to the same quarter last year. **Luxury travel** demand appears to contribute significantly to ADR growth in several parts of the World, notably Latin America, Asia-Pacific and the Middle East. By contrast, **European hotel performance** has lost some momentum going into 2025, reporting **modest growth** across all metrics. Hotel pricing power is now limited amidst affordability concerns, as both ADR and RevPAR growth in Europe lags all other World regions. RevPAR growth in **Western Europe** has grown by just 2% on the same period last year, below the European average. There is a risk that greater economic uncertainty could further weaken hotel demand growth. **Eastern Europe** reported the strongest year-on-year performance across all sub-regions in all three metrics, but room rates remain below the European average in absolute terms. In **Southern Europe**, occupancy rose just 1% on the same time last year, but ADR continues to outperform the European benchmark, and even so prices will likely rise further during the summer season.

With nearly 4.4 million **short-term rental** units as of February 2025, Europe experienced roughly 5.9% year-over-year supply growth, but in recent months, supply growth has remained stable. The European average monthly median past-12-months ADR in February 2025 was approximately €113 (+8% over one year ago).

Sources: Tourism Economics/ETC, STR, IATA. <sup>1</sup> Revenue passenger kilometres, <sup>2</sup> Passenger load factor.



# LFT Hotel & Camping Survey

# LFT Hotel Survey

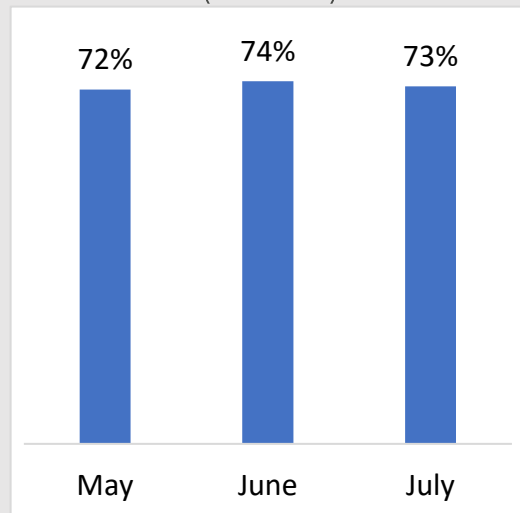
## 13 – 27 May 2025: 45 hotels



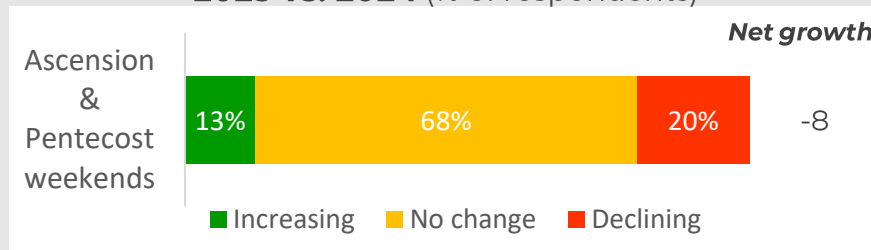
According to LFT's latest hotel survey, an average **occupancy rate** of 72% is forecast for May (-1 point vs. 2024), 74% for June (-2 points), and 73% for July (+1 point). Thus, prospects for late spring are marginally worse than last year, whereas a slight increase should be expected for the start of the peak summer season. While occupancy in **May** is expected to drop by 5 points in North & East **regions** and remain almost stable in all other parts of the country, that trend gets reversed for **June-July**: a growth of 2 points in occupancy is forecasted in the North & East **regions** for both months. Prospects for **June** point to declining occupancy for the City (-2 points) and South & Guttland (-5 points), and a stable occupancy rate in **July** for each of these **regions**, compared to last year.

These results are in line with demand trends for leisure vs. business travel: a clearly larger number of hotels is expecting growth rather than decline in **leisure** bookings until July. The trend is exactly opposite with regard to **business** travel demand and, especially, business events bookings. Net growth in leisure demand is observed across all destination **regions**. However, an exception to the general trend are the **long weekends for Ascension Day and Pentecost** for which a slightly larger number of respondents have forecast a decline in booking levels compared to the same weekends in 2024 – an observation not made in the North & East, but across the other regions.

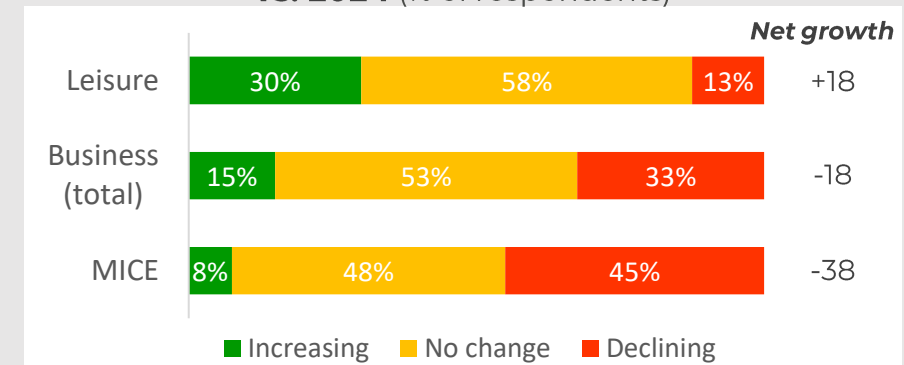
**Occupancy rate**  
(forecast)



**Bookings trend Ascension & Pentecost weekends, 2025 vs. 2024** (% of respondents)



**Share of bookings, trend next months 2025, vs. 2024** (% of respondents)





# LFT Hotel Survey

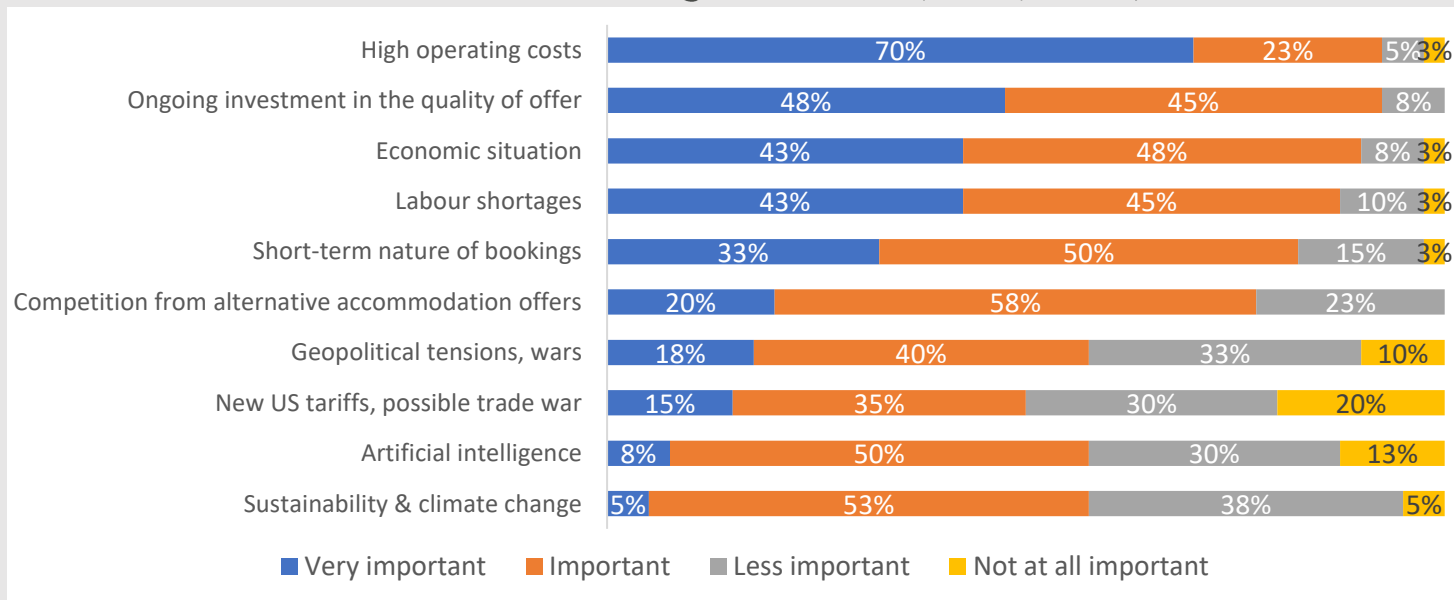
## 13 – 27 May 2025: 45 hotels



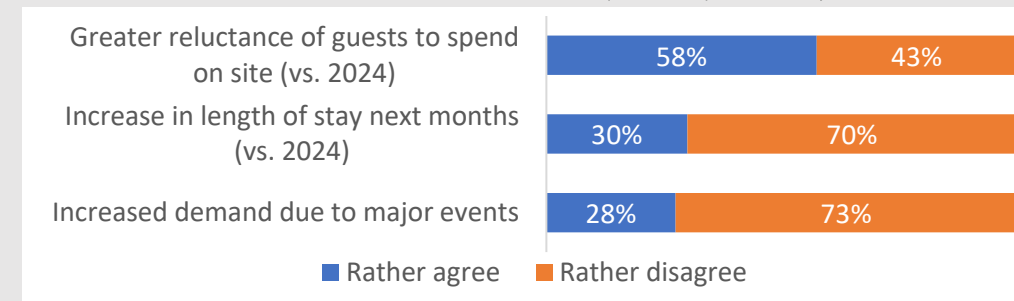
Although investment propensity slightly improved in our previous hotel survey, there is no denying that the need to continuously **invest in the quality** of the offer remains an ongoing **challenge** for the industry. This was highlighted as the single most important challenge by participants in our current survey. Next follow high operating **costs** and the **economy** in general – including new US tariffs and risk of a trade war, mentioned by half of respondents. Staff shortages and the fact that bookings are often at very short notice remain key challenges as well. 78% of hotels are also seeing increasing competition by alternative accommodation providers as a concern. Sustainability & climate change have again more frequently mentioned than in recent survey waves. Some **regional differences** can also be observed: sustainability & climate change have been much more often highlighted by hotels in the North & East regions (87%). Hotels in Luxembourg City have substantially more often mentioned increased competition from alternative accommodation as a challenge (94%).

**Turnover** for the first 4 months this year has increased by 3% over 2024, with a much stronger growth in the North & East regions (+15%) than in the capital city (+2%) and South & Guttland (-7%). **On-site spending** is indeed under pressure, as 58% of hotels are witnessing more hesitancy by their guests in this regard. On a positive note: almost a third of hotels are expecting **length of stay** to expand and major **events** to be a substantial driver to booking growth, with little variation across regions. This also applies to **general optimism** regarding the further course of the 2025 tourism season, a view shared by 60% of hotels.

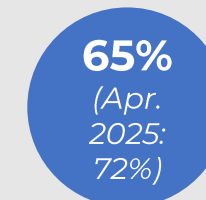
### Relevance of challenges for hotels (% of respondents)



### Economic statements (% of respondents)



### Optimistic regarding season 2025



### Turnover, Jan-Apr 25 % vs. 2024



# LFT Camping Survey

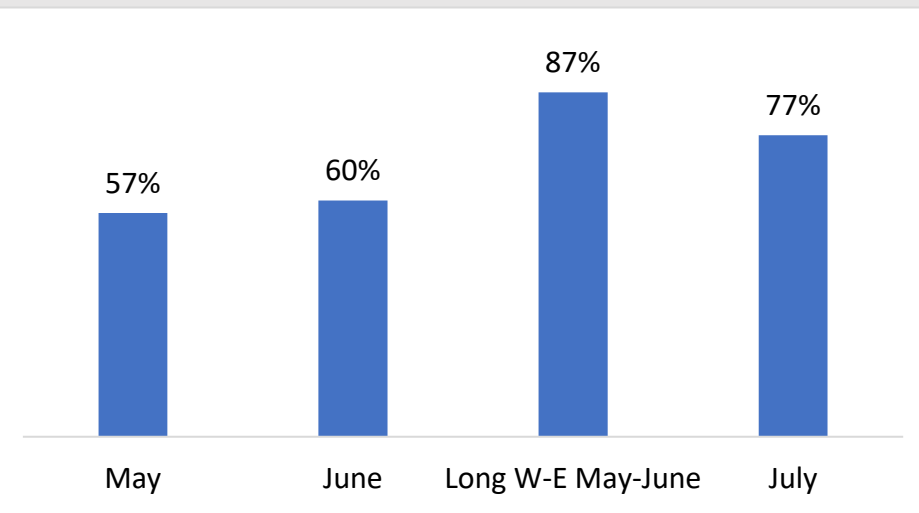
## 13 – 27 May 2025: 15 campsites



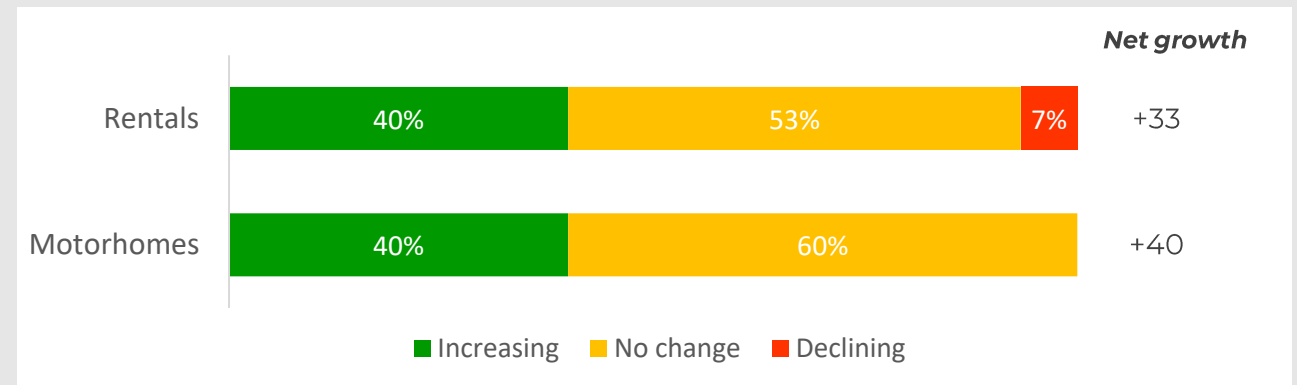
Prospects for May-July as reported by participants to LFT's most recent survey, are excellent for the camping sector: **occupancy in May** is forecast to rise by 5 points vs. 2024 to 56%, for **June**, a 16-point increase – this time a more unsurprising calendar effect – is expected (60% occupancy). Forecasts for **July** point to an average occupancy of 77% (+5 points). When comparing prospects for the **long weekends** in May-June with last year – a more representative gauge of real demand levels – an occupancy rate of 87% is expected, a 7-point increase over 2024. 6 out of 14 respondents from our sample have been, resp. are already fully booked for these long weekends.

Bookings for **rentals and motorhomes** appear to be key drivers for demand growth until July 2025: nearly all campsites are seeing either growth or stable demand for these segments, resulting in net growth of +36 for both rentals and motorhome bookings (i.e., the difference in the number of respondents expecting growth vs. the number forecasting decline). Compared to last year, expected growth is especially strong for the **rentals** segment, while booking shares of motorhomes should remain more in line with those in spring 2024.

**Occupancy rate**  
(forecast)



**Share of bookings, trend next months 2025,  
vs. 2024** (% of respondents)



# LFT Camping Survey

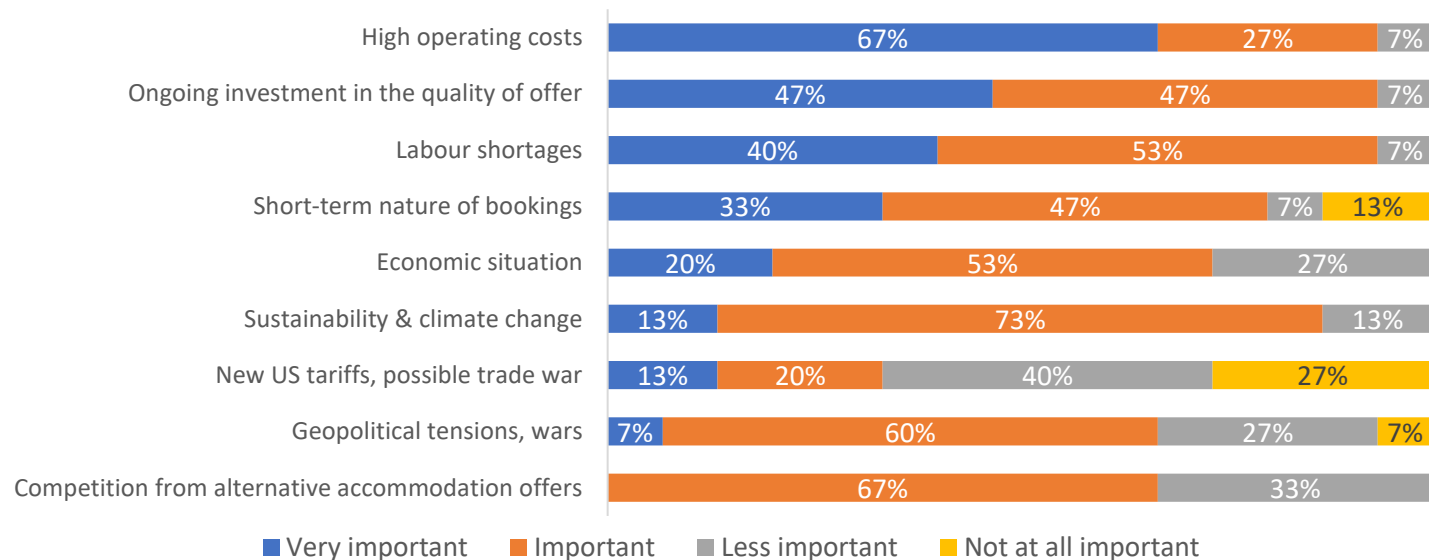
## 13 – 27 May 2025: 15 campsites



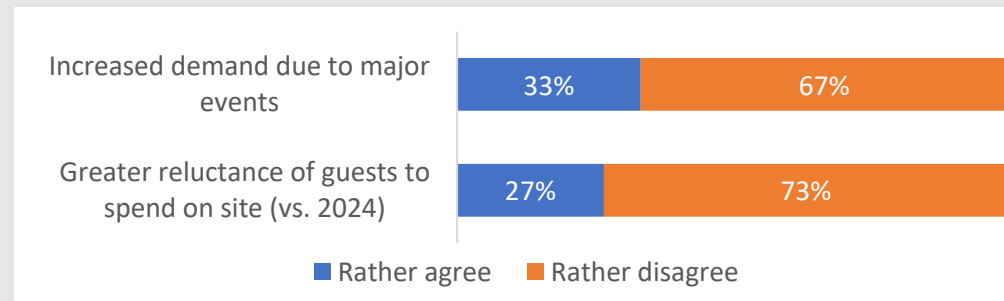
High operating **costs**, **labour shortages** and the need for **investing** into continuously improving the quality of the offer are the three main **challenges** for Luxembourg's camping industry as identified by survey participants. **Sustainability & climate change** has been cited as a somewhat important challenge by nearly all respondents, but only a minority have highlighted it as being "very important". The general economic situation and the US tariffs have been less frequently mentioned as major challenges than in the hotel sector. **Increased competition from alternative accommodation** offers (e.g., holidays at a farm, short-term rentals via Airbnb etc.) are relevant for almost two-third of campsites but are not considered an absolute key challenge, according to survey respondents.

Demand in the context of major **events** is as much a driver at the camping as at the hotel level, since more than a third of campsites claim to be affected by such events. It appears that **spending on site** is more resilient at campsites than at hotels: 29% of respondents have noticed a greater reluctance to spend among their guests compared to last year. All participating campsites remain **optimistic** with regard to this year's camping season.

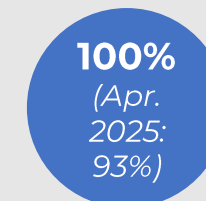
### Relevance of challenges for hotels (% of respondents)



### Economic statements (% of respondents)



### Optimistic regarding season 2025





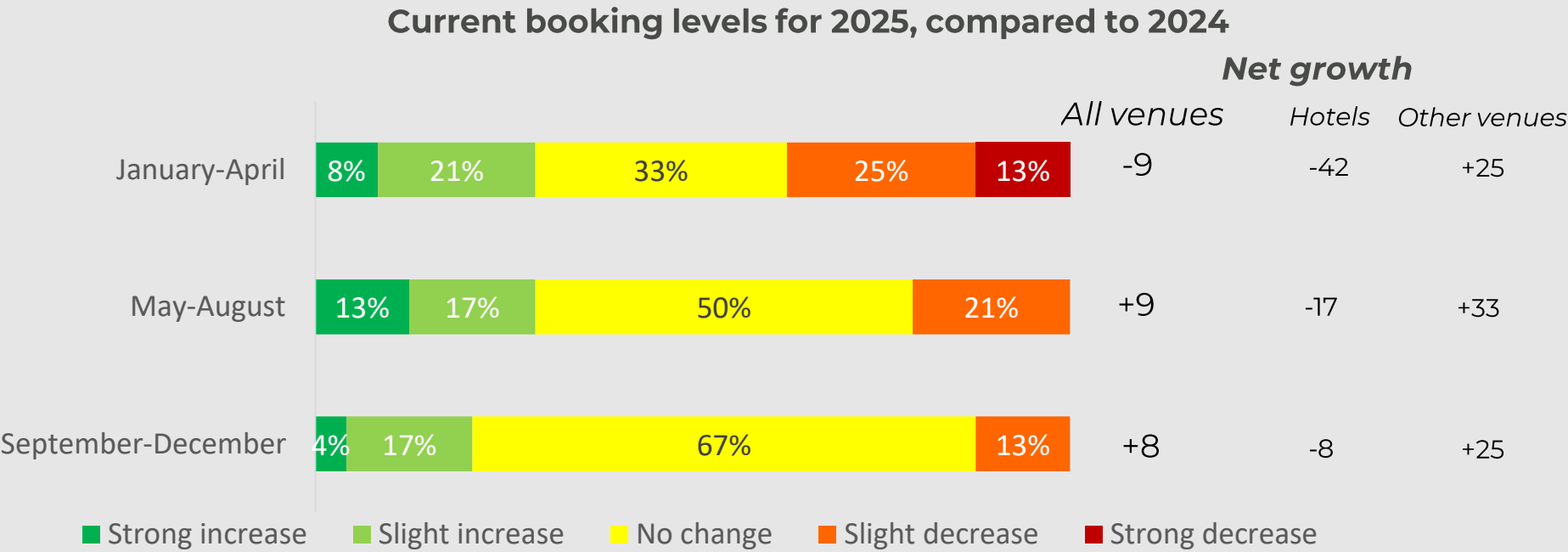
# Business Events demand forecast 2025



In association with LCB, LFT has also included a question on demand prospects for 2025 in its annual Business Events survey. The survey took place in Q1/2025. In total, 34 MICE venues and MICE hotels participated.

From the results, it appears that Luxembourg's Business Events segment had a relatively subdued start into 2025, with a net decline for **January-April**, compared to the previous year (i.e., the number of venues with decreasing booking levels exceeded that with increasing bookings). Prospects are substantially better for the remainder of the year, with 30% of venues forecasting growth in **May-August** (vs. 21% decrease), and 21% of venues expecting booking levels to grow in **September-December** (vs. 13% decline).

Results in **conference and special event venues** (castles, museums etc.) are much more positive than those in **MICE hotels** (see below): a larger share of hotels are expecting declining demand in business events this year rather than growth – in other venues, the trend is exactly the opposite.





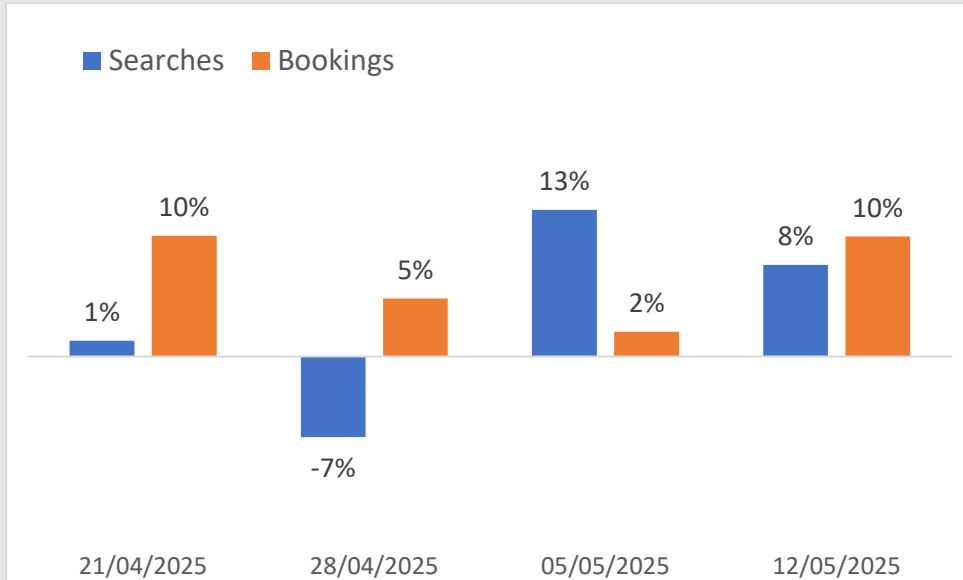
# **Search & Booking Data** **(Hotels / Flights / Campsites / Travel Themes)**

# Hotel Searches & Bookings

## Luxembourg

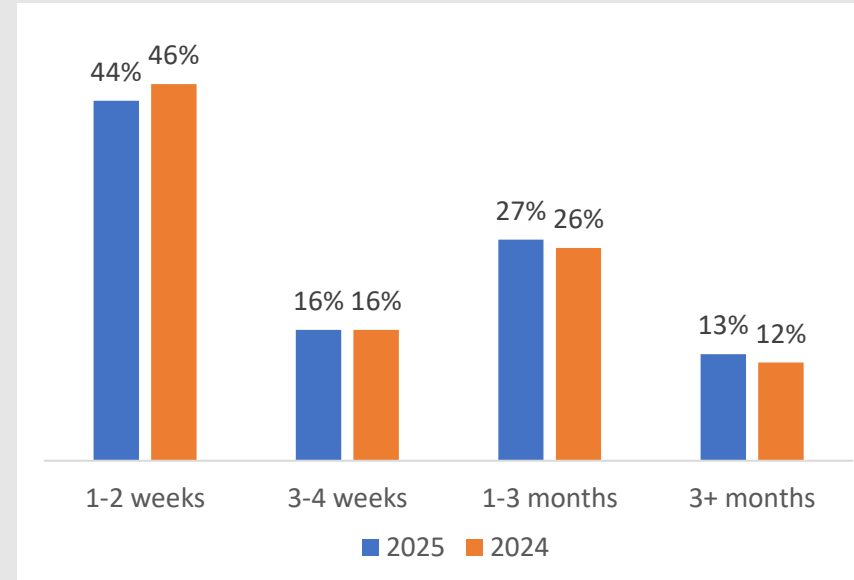


Hotel searches and bookings, all future arrivals,  
% week-on-week change

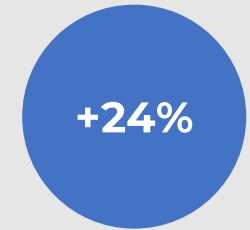


Dates on the chart refer to the starting day of the respective week.

Lead times for inbound hotel searches to  
Luxembourg made between 15.3.-14.4.



Hotel searches for all future  
arrivals, % change vs. 2024



After Easter, a temporary slowdown in weekly **search** volumes for future **hotel** stays in Luxembourg was observed, but since the start of May, volumes picked up again (left chart). Recent new **hotel bookings** have increased every week throughout mid-April to mid-May. Average **week-over-week growth** since Easter was +4% for searches and +7% for bookings. When **comparing with the same date last year**, we can see that hotel searches are now 24% higher – but this is also partly due to calendar effects (as Pentecost had already taken place by this time in 2024). Despite of this, year-on-year growth in **business travel** searches for future hotel stays in Luxembourg is currently even higher (+30%) than growth in **leisure travel** searches (+15%). This indicates **untapped growth potential esp. for business travel** bookings since LFT's hotel survey revealed that on-the-book figures for that segment are currently lagging last year's levels. The minor shift back to **longer lead times** pointed out in our last report seems to get confirmed: search shares for hotel stays 1-3 months or even longer ahead have increased by 2 points over last year, at the expense of last-minute searches (right chart). Luxembourg is in line with the **Western European benchmark** with regard to recent hotel searches, but exceeds this benchmark in terms of relative booking growth since Easter.

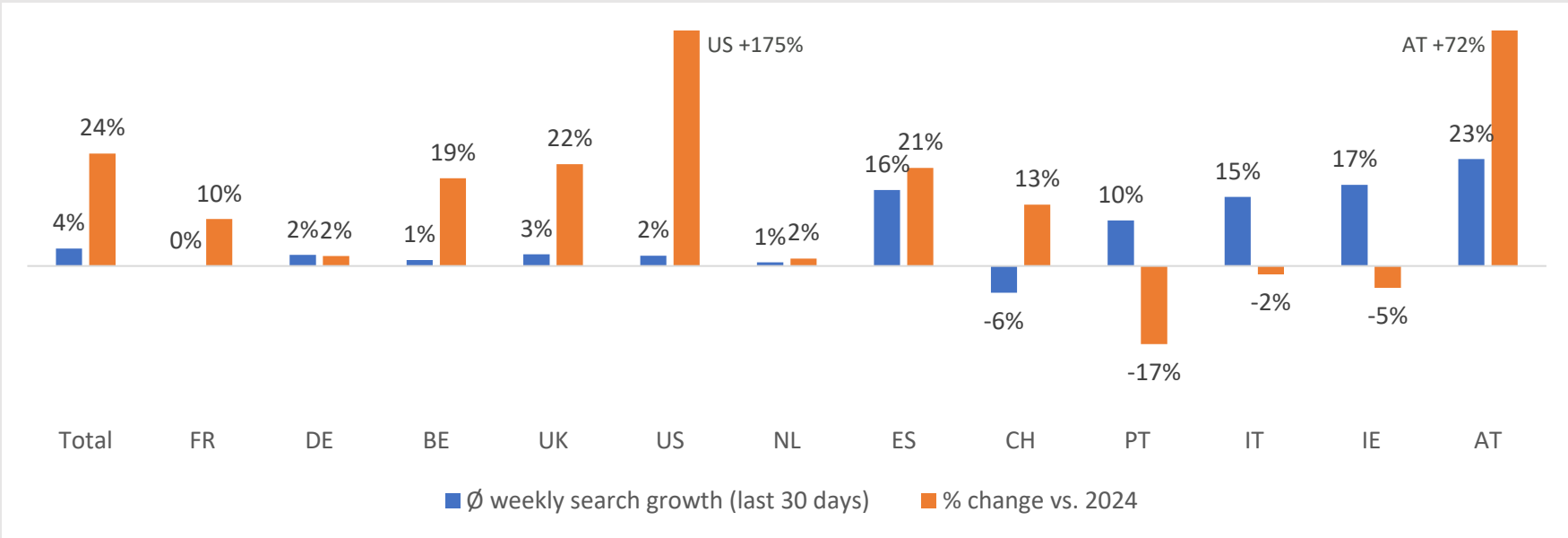


# Hotel Searches & Bookings

## Luxembourg



Hotel demand for all future arrivals by top 10 source markets,  
% change week-on-week & vs. 2024



Hotel searches,  
% market shares by source market

France	15%
Germany	14%
Belgium	13%
United Kingdom	12%
United States	12%
Netherlands	9%
Spain	4%
Switzerland	3%
Portugal	2%
Italy	2%
Ireland	1%
Austria	1%

Since Easter, **weekly growth of hotel searches** has been moderate from most of our nearby **source markets**, flat from France, and declining from Switzerland. By contrast, double-digit week-on-week search growth was recorded from many other European markets, mostly business-travel driven. When **comparing with last year's levels**, we are seeing strong **growth from most markets**, many of them in double-digit territory including some nearby ones such as Belgium and France (business-travel-driven), Spain, Switzerland and Austria (leisure-travel-driven) and the UK and the US (all travel purposes). Year-on-year growth from Germany and the Netherlands remains more moderate, and is decreasing from Italy and Portugal (drop in business-travel searches) and Ireland (drop in leisure-travel searches).

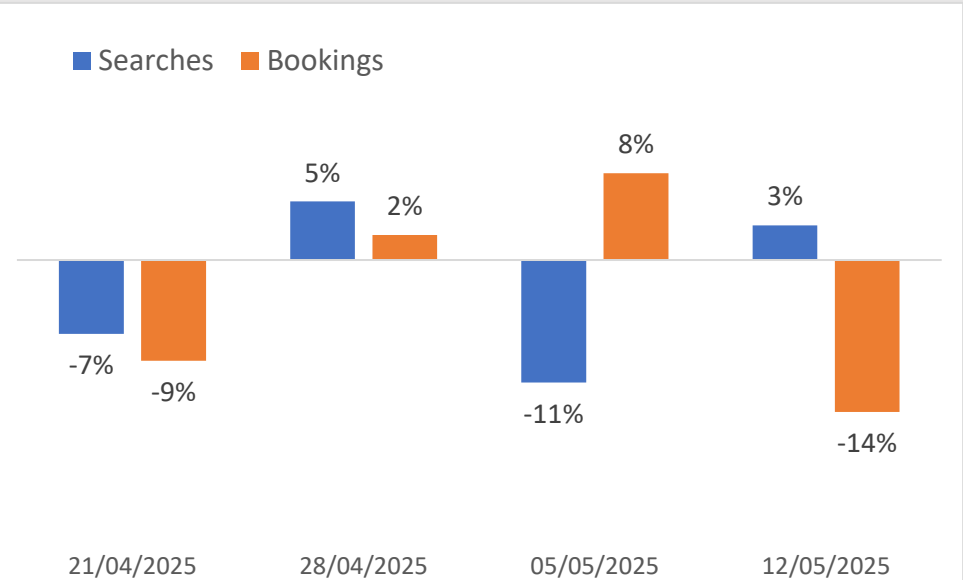
**Origin regions** that have gained demand share for Luxembourg compared to last year include Brussels, Nordrhein-Westfalen, Hamburg, Southern France, Lombardy & Piedmont, Catalonia & North-West Spain and New York.

# Flight Searches & Bookings

## Luxembourg

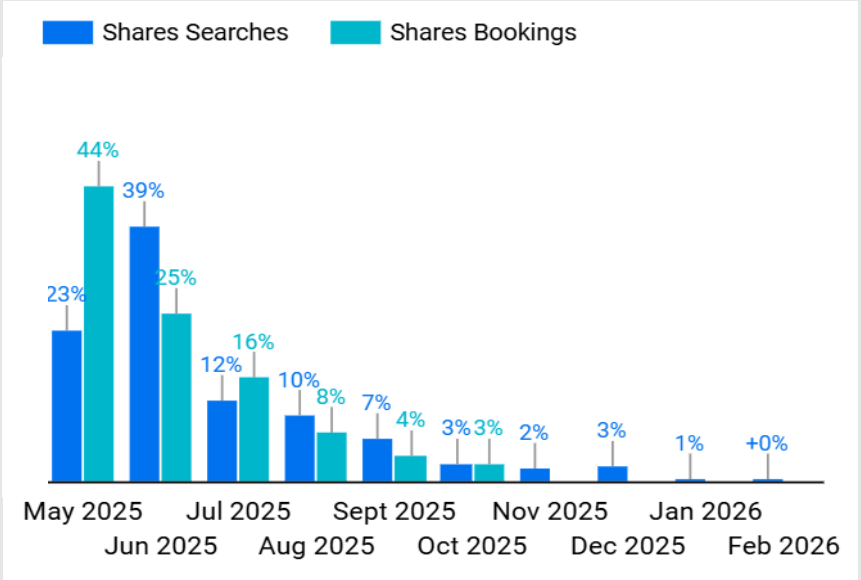


Flight searches and bookings, all future arrivals,  
% week-on-week change



Dates on the chart refer to the starting day of the respective week.

Flight searches and new bookings (\*),  
% shares by month of future arrival



(\*) Searches made 5.5.-18.5., bookings last 6 months for travel until Oct 2025.

Flight bookings for all future arrivals, % change vs. 2024



Compared to what was seen at the hotel level, the recent evolution of demand for flights to Luxembourg followed a more subdued path. **Weekly** growth of both **searches and bookings for flights** was rather volatile and, on average, decreasing since Easter (searches -2%, bookings -3%). That said, **when comparing 2025 with 2024, bookings** for future air travel to Luxembourg are still 6% ahead (but searches are down on last year, by -3%). Thus, we are somewhat seeing mixed signals currently with regard to future air travel demand..

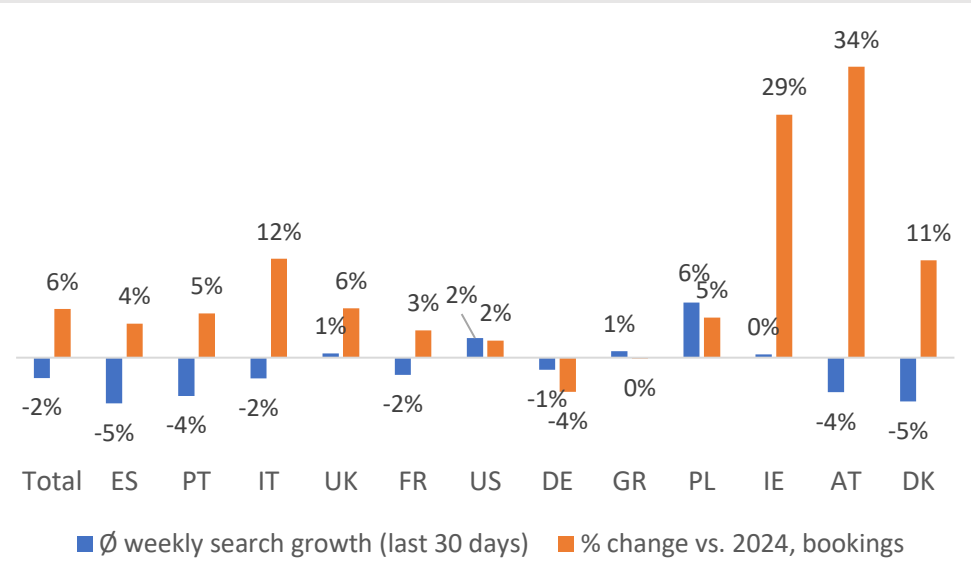
Interestingly however, **searches** for the **summer** months are way ahead of last year, making up 22% of all current searches (vs. 18% in 2024). Search share for **September-December** is also notably higher (15%, vs. 11%). Shares of bookings by arrival months are similar to those seen last year, indicating further **growth potential for new bookings for air travel in July and beyond** over the coming weeks. Growth in bookings for future flights to Luxembourg vs. 2024 is currently equally high for **business and leisure travel** (both +6%).

# Flight Searches and Capacities

## Luxembourg



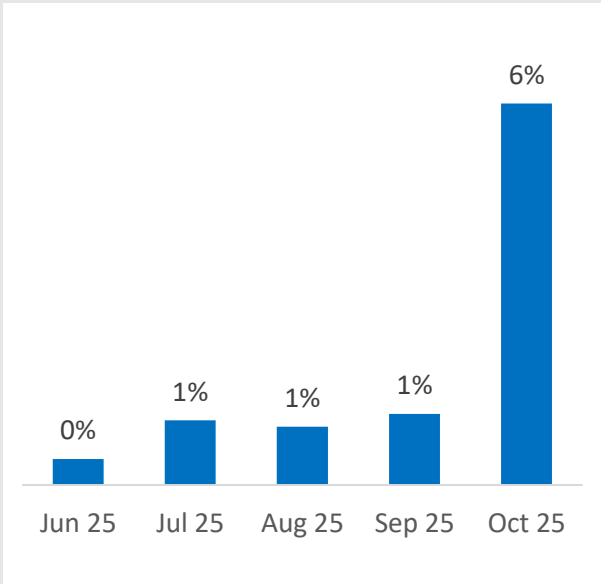
Flight demand for arrivals next 6 months  
by top source markets,  
% change searches week-on-week & bookings vs. 2024



Flight searches,  
% market shares  
by source market

Spain	17%
Portugal	17%
Italy	12%
United Kingdom	11%
France	11%
United States	6%
Germany	6%
Greece	4%
Poland	3%
Ireland	3%
Austria	3%
Denmark	2%

Seat capacities to Luxembourg  
by arrival months,  
% change vs. 2024



Flight connectivity  
to Luxembourg

	June-October 2025	Change year-on-year
Countries connected	32	=
Avg weekly flights	580	+7
Seats	1.545.518	+2%
Airlines	15	-2
Top 5 origins, seats (% year-on-year): ES (+4%), PT (+3%), IT (+7%), DE (-2%), UK (+6%)		

The recent subdued evolution of weekly flight search levels is reflected through **declining week-on-week volumes** across most key European **source markets** (left chart). As mentioned, **booking levels** remain 6% above **last year**, with healthy, double-digit demand **growth** from Italy, Austria, Ireland and Denmark, and other main European **source markets** also still firmly in growth territory, with the exception of Germany (drop in leisure air travel demand). From France and Poland, growth is mainly driven by **business** travel, from the other source markets pictured above, **business and leisure** have equally contributed to growth. **Origin cities** that have strongly contributed to recent search growth for air travel to Luxembourg include Naples, Manchester, Toulouse, Athens, Krakow, Vienna, Copenhagen, Amsterdam, Washington and Chicago.

Available **seat capacities** for air travel to Luxembourg until October are, on average, 2% higher than last year. They have increased from major Mediterranean **markets**, but also from the UK (+6%), Türkiye and Poland (+20% each). Turkish Airlines (Istanbul), Lufthansa (Munich/Frankfurt) and Easyjet (Milan/Porto) are those **airlines** that have most expanded their seat capacities compared to 2024.

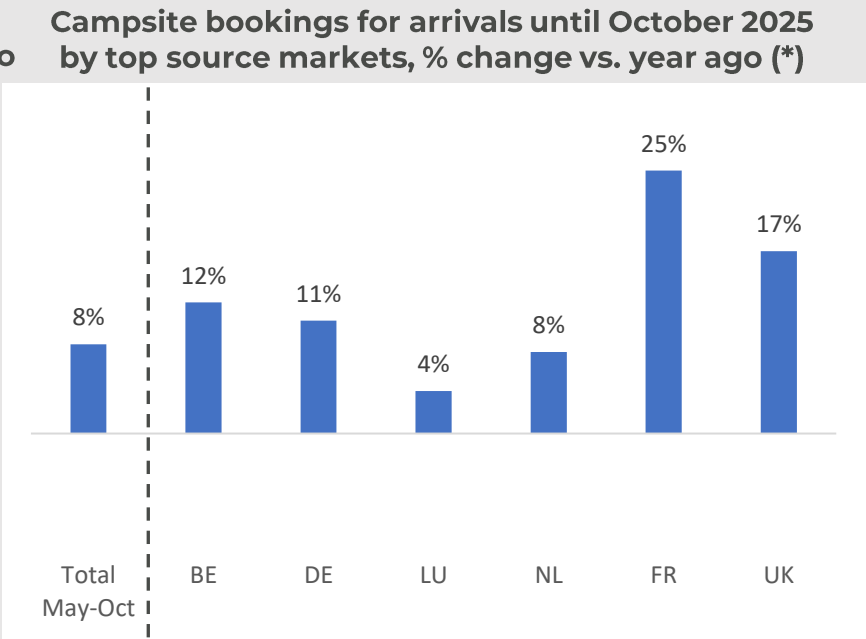
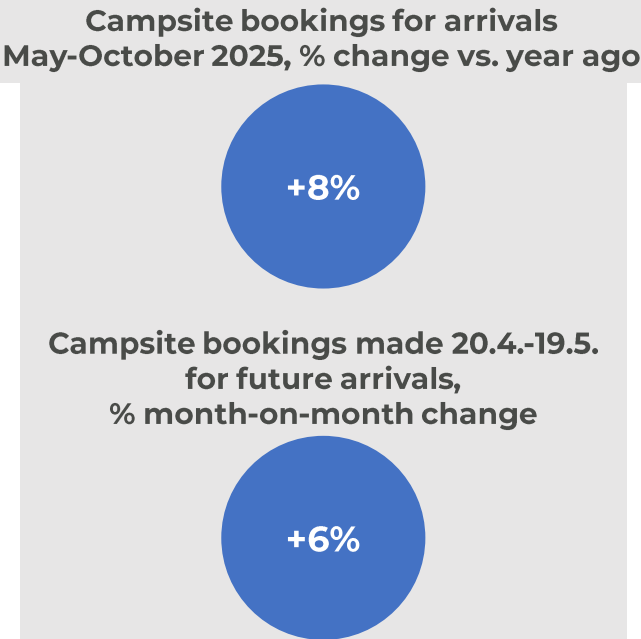
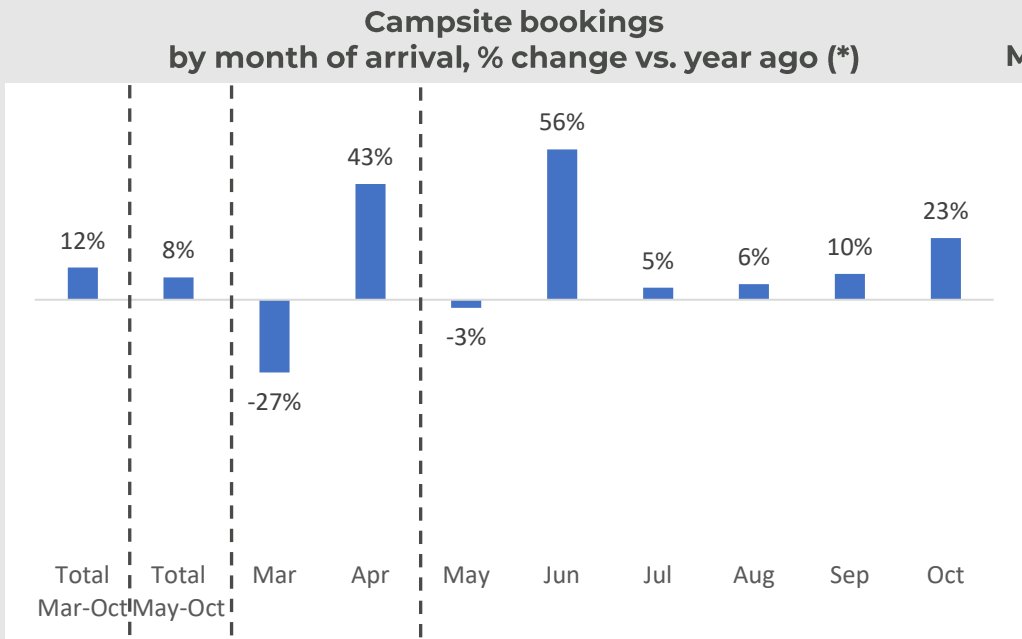
# Campsites Bookings

## Luxembourg



**Campsite bookings** to Luxembourg, as reported through our data provider platform, are 12% **above 2024** for the entire season 2025, and 8% higher than last year for the period May-October. Campsites have enjoyed a successful start into this year's season, with bookings 20% above 2024 for **March-April**, helped by a late Easter. Bookings for **May-June** are currently 10% higher than last year, while growth is more moderate for the peak **summer** season (+5% for July-August). Relatively more reservations than last year have already been recorded for **autumn** (+13% for September-October). See left charts for the monthly breakdown. After a very high increase the previous month, new bookings made between **mid-April and mid-May** for future camping stays further grew by 6% **month-on-month**, confirming ongoing strong interest.

All key **source markets** are showing healthy demand growth vs. 2024 (right chart), including the domestic market (which was still down on the previous year in our last report). Growth in summer is notably driven by stronger demand from Belgium, Germany and the UK, while Belgium and the Netherlands are the essential contributors to current booking growth in autumn.



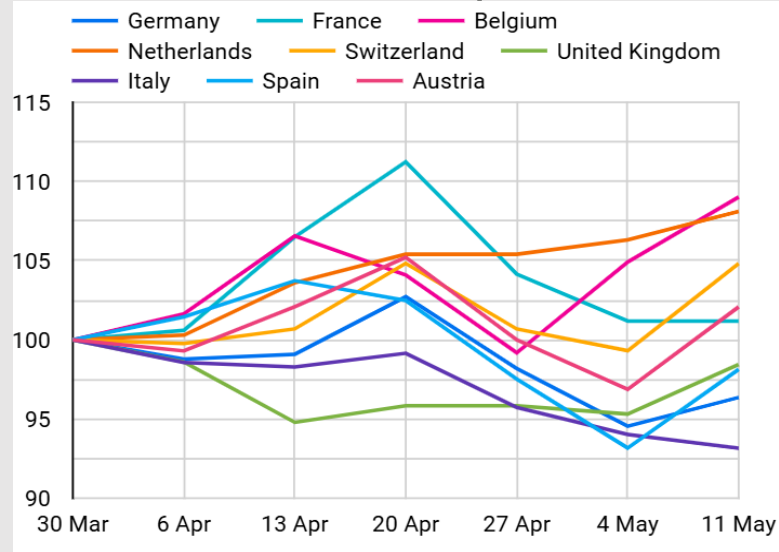
(\*) as of 20.5.2025.

# Travel Themes on Google



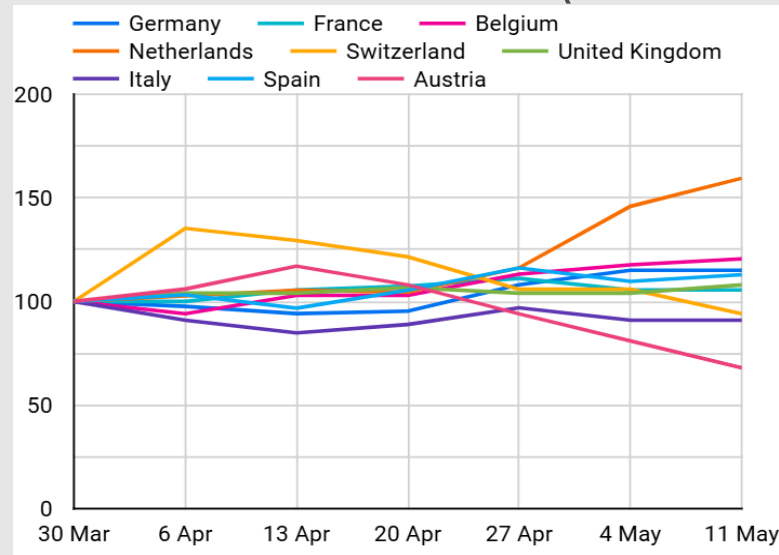
## Evolution of relative search interest on Google in main source markets

### ALL travel-related searches (30.3.2025 = index 100)



**Recent travel-related search trends on Google**, both for overall travel and to Luxembourg, have mirrored those of hotels and flights: a decline after Easter, followed by a rebound in May. For **Luxembourg**, that rebound in May was more moderate in terms of Google travel searches, with subdued weekly demand growth from Italy, Switzerland and Austria. When **comparing with one year ago**, the picture is mixed, with many **source markets** showing no growth, except France, Italy and Switzerland. The same holds true for **Luxembourg-related travel searches**, with interest from nearby markets tending to be lower than in 2024 (except among French users).

### LUXEMBOURG travel-related searches (30.3.2025 = index 100)



The sunny weather in large parts of Western Europe in recent weeks probably contributed to a further improvement in search interest for **hiking** on Google over last year across all source markets (with only Germans showing slower growth in this regard). Search interest levels on Google for **youth hostels, holiday homes and city trips** are lower than last year in most markets. With regard to relative search interest on Google for **city trips to Luxembourg**, however, **year-on-year growth** is being recorded among users from France, Italy, Spain and Austria. On the other hand, German users are showing a significant decrease in search interest compared to last year.





# E-Reputation

# E-Reputation Luxembourg

## Conversations on Social Media

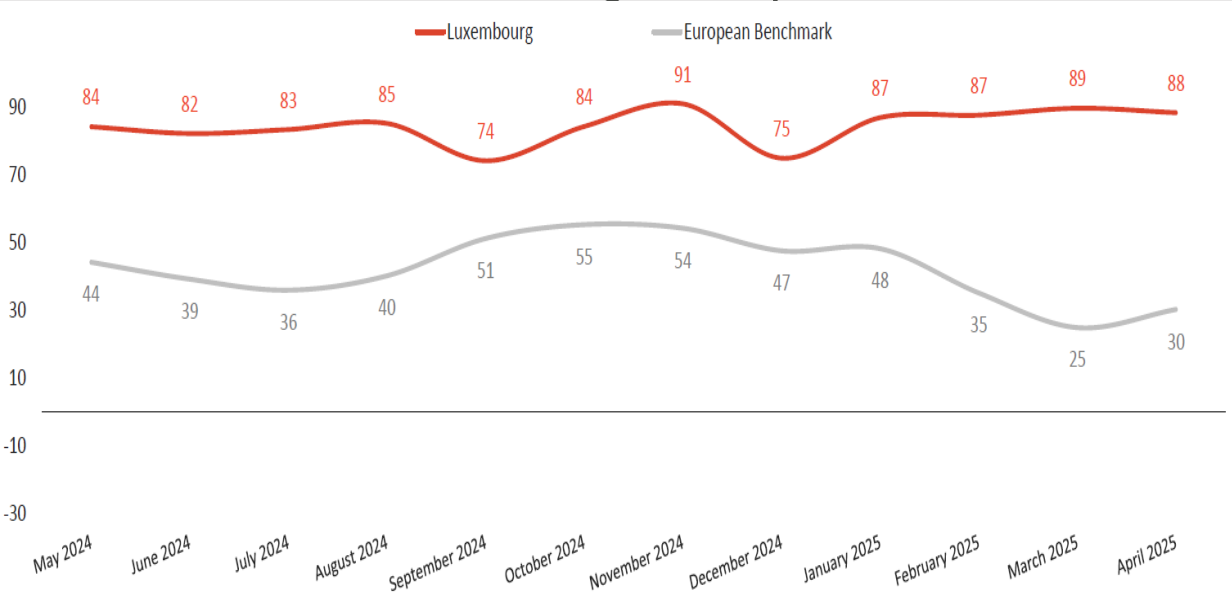


In April, **online sentiment** around travel in Luxembourg remained strong, contrasting with the modest sentiment observed across Europe. The **Net Sentiment Index** – which measures the polarity between positive (+100) and negative (-100) mentions – reached +88 for destination Luxembourg, largely exceeding the European benchmark.

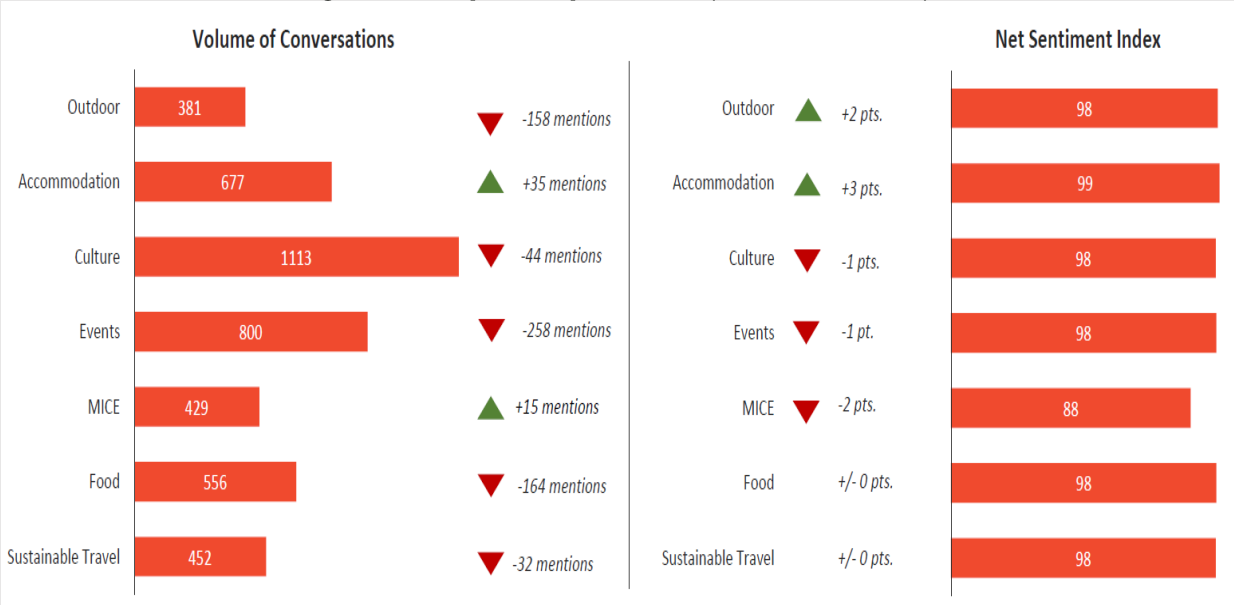
The positive sentiment was driven by a **variety of experiences**, including scenic cycling routes, visits to medieval castles, enjoying tranquil village escapes, the LUGA urban garden exhibition and interactive science exhibits at museums. Online sentiment remains equally high across all key **source markets** but slightly dropped among Dutch users.

**Volumes of mentions** about culture, food and wine have increased over the same period **last year**, while discussions about lodgings and business events yielded marginal **month-on-month volume growth**. In terms of positive sentiment, all key **reputation topics** score exceptionally well, particularly accommodation and outdoor activities. **Negative** discourse was minimal and primarily centred on rail disruptions, but also Airbnb double bookings and safety issues over the Easter weekend at Luxembourg Central Station area.

Net Sentiment Index of Luxembourg and Europe



Volume of mentions and Net Sentiment Index of Luxembourg by main topics, April 2025 (vs. March 2025)



# E-Reputation Luxembourg

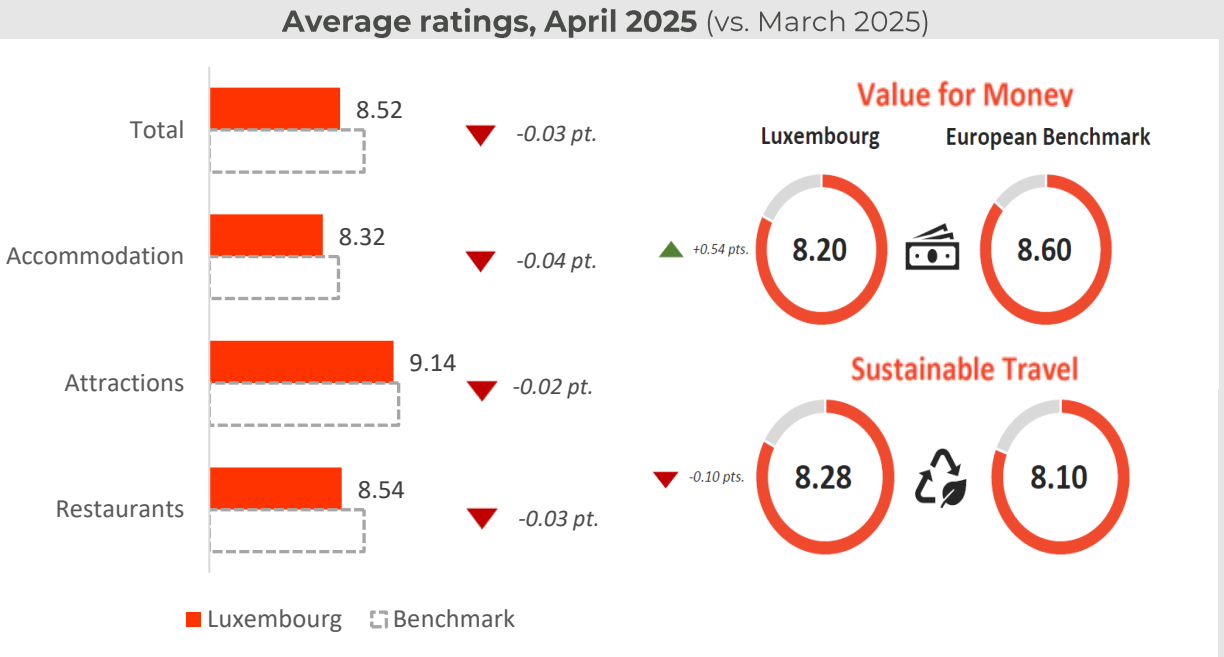
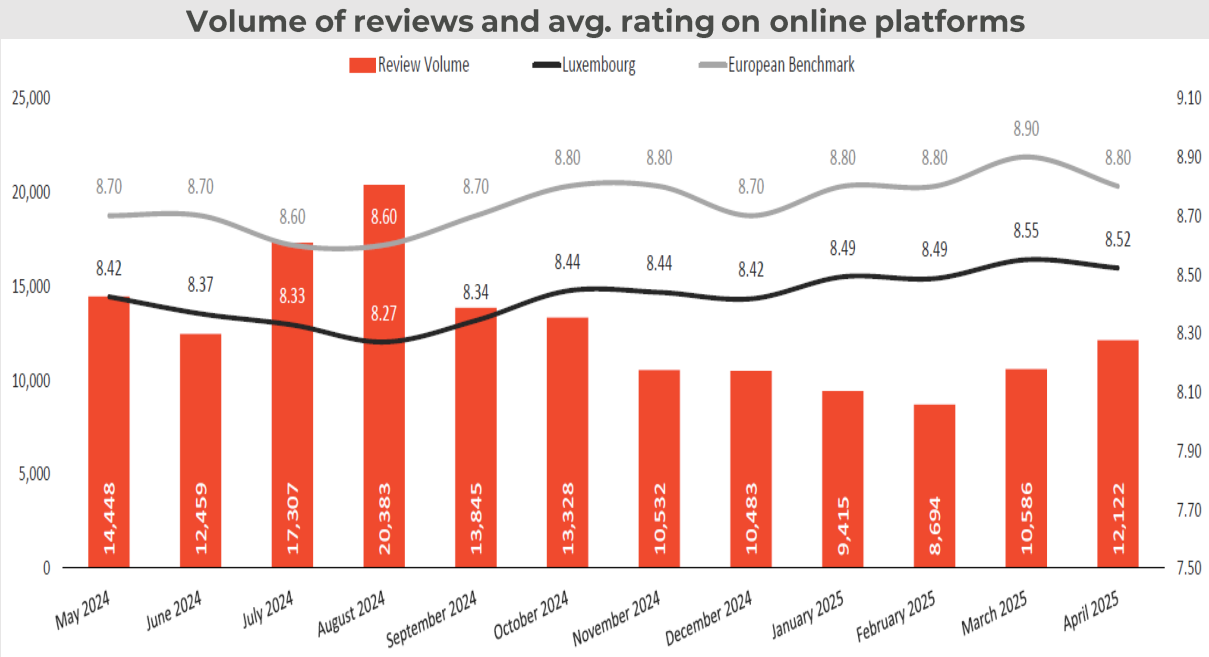
## Visitor Experience



The **number of reviews** for Luxembourg’s tourist offer published on rating platforms (Trip Advisor, Google, Booking etc.) increased in April compared to the previous month. Luxembourg’s overall **satisfaction rating** remained largely stable, while the European benchmark score declined. Despite this, Luxembourg’s rating continues to trail behind that of its European peers.

Ratings for **lodgings** in Luxembourg declined in April. Among the different **accommodation types**, holiday apartments achieved the highest rating, followed by campsites which saw a significant decline, likewise to hotels. Youth hostels recorded the greatest month-over-month improvement. Overall ratings for Luxembourg’s **attractions** declined (-0.03 pts), with mixed performance across sub-categories: Culture & Landmarks received the highest rating (+0.15 pts), followed by Castles, Churches & Palaces. Lower ratings than the previous month were e.g. reported for Leisure Sights, Hiking/Cycling/MTB and Nature, Parks & Gardens. **Restaurant** ratings declined a further 0.03 pts in April. The European benchmark also saw a decrease of 0.1 pts.

Luxembourg saw an overall strong improvement in **Value for Money** mentions (+0.54 pts), driven mostly by the accommodation sector. The European benchmark, on the other hand, remained stable. Despite this improvement, Luxembourg still falls short of the European average. Overall visitor sentiment regarding **sustainable travel** declined slightly (-0.10 pts), but continues to exceed the European benchmark, which remained unchanged from the previous month. Sustainability perception in the accommodation sector remained stable, while strong growth was recorded for restaurants.





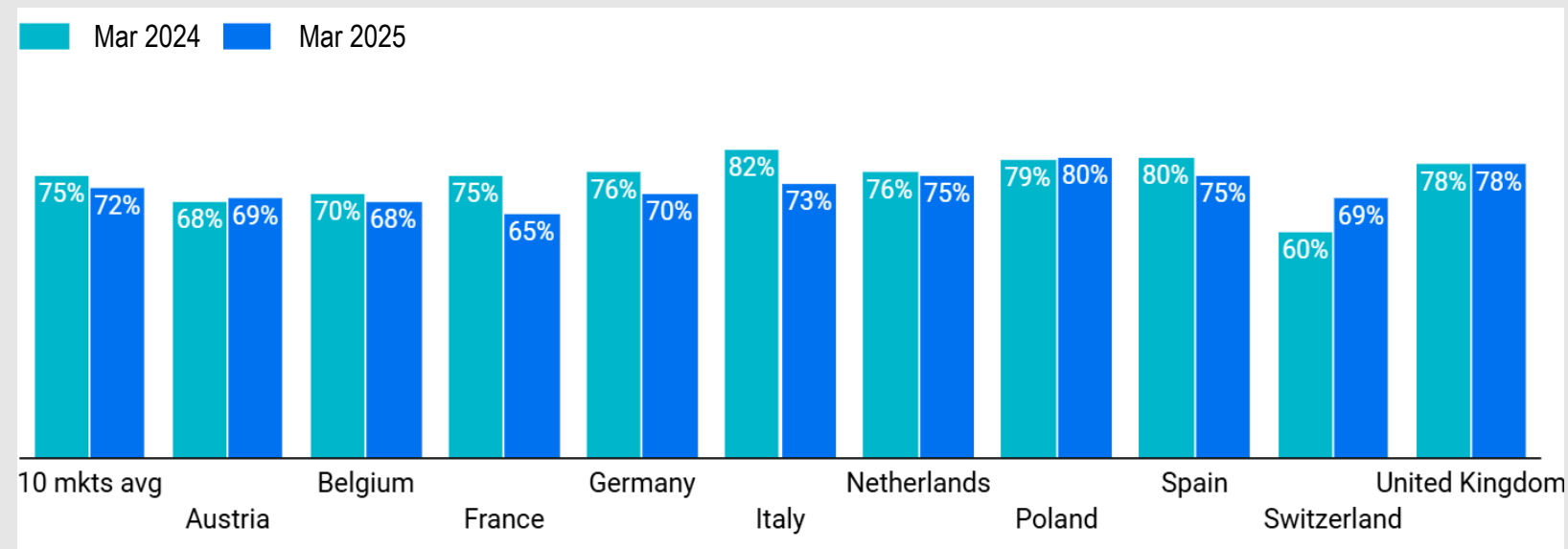
# **Short-term travel intent surveys**

# Travel Intent of Europeans for the next 6 months

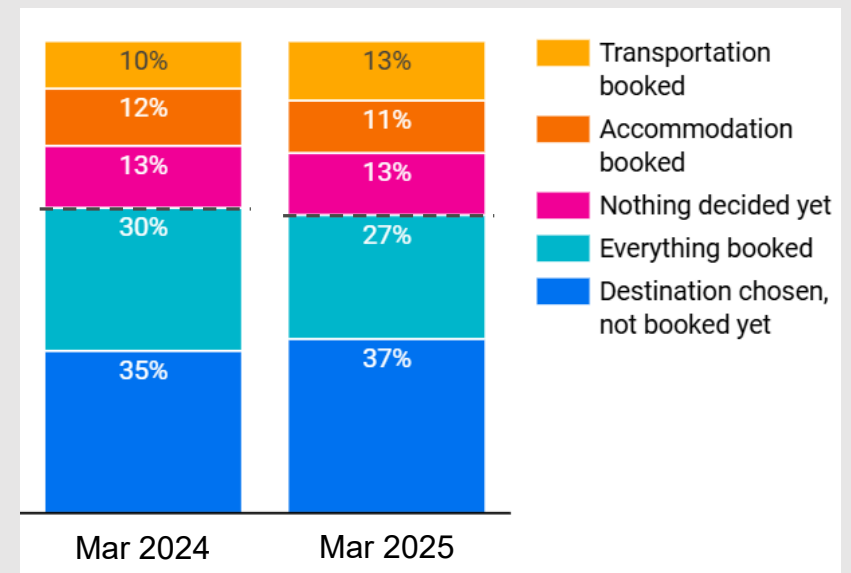
## Likelihood to travel and current booking status



Share of Europeans<sup>1</sup> “likely” / “very likely” to travel next 6 months



Current decision status of potential travellers



The European Travel Commission's latest survey on **Europeans'** future travel plans reveals a slight decline in **intentions to travel** between April and September 2025 compared to last year: 72% of Europeans consider to take at least one trip in spring/summer this year, down 3 points vs. 2024. Nevertheless, this remains a high value, reflecting the priority consumers attach to travel. Whereas travel intent did drop in a majority of **source markets**, it improved in Austria, Poland and Switzerland, and also remains particularly high in the UK, Spain and the Netherlands. The 55+ **age group** is the most eager to travel this year (80%), whereas Gen Z's travel intentions have dropped to 54% (-10%). The survey was conducted in March 2025 in 10 key source markets<sup>1</sup>, and sheds light on travellers' motivations and trip planning details.

It is worth noting that the share of travellers having **already booked** their entire trip has dropped from 30% to 27% between 2024 and 2025. By contrast, travellers having **chosen their destination** but not yet finalised their booking increased by 2 points, to 37%, while those having booked their **transportation** to the destination increased from 10% to 13%. Thus, although largely decided when and where to travel, travellers are **waiting to finalise their booking** in slightly larger numbers than last year.

<sup>1</sup>Germany, France, Netherlands, Belgium, UK, Switzerland, Austria, Italy, Spain, Poland. Data is representative for the population 14+ having at least undertaken one trip (domestic or abroad) during each of the past two years. Source: Study on Monitoring Sentiment for Intra-European Travel, European Travel Commission.



# Travel Intent of Europeans for the next 6 months

## Likely date of departure and preferred destinations



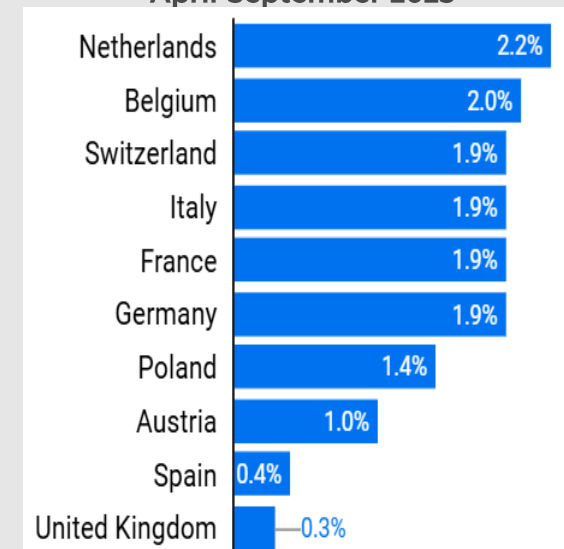
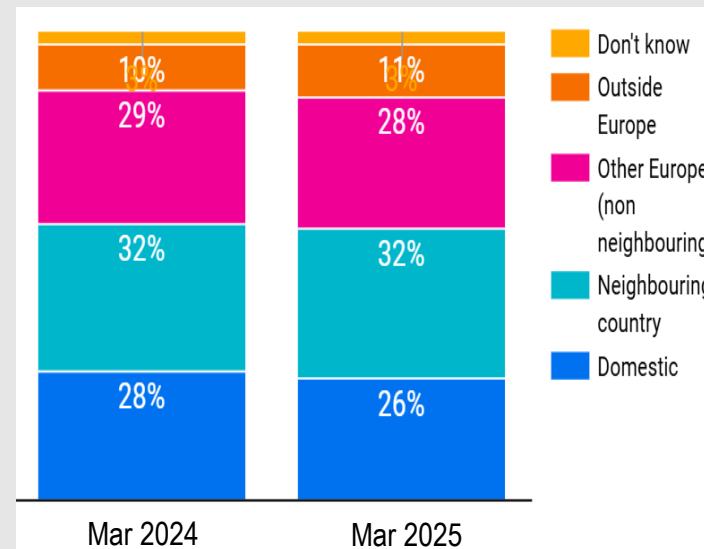
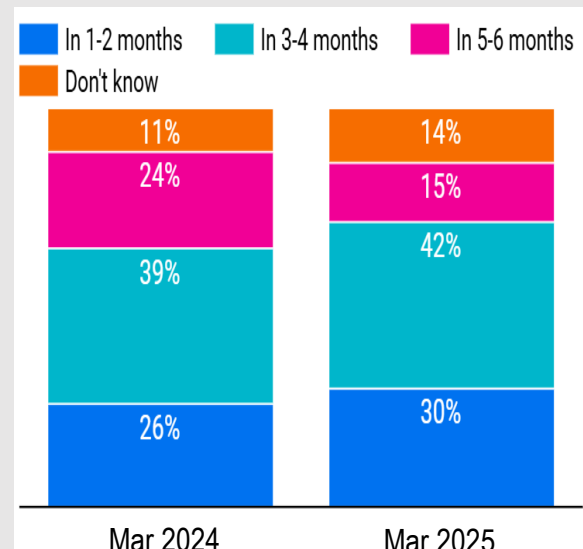
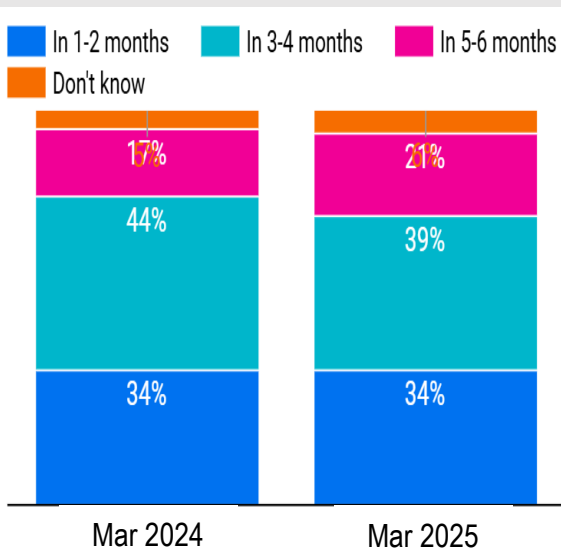
### Likely date of departure of next trip:

#### All Europeans

#### Planning to travel to Luxembourg

### Preferred destinations

### % Europeans planning to travel to Luxembourg in April-September 2025

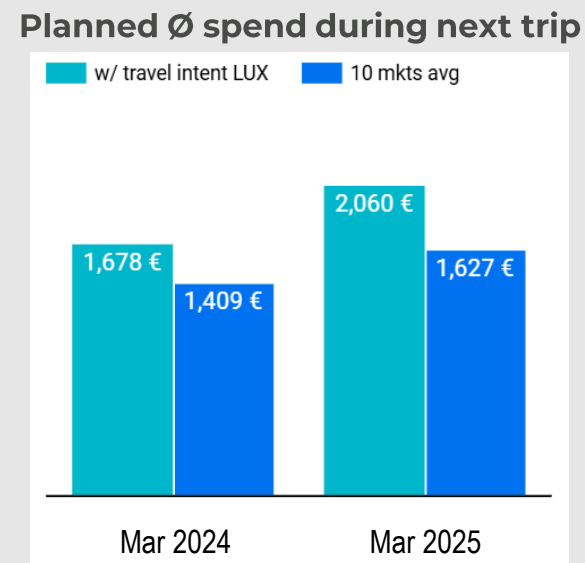
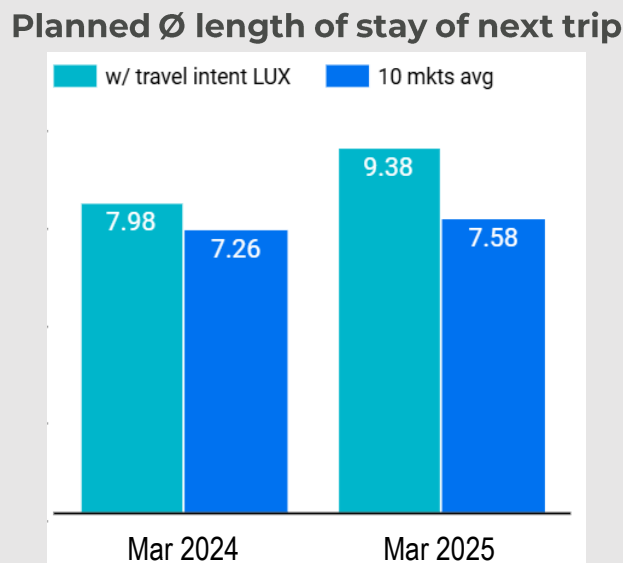
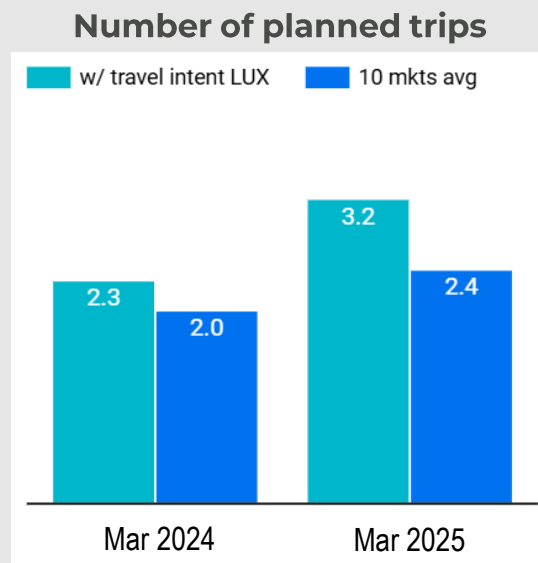


When looking at preferred **travel periods for their next trip**, Europeans appear to be slightly less keen than last year to travel in June-July, whereas the share of those intending to go on holiday in April-May is equal to 2024. Noteworthy is the fact that more Europeans than last year intend to travel next only in either **August or September** (21%, up 4 points). When looking at Europeans considering travelling to **Luxembourg** this season, the picture looks different, with considerably more travellers than last year preferring either **April-May or June-July** for their next trip (+7 points). However, it should be noted that this refers to their travel preferences in general, and not specifically to Luxembourg, since travellers intending to visit Luxembourg in 2025 can also take trips to other destinations as well. This caveat also applies to all other data on “Luxembourg considerers” on the following pages. With regard to individual **source markets**, travel intent to Luxembourg exceeds 2% in the Netherlands and Belgium, followed by a range of markets close to 2% including our other neighbouring countries, but also, notably, Switzerland and Italy. We nevertheless advice to approach this data with caution due to the relatively small sample sizes in some markets for the “Luxembourg considerers” segment.

In terms of preferred **destinations**, we can hardly see any shift between 2024 and 2025, but demand for **domestic** destinations - which temporarily appeared to rebound after its decline in the immediate aftermath of Covid-19 - seems to be decreasing yet again this season, compared to 2024.

# Travel Intent of Europeans for the next 6 months

Number of planned trips, spending and length of stay



On average, Europeans are planning to go on **2.4 trips** until September 2025, a sharp increase from 2.0 trips last year. Thus, whereas fewer Europeans are planning to travel overall this year, those who do tend to consider more frequent trips. This is also reflected by the fact that 61% of Europeans are planning to **take two or more trips** this spring or summer (2024: 57%). The share of Europeans considering to take three or more trips has grown even faster, from 21% in 2024 to 27% this season. **Luxembourg considerers** are particularly **frequent travellers**, and even more so than in 2024, as their average number of intended trips shot from 2.3 to 3.2 trips this year. Thus, Luxembourg will likely be visited even more often in the context of an **additional short break** – or make part of a longer multiple-country circuit. Indeed, a new question in this year's survey related to the preferred **type of itinerary**, and whereas only 9% Europeans are planning such **cross-border trips**, that share rises to 25% among Luxembourg considerers. This could partly explain the rather long and increasing average **length of stay** of planned trips by this segment – a feature nevertheless shared by European travellers in general, albeit to a lesser extent: 42% of Europeans plan **7-12-night trips** (+11%), at the expense of shorter trips (-12%).

Planned **travel budgets** by Europeans for trips until September are forecast to rise by 10% per night, and by 15% per trip on average, reflecting the high prices of travel products, but also an increasing desire for high quality offers. 47% of Europeans will likely spend **over €1,500 per trip** (+13%). Planned budgets of **Luxembourg considerers** **per trip** are forecast to increase even more strongly vs. last year (+22%), and more moderately **per night** (+5%).

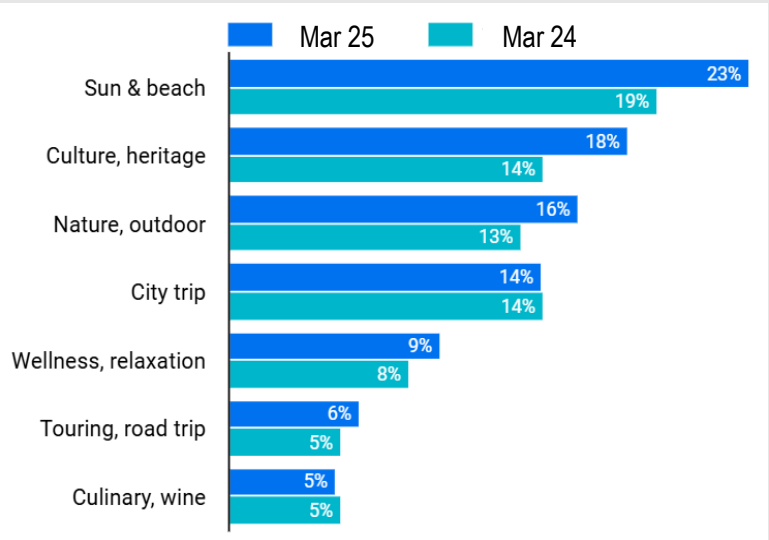
# Travel Intent of Europeans for the next 6 months

## Holiday types, trip purpose and means of transport

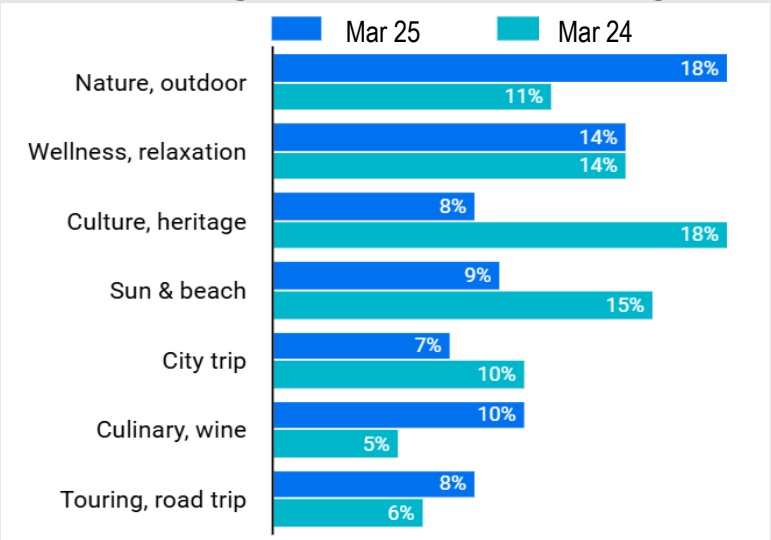


### Preferred holiday types:

#### All Europeans

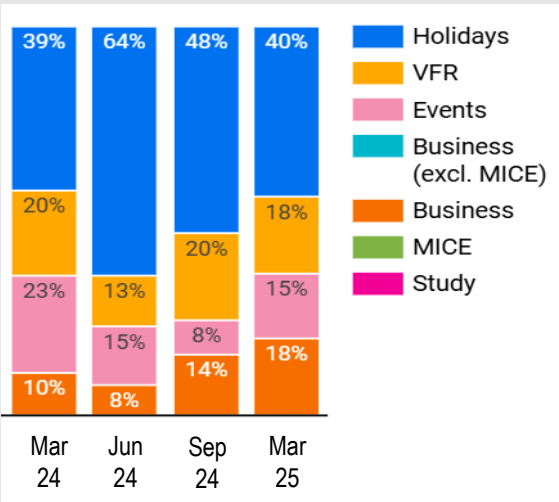


#### Planning to travel to Luxembourg



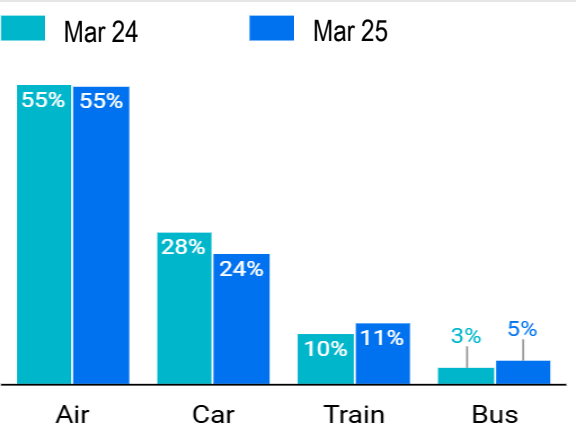
The popularity of sun & beach destinations remains more than ever undeterred: 23% of Europeans are favourising this **type of holiday** in 2025, up 5 points vs. 2024. This strongly contributes to air travel still topping the list of preferred **means of transport**, as car travel continues to lose ground compared to last year. Further holiday types gaining in popularity this season include culture and nature trips. Growth prospects are more subdued for city trips and culinary & wine, according to Europeans' expressed travel intentions.

### Purpose of intended trips, Europeans planning to travel to Luxembourg



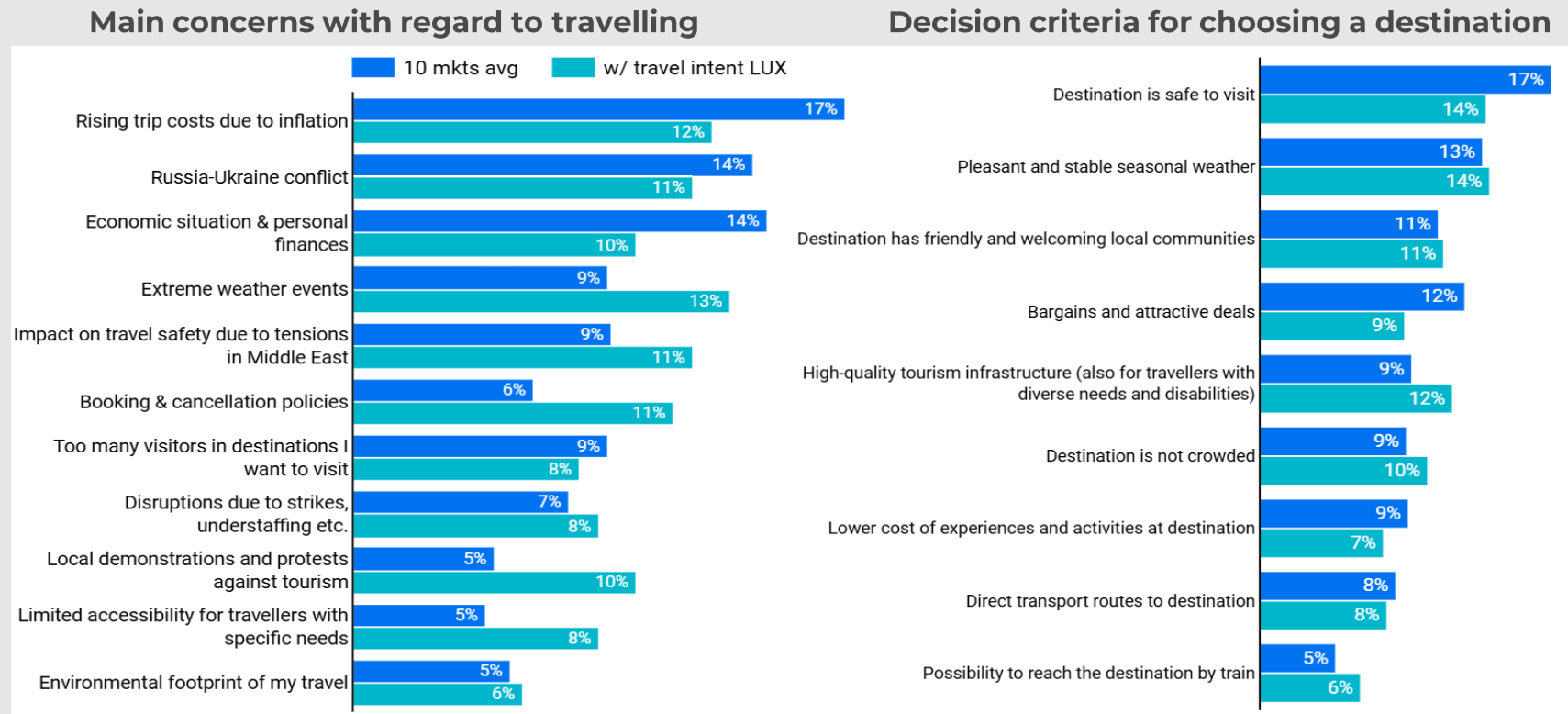
Among **Luxembourg** considerers, travel intent for **nature & outdoor** and **culinary & wine** holidays is soaring, at the expense of cultural and city trips. When looking at the **trip purpose** of Luxembourg considerers, we can see shares of holiday and VFR trips virtually unchanged to one year ago, whereas more travellers than last year are taking business trips, at the expense of private or leisure events.

### Preferred means of transport



# Travel Intent of Europeans for the next 6 months

## Main concerns and impact of climate change



The economic situation and rising travel costs remain travellers' top **concerns** this season, but their relative importance has dropped, at the expense of geopolitical tensions. Besides this, there are few changes between 2024 and 2025. Extreme weather events and overtourism-related fears continue to be mentioned by travellers in sizeable numbers, followed by transport disruptions. **Luxembourg** considerers tend to worry less frequently about economic factors, but more often about most of the other factors mentioned. Some of these concerns are also impacting main **decision criteria**. Safety is the single most important factor travellers pay attention to when choosing a destination. Also important are welcoming locals, connectivity and not too much crowds. **Luxembourg** considerers are furthermore paying more attention to high quality tourism infrastructure.

This was a snapshot of the main results of the current survey on Europeans' travel intentions in spring and summer 2025, where we also focused on more Luxembourg-specific data. For further details, we invite you to consult the full report published by the European Travel Commission: <https://etc-corporate.org/reports/monitoring-sentiment-for-intra-european-travel-spring-summer-2025/>

Source: Study on Monitoring Sentiment for Intra-European Travel, European Travel Commission.

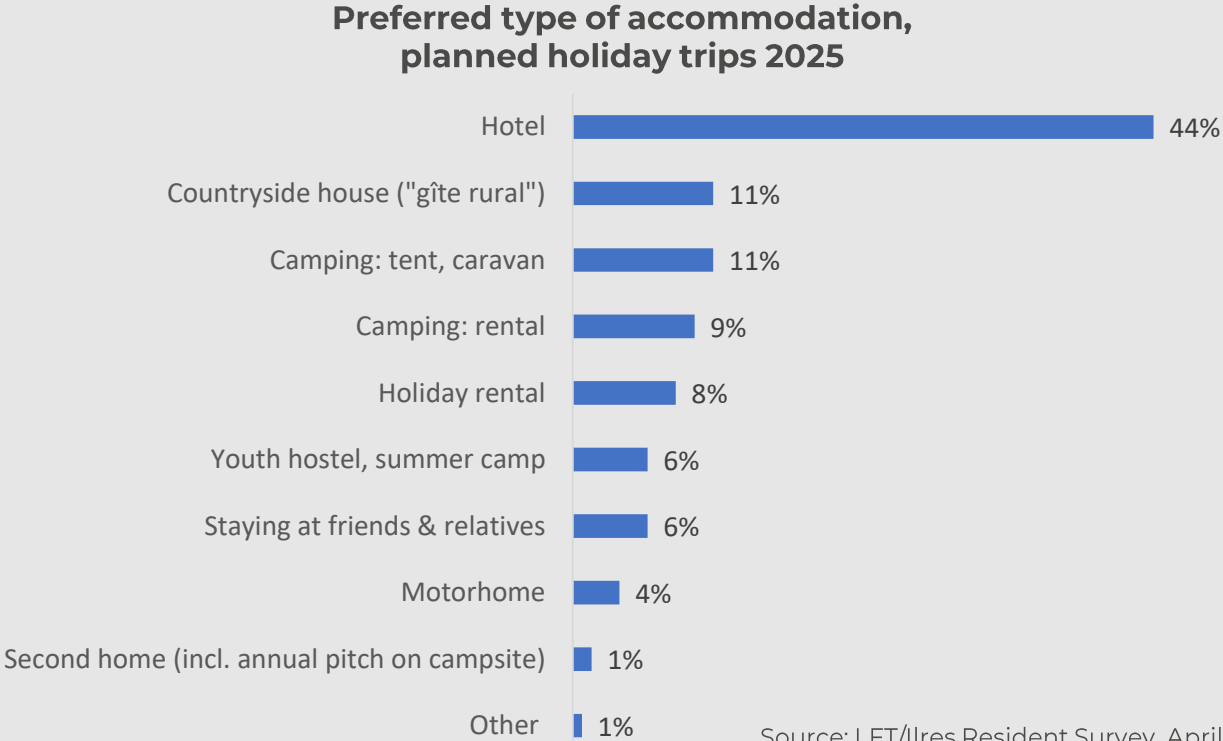
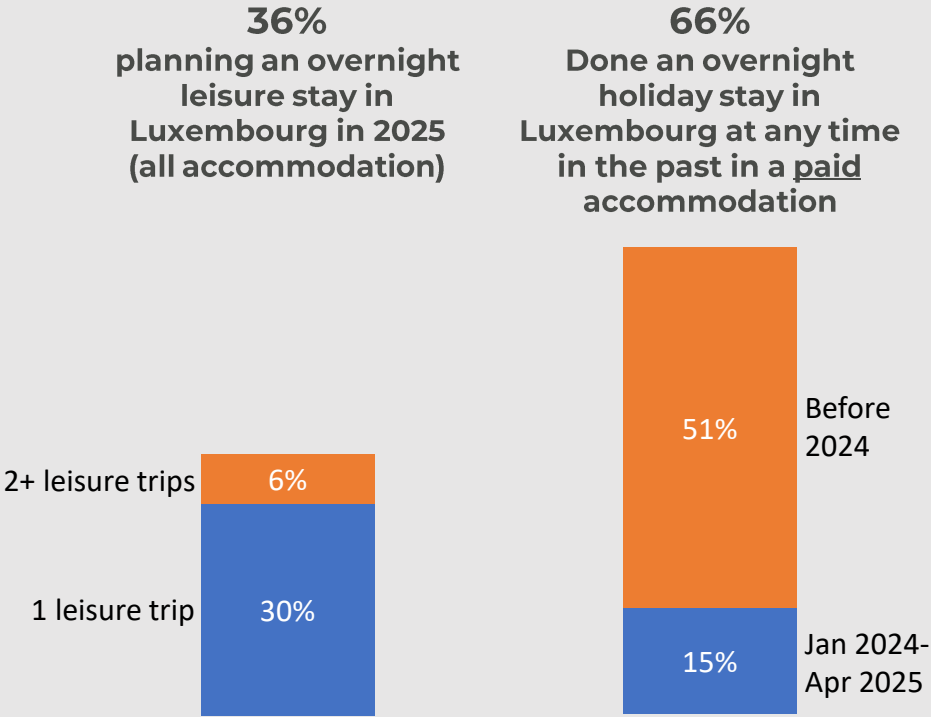
# Focus on the domestic market : LFT Resident Survey



## Planned leisure trips in Luxembourg, May-December 2025

Acknowledging the growing interest of domestic travel in Luxembourg in recent years, LFT has carried out, for the first time, a survey on **travel intentions to Luxembourg of the resident population**. The survey took place via an online panel at 2,000 respondents at the end of April/beginning of May. **36% of residents are considering an overnight stay in Luxembourg** until December, a share that rises to 57% among respondents living for less than 10 years in Luxembourg. The questionnaire explicitly focused on trips for holiday or leisure purposes, i.e. excluding business trips and visits making part of the usual environment of the respondent but potentially including paid and non-paid accommodation. This high proportion of domestic travel intent compares with a **past visiting experience for holiday trips in paid accommodation** of 15% since the start of 2024 (and 66% at any time in the past), highlighting ongoing future growth potential.

Hotel (44%) is the favourite **accommodation type** for planned domestic trips this year, followed by camping (20%-25% when including motorhomes and annual pitches) and countryside houses ("gîtes ruraux"), which are comparatively more popular among domestic than among inbound travellers in terms of future travel intent.





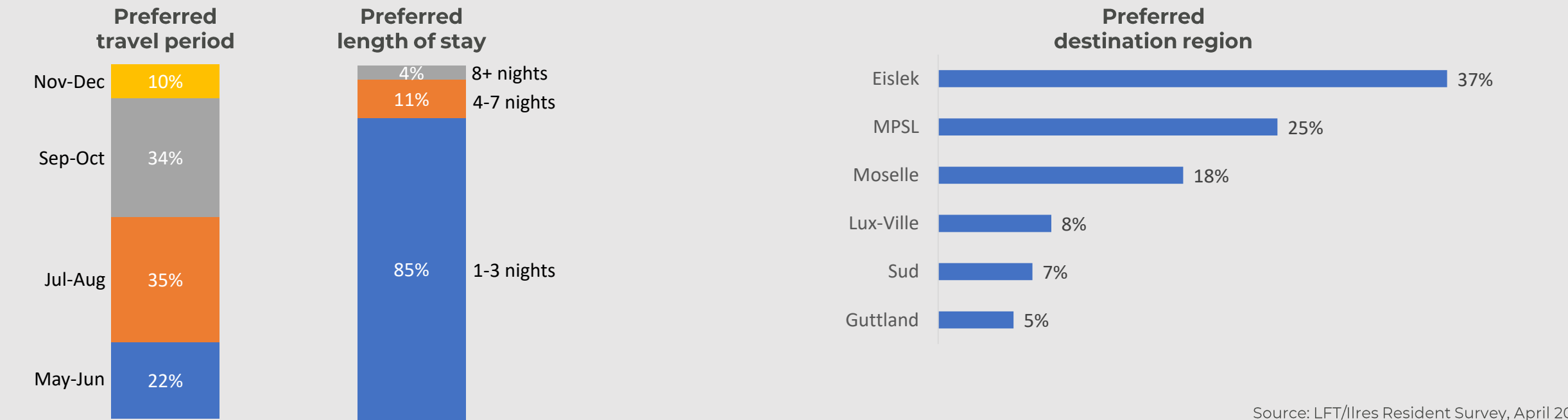
# Focus on the domestic market : LFT Resident Survey



## Planned leisure trips in Luxembourg, May-December 2025

Likewise to inbound travellers, July-August are the **favourite months** for residents to go on a holiday trip in Luxembourg, particularly for younger respondents. Next follows **September-October** which concentrates nearly as many responses as the peak summer months – interest for domestic leisure travel in autumn 2025 thus appears to be relatively strong comparing to the that of inbound leisure travel for that period. With regard to planned **length of stay**, the vast majority of residents will travel for a short overnight trip in Luxembourg this season (i.e., maximum 3 nights). For 91% of respondents, it is also likely not going to be their main holiday this year, but rather an additional break. Residents living for less than 10 years in Luxembourg more often would also consider stays of 4-7 nights in 2025 (31%).

Eislek is clearly the most popular **region** for a domestic leisure break in 2025, followed by MPSL and Moselle. But 20% of planned stays may well take place in more urban regions (City, South and Guttland), potentially also driven by larger events and recent openings of new lodgings.



# Focus on the domestic market : LFT Resident Survey

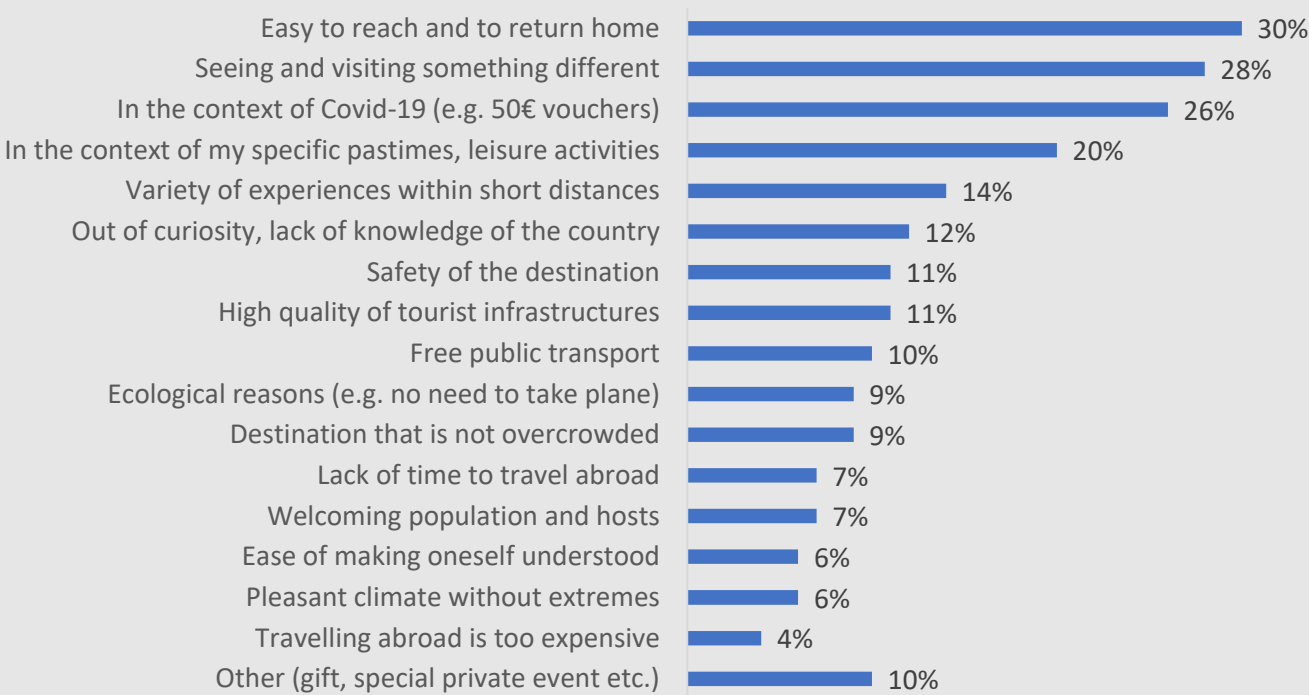
## Reasons for and against leisure trips in Luxembourg



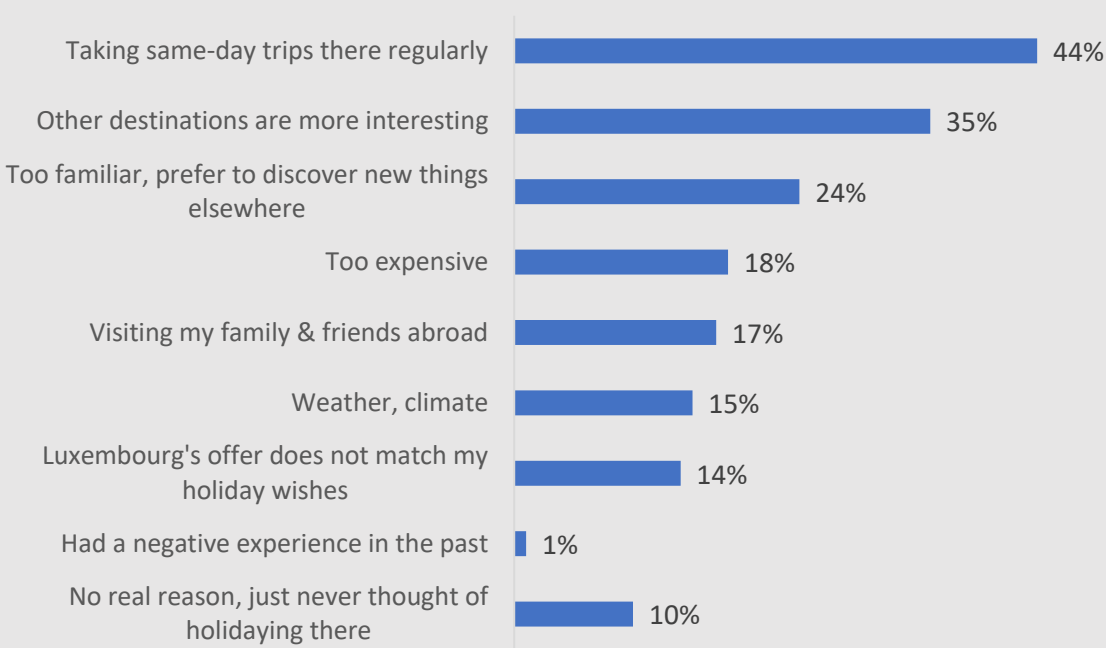
General **reasons for domestic holiday trips** – both past and intended – typically include ease of access, seeing something different, specific pastime/leisure activities and the variety of experiences at short distance. Curiosity due to lack of familiarity with Luxembourg has been mentioned more often by residents of foreign nationality. Free public transport, sustainability considerations and the fact that Luxembourg is not overcrowded with tourists are also important decision factors to some resident travellers, whereas lack of time or budget to travel abroad have been more rarely mentioned as drivers for domestic travel in 2025.

64% of residents are not going to take any domestic leisure overnight trip this year, and the **main reasons against** such a trip are too high familiarity with the place (also sometimes through a high propensity to do same-day excursions that substitute to overnight stays), preference for other destinations (whether due to their offer, or in the context of visiting friends & family abroad), but also occasionally too high prices in Luxembourg. Weather conditions and a general mismatch between travellers’ interests and Luxembourg’s offer also play a role, however they are comparatively low on the list of reasons against domestic travel this year (but have been more often mentioned by residents aged 16-34).

### Reasons for domestic leisure travel in 2025 and/or during trips in the past



### Reasons against domestic leisure travel in 2025



# Focus on the domestic market : LFT Resident Survey

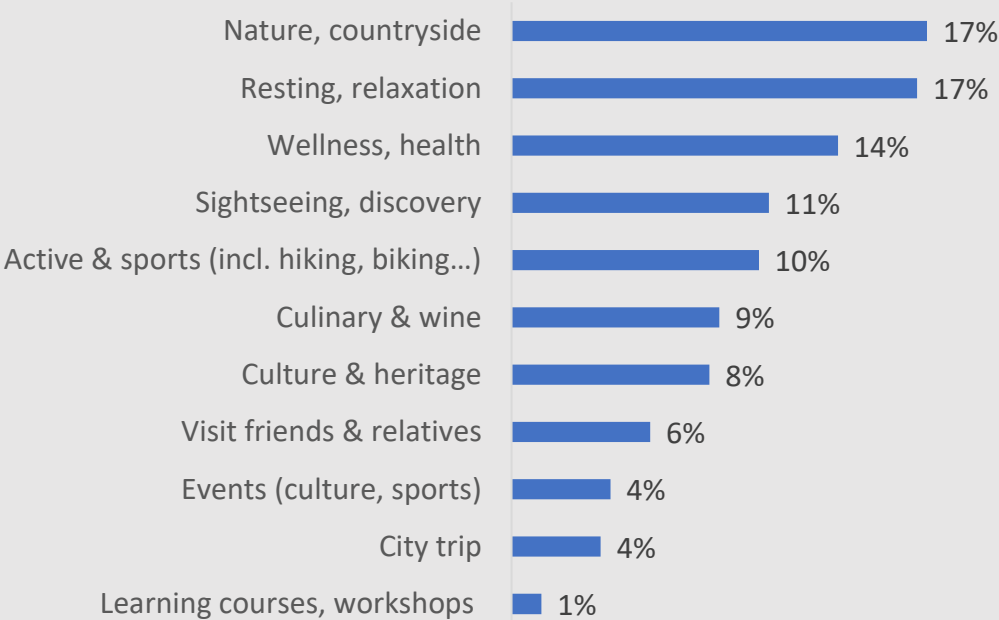


## Planned leisure trips in Luxembourg, May-December 2025

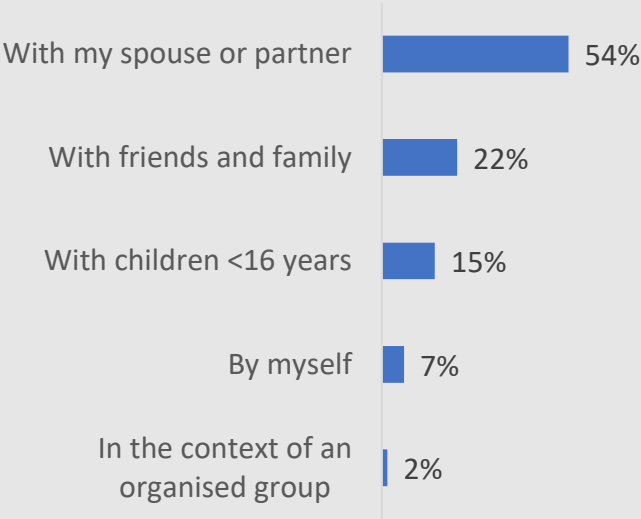
Preferred **holiday types** of residents for a leisure overnight trip in Luxembourg to some extent reflect the preferred destination regions: nature & countryside tops the list – and is, interestingly, ahead of active holidays such as hiking which may be more relevant in the context of same-day excursions. Next up follow resting & relaxation and wellness & health which – with 14% of planned trips – accounts for a higher demand share than among inbound leisure overnight visitors. The same also holds true for culinary & wine trips, suggesting that hedonistic travel motives such as spoiling oneself and well-being are comparatively important for residents when travelling domestically. The majority of domestic holidaymakers will probably travel with their **partner or spouse** but also trips with **friends and family** are popular. 15% are planning to travel with **children**.

While the focus of this survey was mostly on overnight trips, we also did assess **intentions for same-day leisure excursions**: 41% of residents are planning to realise such excursions on a regular basis in 2025, while another 40% will only occasionally do so. Propensity to do regular excursions is particularly high among those aged 35-54 and among Nature-Loving Actives.

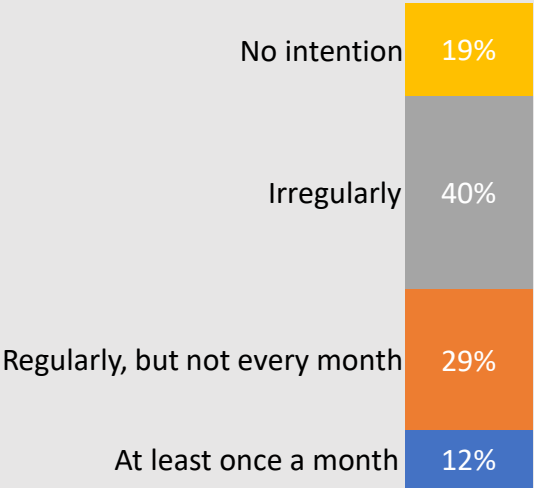
Preferred type of holiday or leisure trip



Planned travel party



Intention to go on a leisure excursion (i.e. without overnight) in Luxembourg in 2025



# Focus on the Camping market : ACSI Survey



ACSI has released the results of its latest survey of **European camping travellers**. With a sample size of over 17,000 users of their media channels, it provides a valuable insight into the travel preferences for camping in 2025.. Field work took place between 6 January and 19 February.

- On average, respondents **with children** plan to spend **32 days** on camping, a significant **decline** of 8 days over last year. Those **without children** plan to spend a total of **67 days** in 2025 (-1 day vs. 2024). The drop in the number of planned days for families was driven by British and French campers (in the latter case also for travellers without children). Only **Germans** are planning to spend slightly more days on camping holidays than last year. Dutch holidaymakers without children are planning 60 camping vacation days (-4), Dutch families are planning 28 days (-2) this year. As in 2024, the **frequency** of camping trips is higher in **France** than other surveyed countries.
- France is the most **popular outbound camping destination** across all markets, except for Germans travelling with children, who prefer Italy. More generally, families **with children** are opting for **Italy**, but also for **Austria**, in substantially **larger numbers than last year** across most source markets. Spain and Germany remain popular camping destinations in most markets. **Domestic** travel demand is down among Dutch and British, substantially up among Germans, and also increasing among French families.
- **Luxembourg** as a camping destination continues to be in high demand especially in the **Netherlands**: 13% of the Dutch camping holidaymakers without children, and 12% of those with children are intending to visit the Grand Duchy this year. Both scores are about 1-2 points **higher than last year**.
- **September** is the most popular **period** for camping holidaymakers **without children** and has further gained in popularity (+4 points travel intent). Travel intent for **May-June**, but also for **October**, has increased even stronger among this segment, compared to the previous year, confirming the wish for travel in the **intermediate** rather than the peak **season**. This is less prominent among travellers **with children**, bound to school holidays. In fact, **August** and, especially, **July** are actually **growing in popularity** over last year (67% are planning to travel in July, up 8 points vs. 2024). Travel intent for the intermediate seasons remains roughly equal to 2024 for families with children.



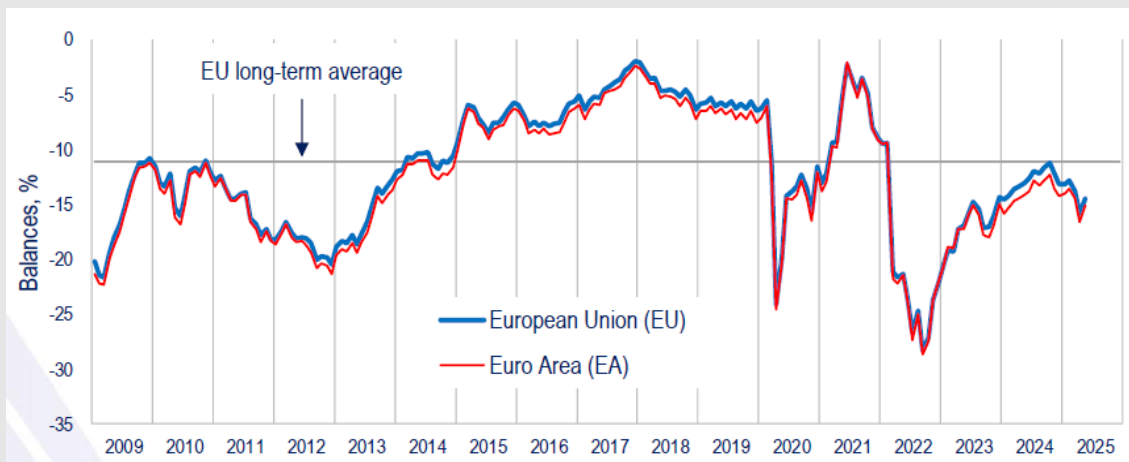
# **Economic and travel forecasts**



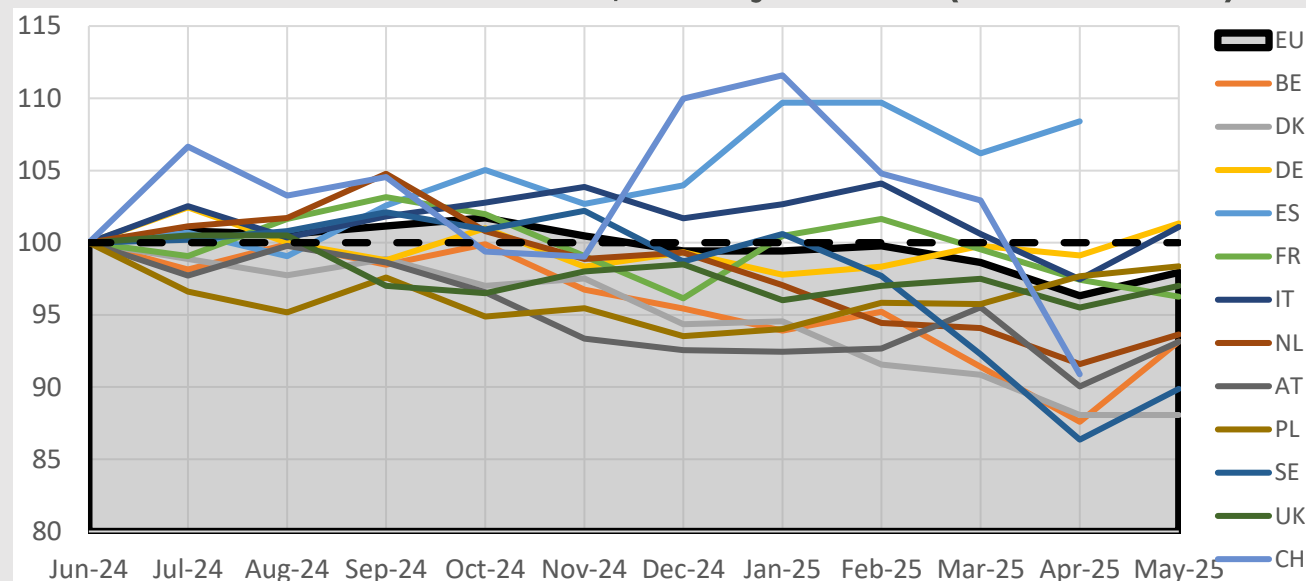
# Consumer and business sentiment in Europe



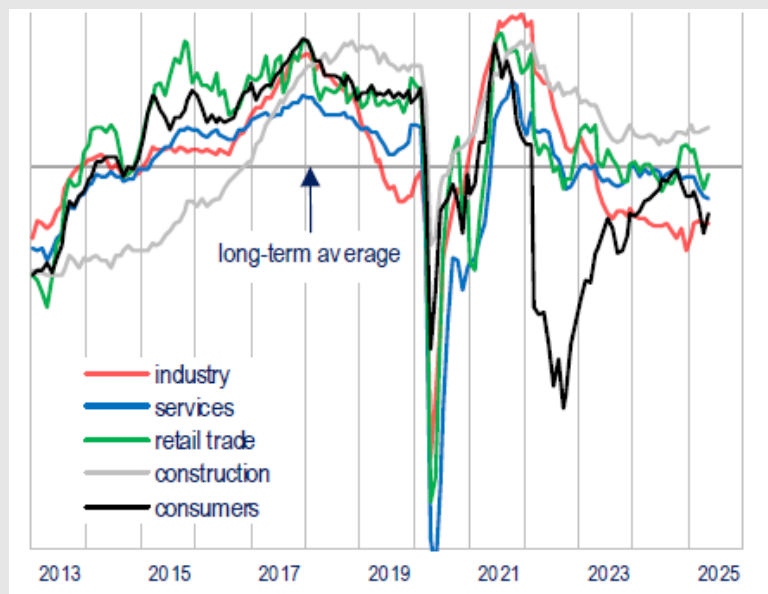
## EC Consumer Confidence Index



## Consumer Confidence indexes, monthly evolution (June 2024 = 100)



## EC Confidence indicators



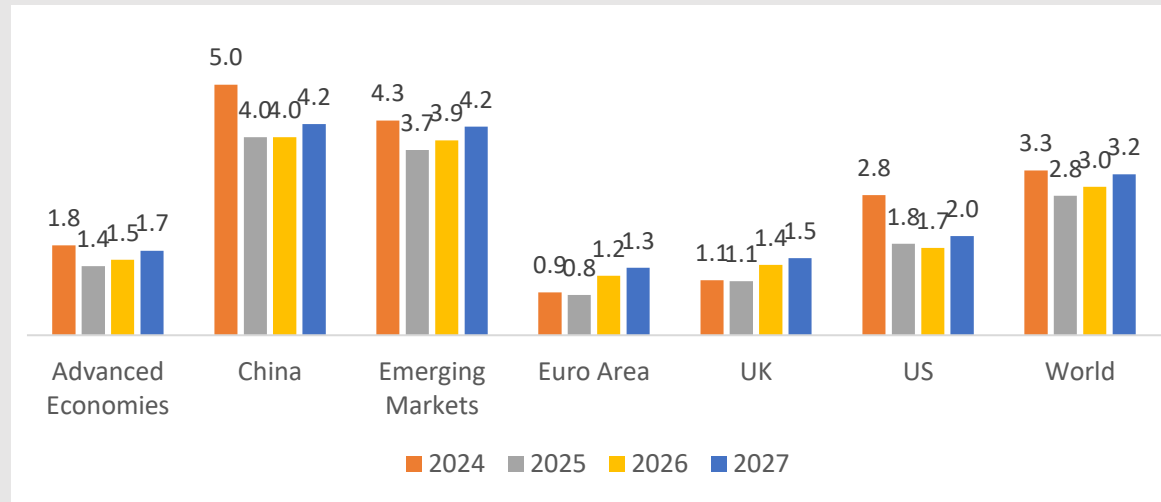
In March and, even more so, in April, **consumer confidence** in the EU declined markedly, reaching a 12-month-low. However, it rebounded in May, according to the EU Consumer Confidence Index (+1.4 points vs. April), partly compensating some of the previous losses. Monthly growth was strongest in Belgium, Ireland and Sweden – but comparing to one year ago, confidence has eroded across **most markets**, particularly the Nordics. Only in Germany and Italy, the index has improved, albeit from a low basis. Growth in May was driven by an improvement of households' assessment of the economic and their own financial situation, as well as their intentions to make major purchases.

Consumer confidence was also one of the contributing factors in May to EU **Economic Sentiment Indicator** growth (ESI; +0.6 points vs. April), although it remains below its long-term average. The retail trade and, to a lesser extent, the construction sectors were further positive economic **drivers** in May. The ESI in May improved most in Germany and Italy and declined significantly in France.

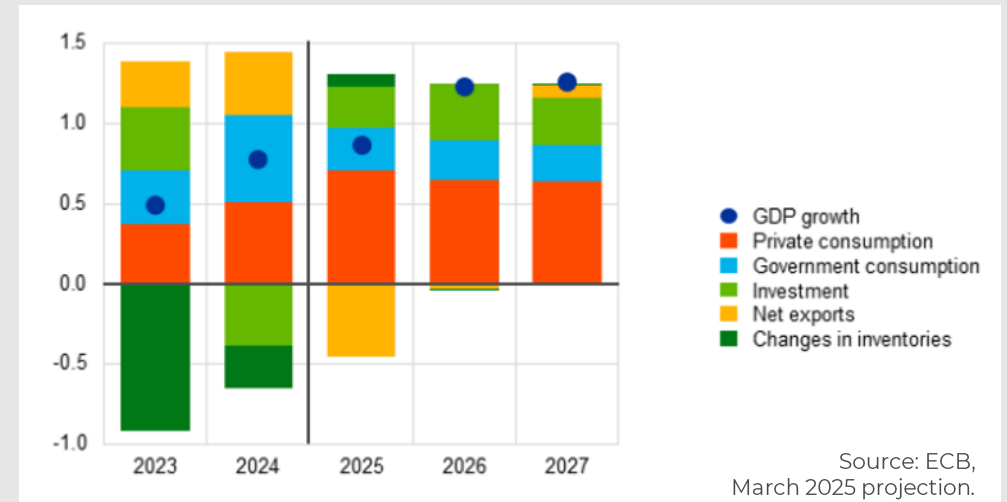
# GDP forecast



Real GDP growth (annual % change)



Contributions to Euro area real GDP growth (%pts. contributions)



Forecasts are always subject to uncertainties – but the current unpredictability of the US trade policy and its constant tariff revisions, makes predictions harder than ever. The following comments relate to the situation at Mid-May. The chart above shows the most recent **GDP growth forecast** published by the IMF in April, and confirms that recent events have weakened the overall economic outlook. The IMF forecasts GDP to grow by 2.8% globally, by 1.7% in the US and by 0.8% in the Euro area this year and expects stronger growth in 2026 across most advanced economies. Growth is expected to stagnate in the US and in China, the two economies likely to be most impacted by a potential trade war. This forecast was made after Trump's **tariff announcements** on 2 April and their subsequent 90-day suspension towards the EU, but before the more recent 90-day suspension towards China. While this could justify an upward revision of GDP growth, it is prudent to stick to above forecasts since tariffs have been only temporarily suspended, no longer-term trade agreement has been reached yet, and the full consequences of potential foreign retaliation have yet to be felt. The overall US effective tariff rate now stands at about 15% (the highest level since the 1930s). The current **uncertainty** will be a drag on investment propensity and business confidence. Still, the most recent news should help lowering the risk of supply chain disruptions, weakening labour markets and a recession (even though that risk is not off the table yet, particularly for markets highly dependent on trade with the US such as Canada and Germany).

While the GDP growth outlook in the **Euro area** remains subdued, there are some **positive signals** such as a resilient labour market which should benefit demand, despite high uncertainty. **Private consumption** is forecast to recover (+1.4% vs. 2024; right chart), becoming the most important contributing factor to growth in 2025, also supported by rising wages, relatively resilient consumer confidence, falling inflation and a moderate decline in households' savings ratio from its currently still elevated level. **Business activity**, as reflected by the Purchasing Managers' Index (PMI), decreased in April. However, the PMI remained just above the 50 threshold that separates expansion from contraction of activity (see also the confidence indicators on the previous page).

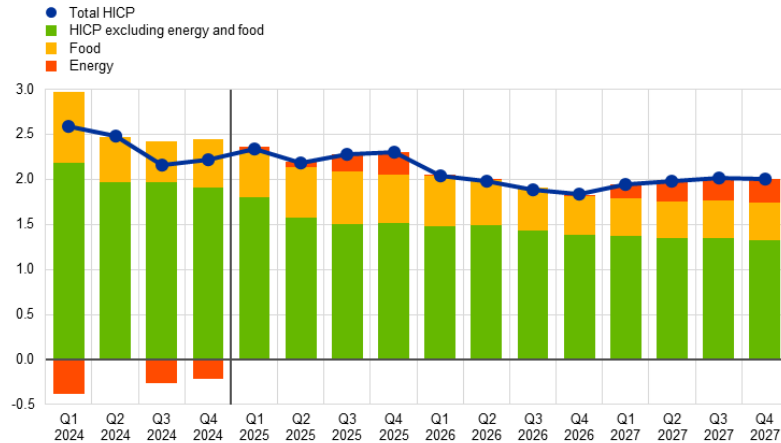
# Inflation forecast, policy rates, travel prices



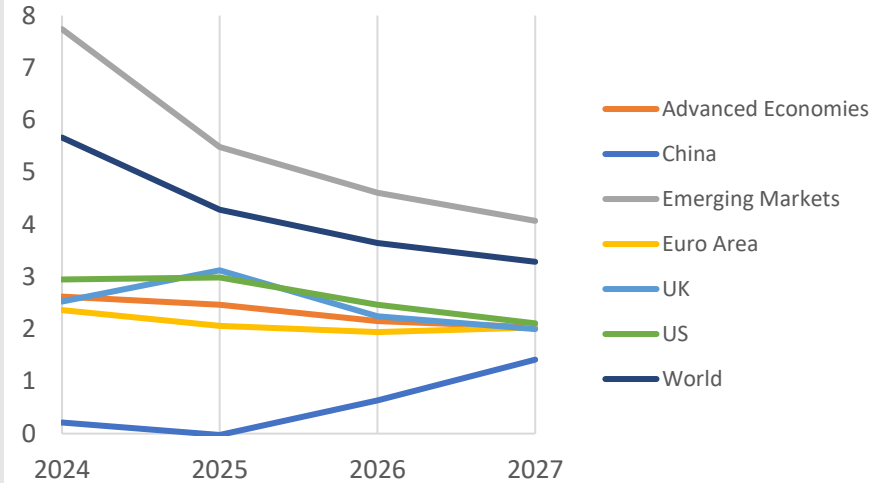
## inflation breakdown, euro area

### Euro area HICP inflation – decomposition into the main components

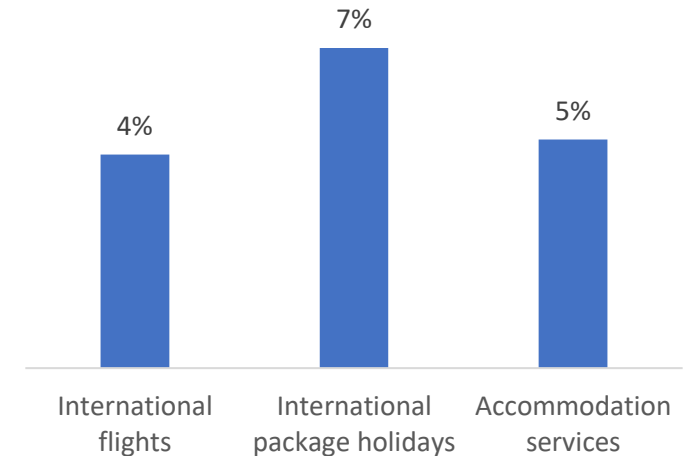
(annual percentage changes, percentage points)



## Inflation forecast by regions (%)



## Travel product prices, euro area, Jan-Apr 2025, % change one year ago



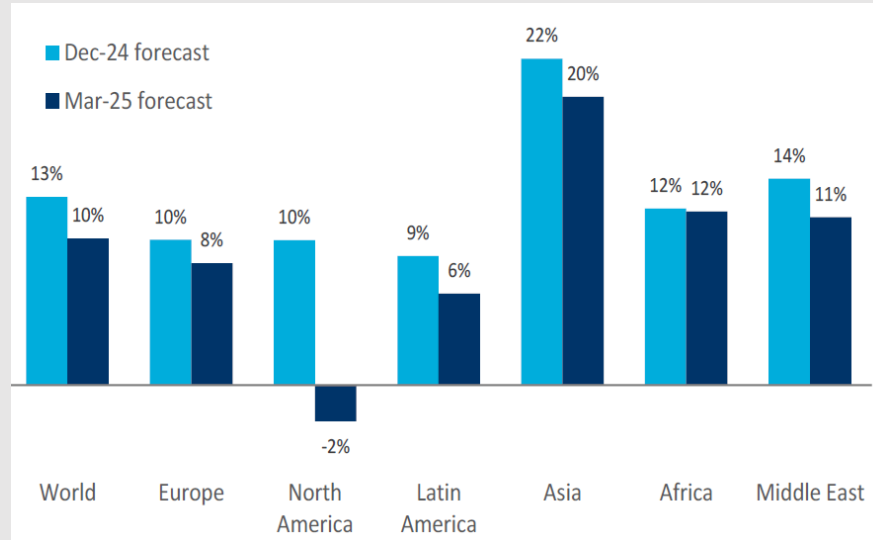
The contrast between upward inflationary pressures caused by a trade war and downward pressures linked to a global slowdown (weighing on consumption and investment) make the economic environment exceptionally uncertain. Globally, the **inflation outlook** by the IMF for 2025 has been downgraded to 4.5%, marking a slowdown of 1 point on last year. US tariffs tend to be inflationary for the US but disinflationary for the rest of the world. Inflation in the **eurozone** is likely to decrease further, to 2% in 2025. Moreover, there was a significant drop in **core inflation** recently, including services inflation. This is projected to stabilize over the next quarters, whereas a slight rebound in **energy** prices is forecast by the ECB (left chart). Further **rate cuts** are expected in 2025 in the **Euro area**, amidst fears of a potential trade war hitting economic growth. This is opposed to the **US**, where the Federal Reserve - despite ongoing pressure by the US government - has delayed adjusting monetary policy rates in order to determine the impacts of tariffs, fiscal and immigration policy on inflation and growth.

Latest data by Oxford Economics suggest a **depreciation** of the **US dollar** versus the **euro** (1.10 USD/EUR in 2025-2026, vs. 1.05 USD/EUR in 2023-2024), partly driven by the looser fiscal policy and soaring deficit in the US. The dollar would however still remain high by historical standards. Nevertheless, it would make **travel to Europe more expensive for US visitors** than in recent years. More generally, **prices for tourism-related goods and services** were again already higher in January-April 2025 than last year (right chart). Package holiday costs have increased most, up 6% over last year.

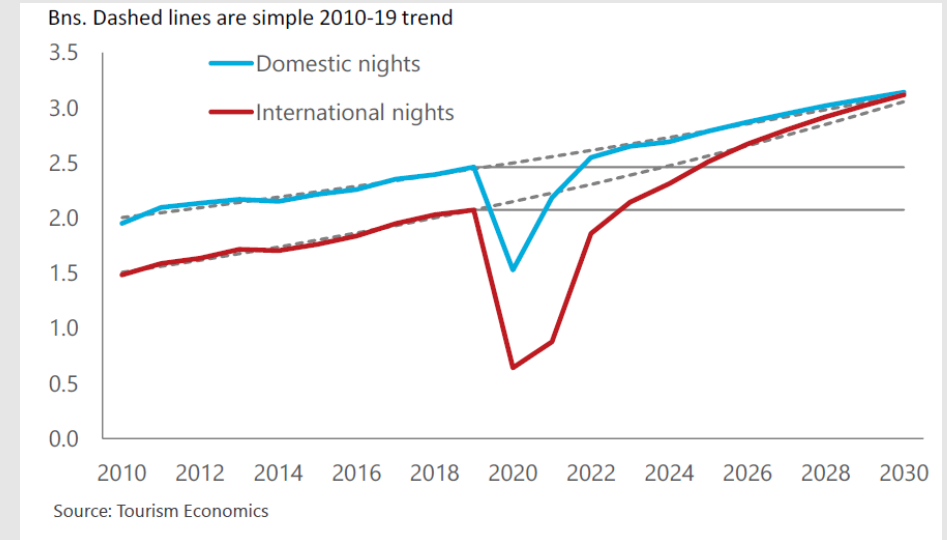
# Travel forecast 2025 (I)



International arrivals by World regions, % year-on-year (revision)



Europe trend in international & domestic nights



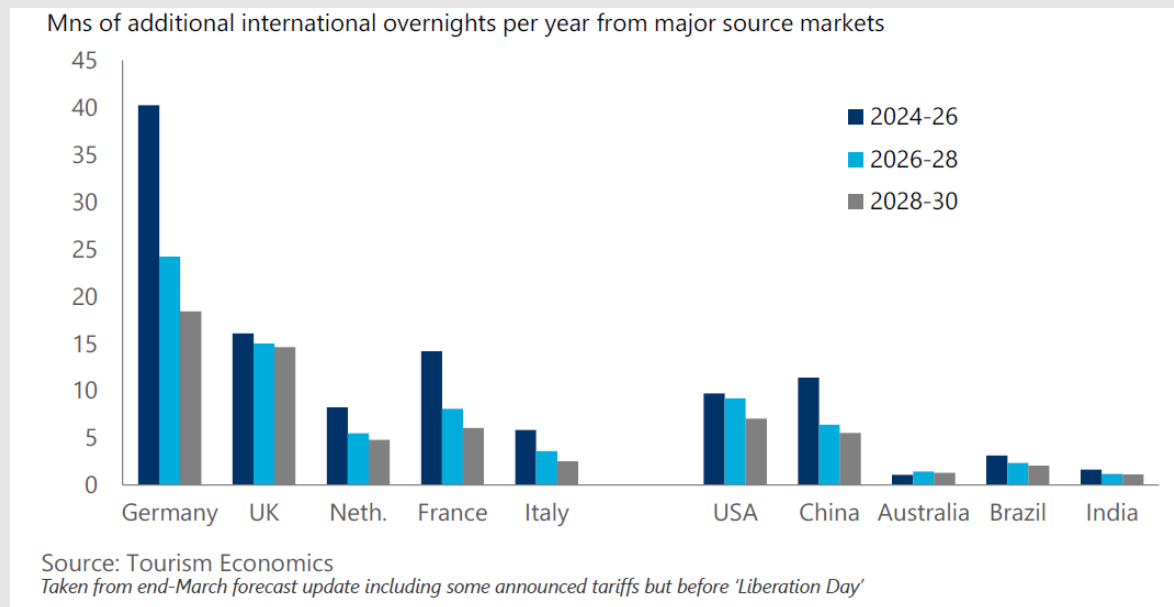
Above charts are based on Tourism Economics' **forecast** released at the end of March and did not take into account the 2 April tariff declarations, but as meanwhile many of these have been delayed and may not be fully implemented, we consider reasonable to continue using these forecasts for the time being. We should however bear in mind that the absence of a longer-term trade agreement presents potential **downside risks** to this outlook. **Year-on-year growth in international arrivals** have been revised downwards to +10% globally (left chart), to +8% in Europe and to +5.9% in Western Europe (down from +7.0% in the previous forecast). Thus, despite strong economic and geopolitical headwinds, these figures still suggest **substantial growth**, confirming travel's relative resilience and high priority for consumers. Given the outsized importance of intra-European demand and a more upbeat leisure outlook observed in recent search and booking trends, we have decided to maintain our +4% growth **forecast** in 2025 for **Luxembourg**, as stated in our previous report. In the medium term, European travel is expected to come back in line with its **long-term growth trend** (+5%/year), as shown on the right chart.

The latest estimate for 2025 suggests that tourists are expected to **spend** 14% more across Europe than they did in 2024, as spending growth is expected to outpace arrivals growth, suggesting an increase in the average spend per visit. Interestingly, fewer industry professionals in Europe have highlighted the cost of flights and accommodation as key **challenges** to tourism in the most recent "Tourism Industry Monitor" survey by Tourism Economics. However, weaker economic growth for countries facing rising US tariffs may eventually impact **travel spending** negatively, potentially even for intra-regional travel. Travellers may also be more **reluctant to travel** due to uncertainty and safety concerns.

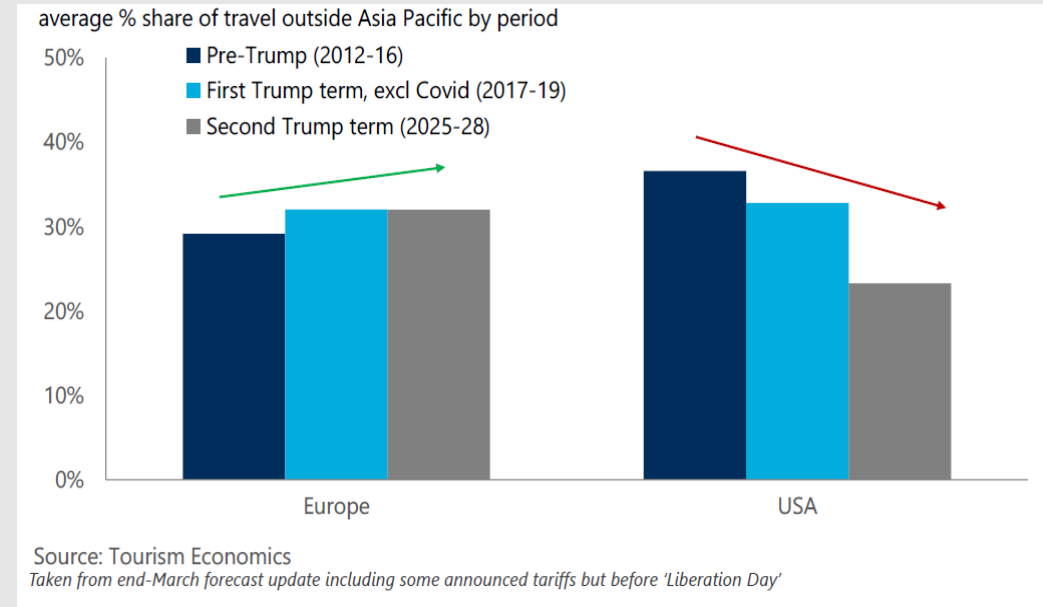
# Travel forecast 2025 (II)



## Source market contribution to Europe inbound arrivals growth



## Share of Chinese long-haul travel by destination region



Lower economic growth across Europe may trigger a further increase in **short-haul and domestic travel** (left chart) due to budget considerations, as an alternative to overseas trips to the US (which continues to be expensive for Europeans despite expectations of a weakening dollar), and for the safety of staying closer to home. How much this will impact visitor numbers to **specific destinations** will depend on their reliance on particular source markets as well as the respective tariff levels and their effect on household spending. Additional air capacity, especially from **low-cost carriers**, could help stimulate intra-European demand from important source markets in 2025. New Nightjet and Sleeper **rail connections** might drive travel between the Benelux, Austria, Italy and Spain. The continuing threat of railway and aviation **strikes**, however, presents a challenge to intra-European demand growth in the next months as staffing shortages remain a challenge.

Europe is projected to receive slightly **fewer American tourists** this year as consumer spend in the US may be declining. **Airlines** may reconsider planned increases in transatlantic routes while costs could increase, particularly for aircraft manufacturers in the US. However, there is also a chance to gain market share from **long-haul markets** as travelers **avoid the US** due to concerns about border controls, national travel advice or negative sentiment (the US is expected to face a decline of 9% in incoming arrivals in 2025). International arrivals to the US already showed signs of weakness in March (-12% versus 2024), particularly from the UK and Germany. During Trump's first administration, America's **share of Chinese long-haul travel** decreased while Europe's increased (right chart).



# Your contact

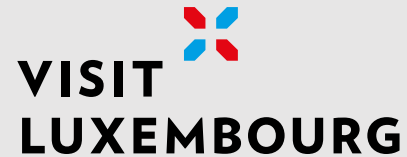


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