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**WE TRAVEL  
& HOTELS  
REPORT**





WE Travel & Hotels Report 2023 provides a summary of the key trends and insights into the travel and hotel industry for 2023, with a special section dedicated to Cyprus and Greece.

The report has been produced by WE Media, a member of WE Group and is a short-version of the complete Report to be published in January 2023.



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# Tourism outlook 2023

## Turbulence in the travel industry

- Global tourism arrivals will rise by 30% in 2023, following 60% growth in 2022, but numbers will still not return to pre-pandemic levels.
- The economic downturn, sanctions on Russia and, above all, China's zero-covid strategy will be among the factors weighing on the industry.
- Hotels, restaurants and airports will struggle to cope with labour shortages, wage demands, high food and energy prices.
- International airlines are expected to return to profitability, benefiting from continued pentup demand.

The depth of the tourism fall in 2020-21 means that strong growth is inevitable in 2023 since travel restrictions have been lifted in most countries.

Globally, demand for travel will drive a growth of 30% in international tourism arrivals, taking them to 1.6bn, as compared to a 60% increase in 2022, but will still not be enough to take total arrivals to their 2019 level of 1.8bn. However, the trajectory will differ by region. Much of the Middle East, buoyed by high oil prices, has already seen a full recovery, while Eastern Europe will have to wait until 2025 because of the impact of the war in Ukraine. Other regions will range in between, with most reaching a full recovery in 2024.

<sup>1</sup> Economist Intelligence EUI, 2022

# To watch

## Saudi stays

The Middle East has seen an extremely strong revival in tourism in 2022. International arrivals rose by 287% year on year in January to July 2022, taking them close to 2019 levels. Saudi Arabia has particularly big plans for its tourism sector under its Vision 2030 economic development plan.

The development of the Red Sea Project, with 50 hotels spread over 22 islands. The project will take in its first visitors in early 2023.

## Venetian fees

Some major tourist attractions are experimenting with tourism fees and taxes to help reduce crowd overload or fund infrastructure. From January 16th 2023, day-visitors to Venice will have to make a reservation at a cost of between €3 and €10, depending on demand. The long-threatened fee will not only cut crowds, it will also cut taxes for resident Venetians. Overnight tourists will be exempt because they will already be paying for their stay. Thailand and the Maldives introduced tourism fees in 2022, and London is also considering one.

## Good sports

Sporting events will accelerate travel in 2023. China will ease its covid restrictions in order to host the postponed Asian Games in September. Meanwhile, France will hope to convert the Rugby World Cup into a boost for its tourism industry.<sup>2</sup>

<sup>2</sup> Economist Intelligence UI, 2022



# Travel Trends

## TRAVELERS

### HIGH - TECH

Enter the high-tech hotel and the elimination of the reception. Keyless doors, where you can check in with a QR code on your smartphone. In some instances, travelers can pick their room ahead of time and avoid stopping at the front desk entirely. Hotels have accelerated the digitisation of their customer and supply-chain interactions and of their internal operations by three to four years



### URBAN HOTELS - DIGITAL NOMADS

Working remotely has been more popular than ever during the pandemic, although the concept of working from where one might typically vacation is not for everyone. It's a niche in the tourism market that some places are embracing to fill financial gaps. This location-independent, technology-enabled lifestyle has been on the rise during the last couple of years, with more and more people embracing it as their new reality. Special digital nomad incentives have accelerated the influx of digital nomad visitors in countries which offer an ideal environment for both business and pleasure.



The **Cyprus Digital Nomad Visa Scheme** allows third-country nationals who can perform their work remotely, to reside temporarily with their families in Cyprus and at the same time work for an employer registered abroad (in case of an employee) or perform work for companies or clients located abroad (in case of a self-employed individual).



# Travel Trends

## TRAVELERS

### CITIES ARE BACK

Travelers want to stay close to home in a hotel and enjoy the pool, the spa and the restaurant facilities.



### THE CATCH-UP CONSUMER

In 2023, the 'catch-up consumer' will emerge – making up for the trips and experiences they've missed out during previous years. Travelers will want to catch-up by treating themselves on their next break, whether that's upgrading from a three to a four-star hotel, extending their stay from 10 to 14 nights or opting for a more expensive destination altogether. While people are keen to catch up by heading to holiday favourites like Spain, the US, France, Italy and Greece in the next 12 months, a sense of adventure is also starting to return, with 37% saying they're likely to visit a country they've never been to before.



### LONG-DISTANCE TRAVEL

According to research conducted by AMEX, travelers are eager to experience the dream destinations they have not previously visited and are embracing flexibility with their travel plans, booking a once-in-a-lifetime vacation.



# Hotel Price Rises

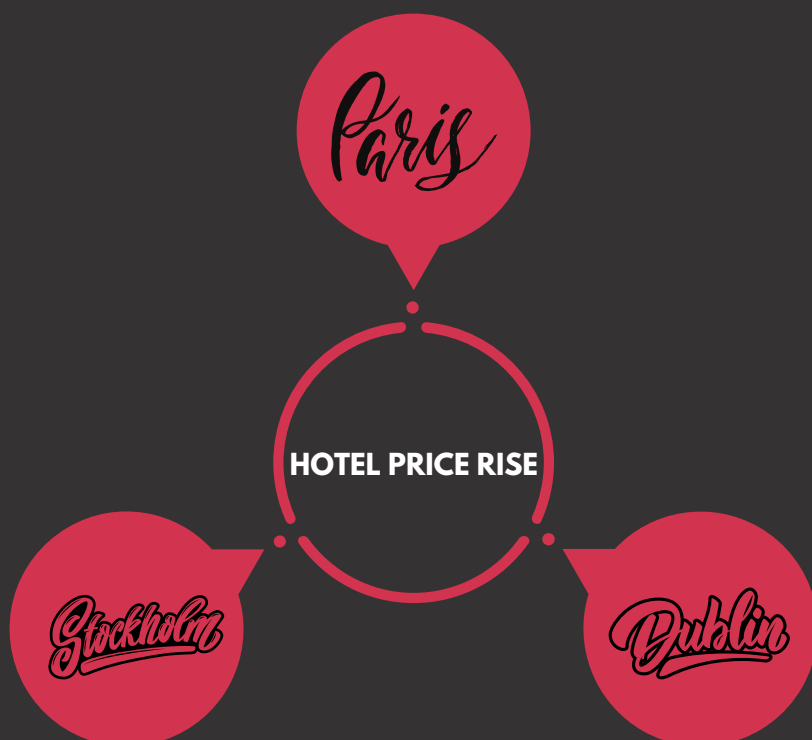


## EUROPEAN DESTINATIONS WITH ESTIMATED HOTEL PRICE RISES

According to the Travel Management Company 2023 Hotel Rates, the destinations which will record a hotel price rise are:

**Paris +10 %**  
**Stockholm +9 %**  
**Dublin +8.5 %**

**London**, which reached a record rate of hotel price increase during summer 2020, is expected to increase hotel prices by another 6.2% in 2023. At the same time, **Amsterdam** and **Frankfurt** will see a 7.5% increase in hotel price rates in 2023.



## NON- EUROPEAN DESTINATIONS WITH ESTIMATED HOTEL PRICE RISES

The biggest increases will be felt outside of the EU are in cities like **New York** with +8.2%, Sao Paulo with +7.7%, San Francisco with +7.3 % and Dubai with 7%.

As for the top business travel destinations in Asia, **Singapore**, **Tokyo** and **Hong Kong** are expected to see more modest increases in hotel prices, rising by 3.9%, 3% and 1.3% respectively.



*New York City*

**largest increase 8.2%**



# Marketing Trends

Part Five

## MARKETING



**Content and storytelling** are the essence of the hotel industry and now more than ever travelers are in need of inspiring stories which make them want to explore new places and experiences. A back-to-basics approach will be noted as part of the customers' need to elevate their hotel stay to a truly memorable event, whether for a long or short-term stay, for business or leisure. **Content showcases the natural element of the space, with attention to hotel amenities and detail, raw materials and ingredients, and the transposition of feelings through customer service and an elevated sense of hospitality.**

Marketing campaigns will unravel on social media without a fixation on performance but on substance, true community engagement and a verified social proof.



# GREECE's tourism strategy

Part Six

—  
GREECE

Greece aims to focus its efforts on prolonging the tourist season to a year-round destination.

- important infrastructure projects on the islands and the mainland and a holistic plan for sustainable tourism development.
- Greece is the 5th brand worldwide in terms of tourist brand equity and among the top 3 in its main target countries .
- modernising tourist ports and marinas, theme parks, sports facilities and conference centers.
- product development and promotion.
- accessibility and connectivity.
- green infrastructure and sustainable tourism development.
- destination and experience management.
- tourism education and training.

## FOCUS ON SUSTAINABLE TOURISM

- Harmonisation of functions and standards of sustainability in Greek tourism.
- Evaluation of Greek destinations in sustainable performance
- Integration and new sustainable tourism destinations on the world map.
- Supporting National Sustainable Development Programs.
- Introducing sustainable tourism experience from other tourism markets, through the involvement of its stakeholders in special committees and implementation groups.
- Enhancing good practices for modern accommodations with low environmental footprint.
- Further creative collaboration with tour operators, OTAs and international tour operators through the adoption of green practices
- Training of public and private officials on sustainable tourism and its certification.

# GREECE's tourism strategy: case study

Part Six

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GREECE

## Greece's South Aegean Region

[ includes popular islands like Rhodes, Santorini, and Mykonos ]

- in 2023, the South Aegean Region **will target advertising in key sources markets in Greece and abroad and mainly in the US** which increased its arrivals to the region this year.
- promotional and marketing actions in 2023 will also focus on the **region's major innovations in environmental protection and sustainability** through groundbreaking initiatives such as the "Rhodes Co-Lab", "ASTYBUS" on Astypalea, "Just Go Zero" on Tilos, "GR-eco Islands" on Chalki, the "Aegean Neorion Innovation Center" on Syros and the "Naxos Smart Island".
- strengthening **cooperation with tour operators and airline companies** for the promotion of the islands and reaching out to new markets outside Europe.
- the region will also increase its participation in **international travel and tourism expos** as well as organize road shows, workshops, and special themed events in key markets in Europe, the US and the Middle East.
- enhancing the South Aegean Region's **social media presence** with a focus on Instagram, Facebook and Tik Tok; organizing fam trips; producing promotional material.
- **organising and hosting conferences**, events, workshops, sports and athletic happenings.



# CYPRUS' tourism strategy

Part Seven

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CYPRUS

## National Tourism Strategy 2030

The vision of the new Cyprus Tourism Strategy is to develop Cyprus in a sustainable way, which positively impacts the economy, society and the environment, improving seasonality, with the objective of reaching 39% of overnights during November-April and quadrupling overnight stays in the rural areas from 100,000 in 2018 to 400,000 by 2030.

- a clearly-defined Vision and Strategy to launch the full rebranding of Cyprus and establish the island as a quality, all-year destination.
- tourism to strengthen its place and be one of the top economic performers by 2030, not only through direct revenues, but also through the major multiplier effects that tourism has on the local economy.
- enriching and improving the quality of the touristic product and consequently, investment opportunities into thematic areas, such as luxury and lifestyle tourism, nautical tourism, cultural tourism, sports, conference, health and wellness, and agro-tourism.
- diversifying into other local and cultural experiences while attracting multi-million investment into large-scale infrastructure projects.

# CYPRUS' hotel sector update

Part Seven

CYPRUS

## SECTOR DEVELOPMENT

### tourism building permits

73

new building permits related to hospitality / 12% related to hotels, 10% tourist apartments and rural developments

€48 M

hotels accounting for 81%, tourist apartments and rural developments 13%, F&B 6%

### upcoming hotel developments

Despite the unprecedented times the globe is facing, and the global disruption caused in the hospitality sector as a result of the pandemic and the war in Ukraine, Cyprus' hospitality sector demonstrates continual growth with ten new hotel developments expected to enter the market by the end of 2023.





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