



Czech Republic Touristic Market Overview
Report prepared by ACCESS Luxury Travel Show

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2017

Central and Eastern European Market Overview

Nowadays there is a significant increase in Luxury Outbound Traveling in Central and Eastern European countries. According to Eurostat online publication "Tourism trips of Europeans"ⁱ, due to the economy rise, people in these countries have started to search new travel destinations and invest more time and money in travelling. In 2014 (the most recent reference year for which complete data was available) residents of the European Union made 2,5 million trips (for personal or professional purpose) and spent 2 562 million nights during those trips. Tourist expenditure amounted to EUR 221 326 million.

	Outbound trips 2013 (thousand)	Outbound trips 2014 (thousand)
Trips	290 824	296 093
Nights	2 525 725	2 562 438
Expenditure in million EUR	228 307	221 326

Table 1. Outbound trips, nights spent and expenditure of EU residents.
2013 and 2014

Source: Eurostat

Experts found that today people are looking for unknown experience, exclusive services and destinations. There is also a high interest in private resorts.

Popular long-haul luxury tourism destinations for Eastern European travellers include the USA, Asia and the Indian Ocean (Mauritius, Seychelles and Maldives), as well as the Middle East (Dubai, Jordan).ⁱⁱ

Travel distribution of tours in Central and Eastern European countries mainly goes through traditional channels – Tour Operators and Travel Agencies. These are important trade channels, although, it is generally quite difficult to engage with them. That is why ACCESS Luxury Travel Show aims to make this process easier.

Czech Republic Market

According to the IMD World Competitiveness Yearbook 2017, Czech Republic has one of the most competitive economy among new EU membersⁱⁱⁱ. Also Czech Republic has one of the highest GDP growth rates in Europe (+4.5% in 2015 and +2.4% in 2016). As a result, the Financial services company Standard & Poor's set the Czech Republic's rating AA-.^{iv}

The positive economic growth is set to continue despite the recent political turmoil, with the economy likely to pick up this year, supported by solid household spending, stronger external demand and a partial recovery of EU investment funds.

The rise of Czech economy is also conditioned by following factors^v:

- Czech Republic is attractive destination for foreign investment (The reasons for this are: a strong and growing economy, equitable and stable conditions, a qualified workforce and the low cost of doing business)
- Trade balance with goods reached surplus of 487.1 billion CZK in 2016 (+80.8 billion CZK higher compared to previous year)
- Strong export reliance on manufacturing industry (56.3% share of machinery and transport equipment on total export in 2016) and on exports to EU28 (83.6% of total exports in 2016)
- Czech Republic is a number 9 in export among EU28 countries (168.8 billion USD)

The Czech National Bank expects the economy to expand 2.9% in 2017 and 2.8% in 2018. FocusEconomics Consensus Forecast panelists expect the economy to expand 2.6% in 2017, which is unchanged from the previous month's projection. For 2018, the panel sees GDP increasing 2.6%.^{vi}

Moreover, Czech Republic has the lowest unemployment rate in the EU (3.2% (Apr 2017))^{vii} that also leads to rise of Czech Outbound Tourism, what is why number of outbound trips among Czech residents grew by 38% in 1st quarter 2017 compared to 1st quarter 2016, while the total number of outbound trips in 2016 grew by 1.6% compared to 2015. It proves that there is a tendency of raise in outbound travelling among Czech residents.

	Outbound trips 2015 (thousand)	Outbound trips 2016 (thousand)
Trips	4206	4276

Table 2. Number of outbound trips by Czech residents. 2015 and 2016
Source: Czech Central Statistical Office^{viii}



Sources

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- ⁱ http://ec.europa.eu/eurostat/statistics-explained/index.php/Tourism_trips_of_Europeans
- ⁱⁱ <http://www.travelweekly.com/Kurt-Weinsheimer/Travelers-dreaming-for-the-long-haul-in-2016>
- ⁱⁱⁱ https://www.imd.org/globalassets/wcc/docs/release-2017/2017-world_competitiveness_ranking.pdf
- ^{iv} <https://tradingeconomics.com/czech-republic/rating>
- ^v <http://www.prg.aero/cs/business-sekce/letecky-obchod/reasons-for-prague/tourism-and-economy/>
- ^{vi} <http://www.focus-economics.com/countries/czech-republic/news/gdp/economy-jumps-in-q2-on-stronger-fixed-investment-and-private>
- ^{vii} <https://qz.com/1044383/why-does-the-czech-republic-have-the-lowest-unemployment-rate-in-the-eu/>
- ^{viii} https://www.czso.cz/csu/czso/cru40_ts

