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Skift Travel Health Index
October 2023 Highlights

Global travel softened due to seasonality of demand in October 2023, the Skift Travel Health Index dipping to 103. Europe was impacted the most due to reduced pent-up demand and economic concerns. Despite China's Golden Week holiday, travel recovery in the country remained sluggish.

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Executive Summary

As summer travel winds down, the Skift Travel Health Index reflected a similar trend seen last year, with travel performance softening from September to October. The global travel index experienced a 2 percentage point (pp) decline, standing at 103 in October 2023.
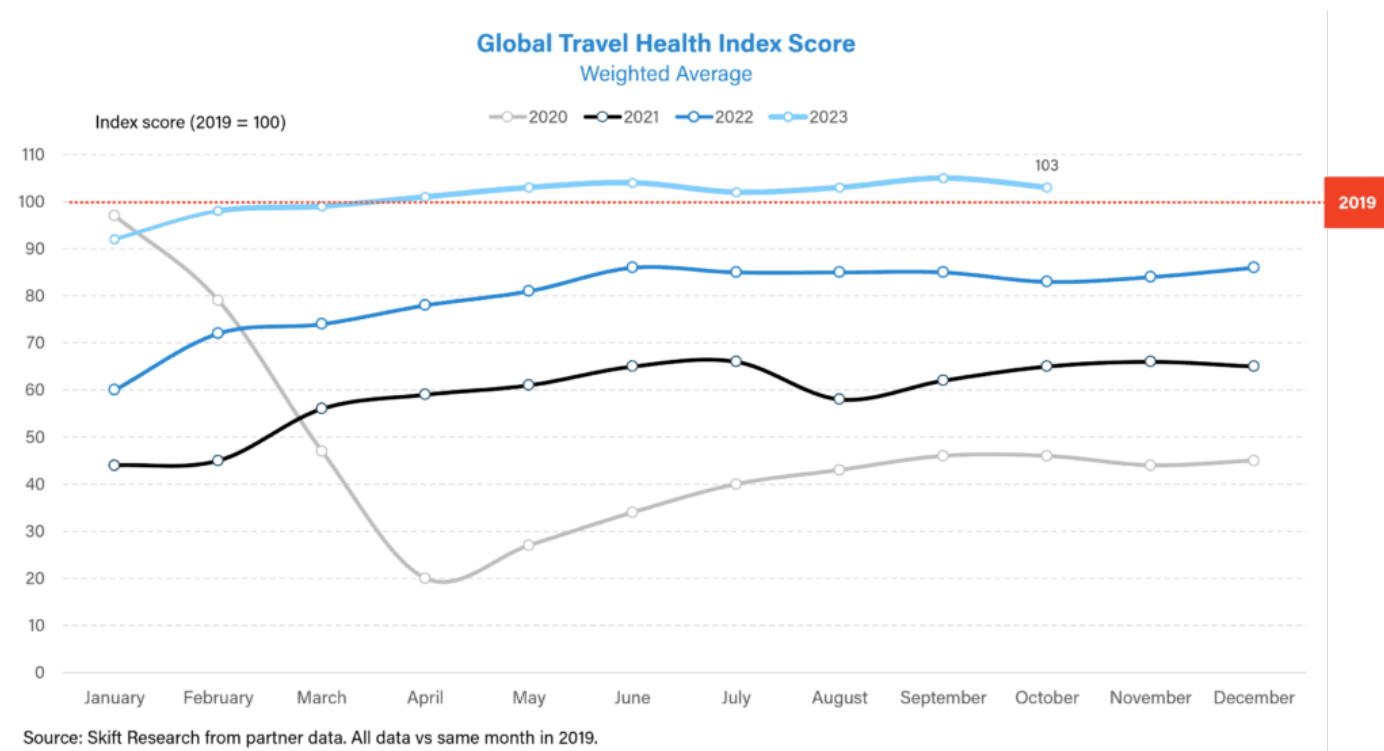
All regions tracked by the index witnessed declining performance, with Europe impacted the most this month, declining by 5 pp. This decline in the region can be linked to subsiding pent-up travel demand, seasonality, large-scale conflicts, and economic worries arising from inflation.

Hong Kong was the only country to gain 1 pp over September 2023. China's Golden Week holiday from October 1-7 boosted cross-border travel to Hong Kong, thus improving performance.

In China, on the other hand, despite the surge in travel activity and rising hotel prices during the week, the momentum in travel did not persist throughout the month, resulting in a 2 pp decline.

Global Travel Momentum Mirrors Last Year's Trends

Global travel momentum slowed in October 2023 as the index dipped to 103. This 2 pp decline from the previous month follows a similar pattern observed between September and October 2022, reflecting the seasonality of travel demand. The end of the summer travel surge appears to have impacted the travel industry.

Global Travel Health Index Score
Weighted Average

○─ 2020   ●─ 2021   ○─ 2022   ○─ 2023

Index score (2019 = 100)

103

2019

Source: Skift Research from partner data. All data vs same month in 2019.

Like last year, all regions declined in October 2023, with Europe declining the most by 5 pp.

Skift Travel Health Index Performance by Region

Region	22-Sep	22-Oct	Sept-Oct 2022		23-Sep	23-Oct	Sept-Oct 2023
Asia Pacific	72	70	-2		104	102	-2
Europe	92	89	-3		102	97	-5
Latin America	106	100	-6		110	108	-2
Middle East and Africa	97	96	-1		106	104	-2
North America	104	102	-2		110	107	-3

Softening Travel in European Countries

All European countries tracked by the Travel Health Index witnessed a decline in performance in October. Germany and Russia have struggled to recover to 2019

levels for a while now. Italy, however, followed the declining trend after a thriving summer.

Europe Travel Health Index Score by Country
Weighted Average

Index score (2019 = 100)

France — Germany — Italy — Russia — Spain — Turkey — UK

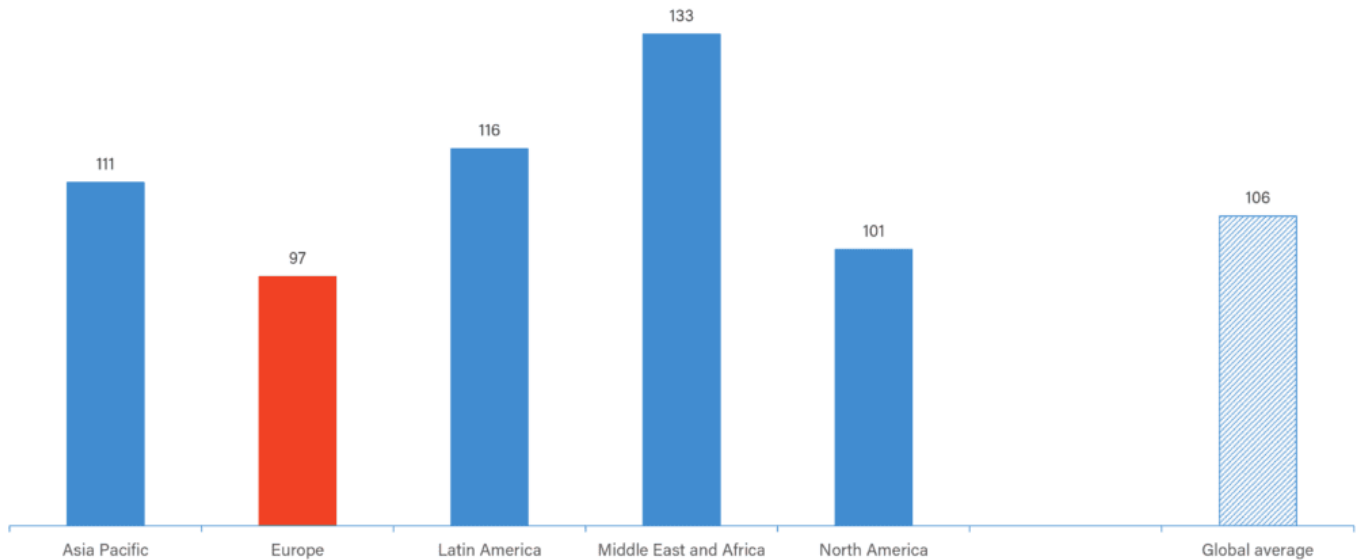Source: Skift Research from partner data. All data vs same month in 2019.
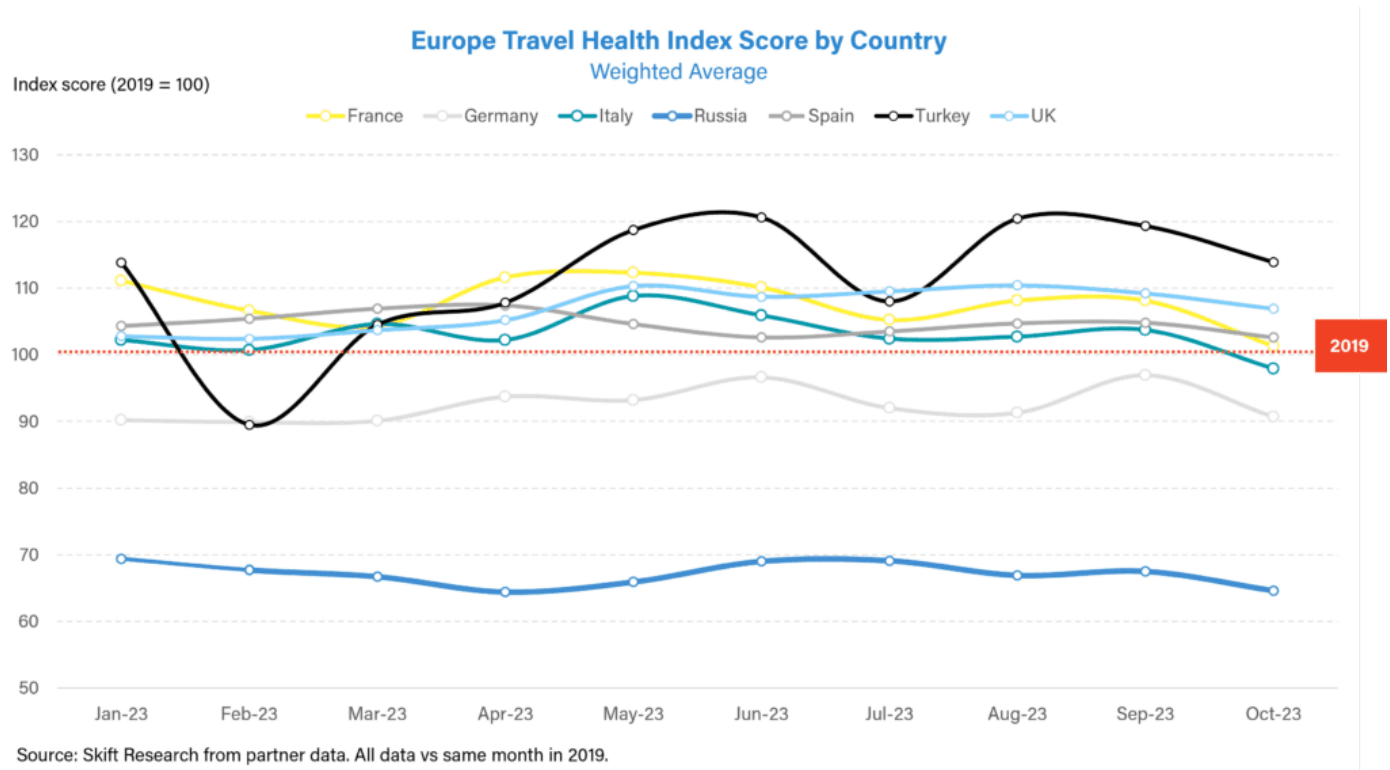
Travel intent, which implies transport and accommodation searches, is much higher in all regions except Europe, where it lags even behind pre-pandemic levels.

Major conflicts in recent times, the most notable ones being the war in Ukraine and Israel, have significantly impacted travel worldwide, particularly within Europe. Although initial demand for travel to Europe seemed relatively unaffected, the war in Ukraine has threatened trust and confidence in traveling to Europe, causing a setback in European tourism.

The intensifying Israel-Hamas war has also had tensions spilling over in Europe, with demonstrations in cities such as London, Paris, Madrid, and Rome causing disruptions for locals and visitors. Security experts, however, have certified Europe as safe to travel to.

Apart from the seasonality of demand, the prolonged conflicts may also be impacting travel to Europe.

Travel Intent by Region (October 2023)
Relative to 2019

Source: Skift Research from partner data. All data vs same month in 2019.

Only car rental searches are higher than the 2019 levels in the region. Hotel searches first declined by 27 pp in September 2023, followed by another 3 pp this month.

Europe Travel Intent
Relative to 2019
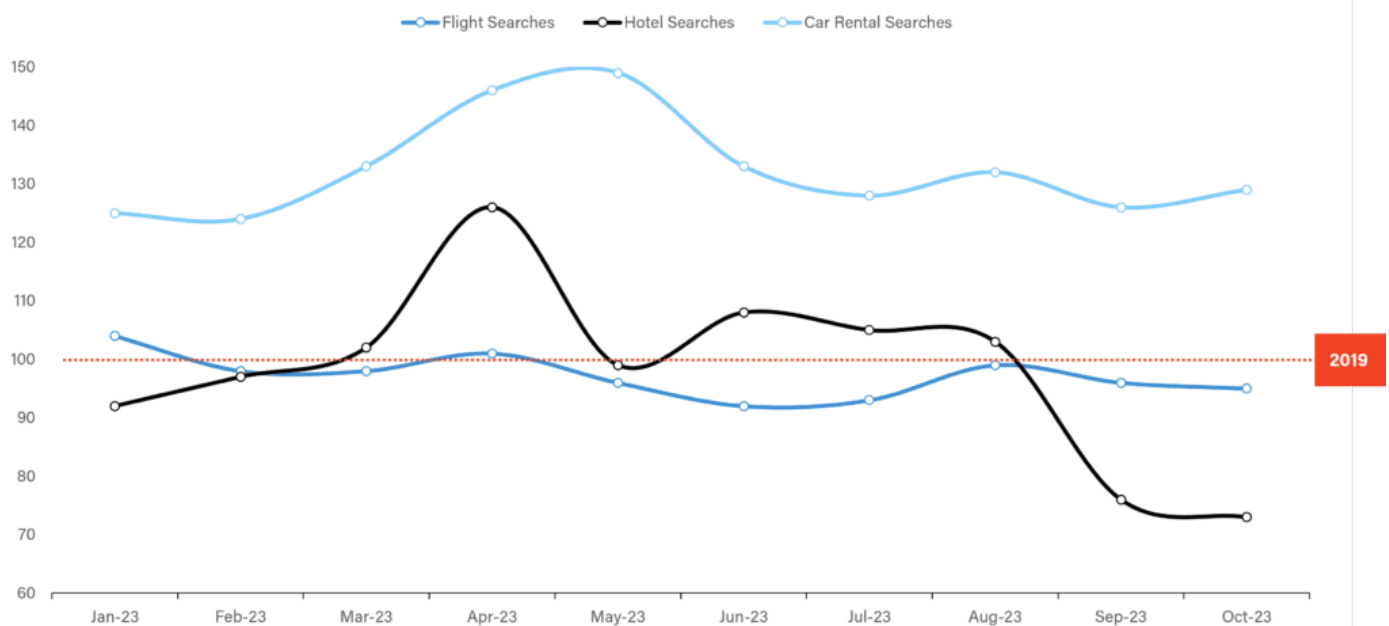
Source: Skift Research from partner data. All data vs same month in 2019.

Hotel searches have decreased across all countries in October 2023, except for Russia, where domestic hotel searches have increased. Inbound hotel searches continue to trail behind 2019 levels.

Europe Hotel Search Behavior
(Relative to 2019)

■ Domestic Sep-23   ■ Domestic Oct-23   ■ Inbound Sep-23   ■ Inbound Oct-23

Domestic	
Turkey	-8% / -7%
Russia	47% / 43%
Germany	-34% / -35%
France	-21% / -25%
Italy	-23% / -38%
Spain	-34% / -32%
UK	-35% / -43%

Inbound	
Turkey	62% / -15%
Russia	-52% / -42%
Germany	-45% / -40%
France	-35% / -42%
Italy	-40% / -33%
Spain	-22% / -12%
UK	-16% / -7%

Source: Sojern
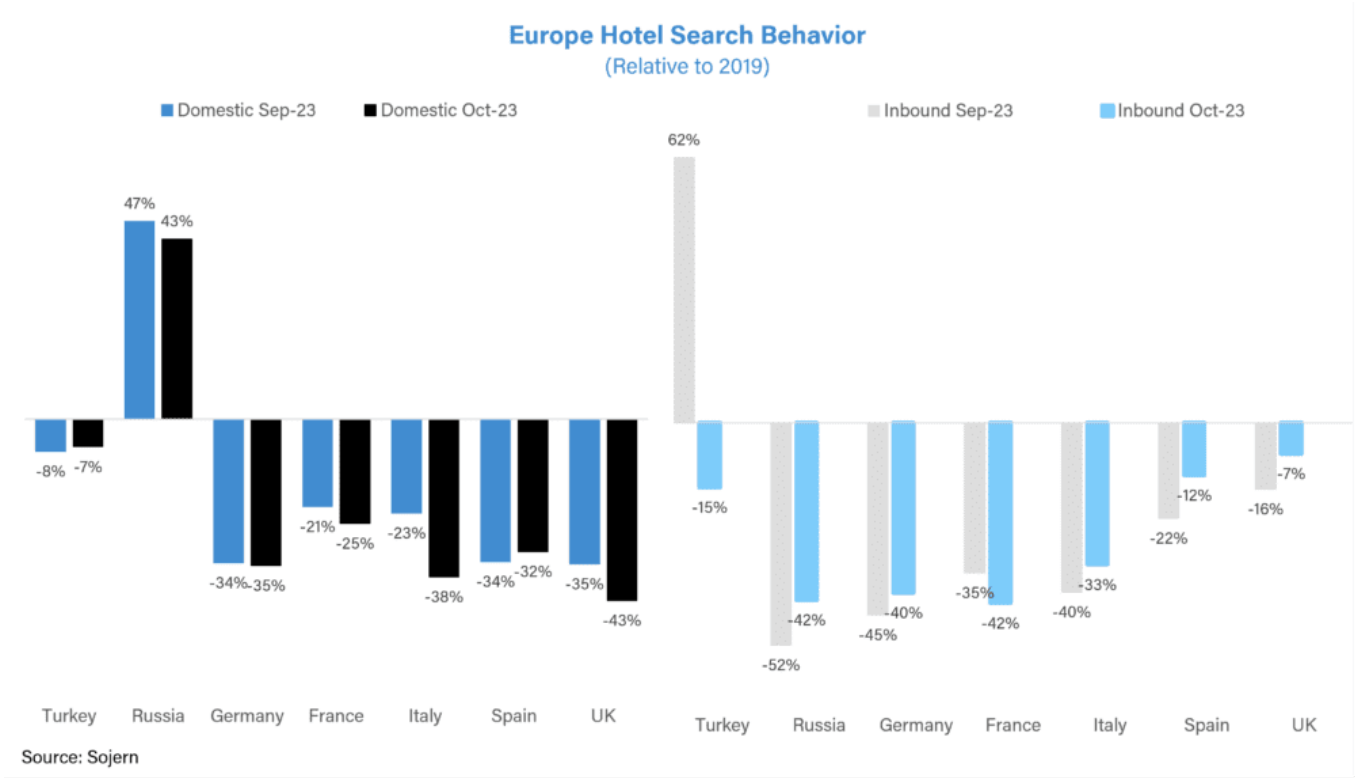
The Pricing Surge

The hotel industry continued the upward trend in prices. Published hotel rates surpassed 2019 levels and further increased compared to last year in several countries. UK hotels led this surge, with rates standing 70% higher than in 2019 and 23% above October 2022. Conversely, hotel prices in France dropped by 14% year-on-year.

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Europe Hotel Published Rates (October 2023)

■ Growth over 2019   ■ Growth over 2022
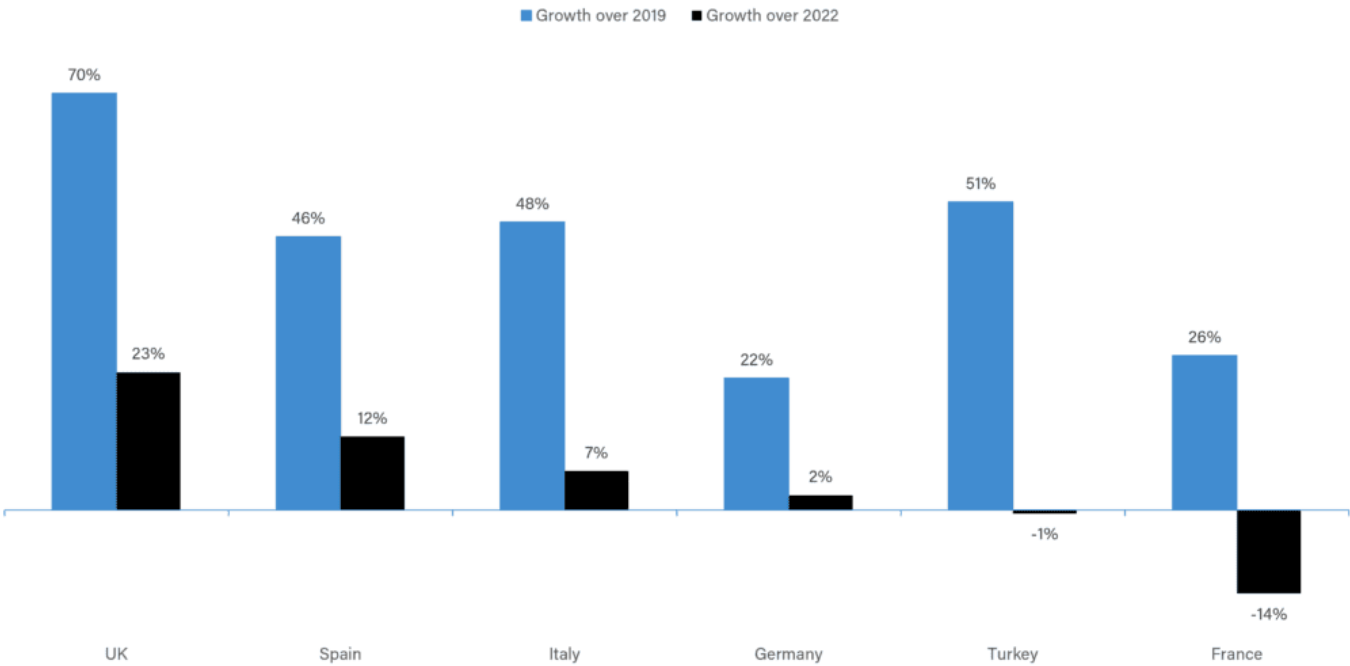
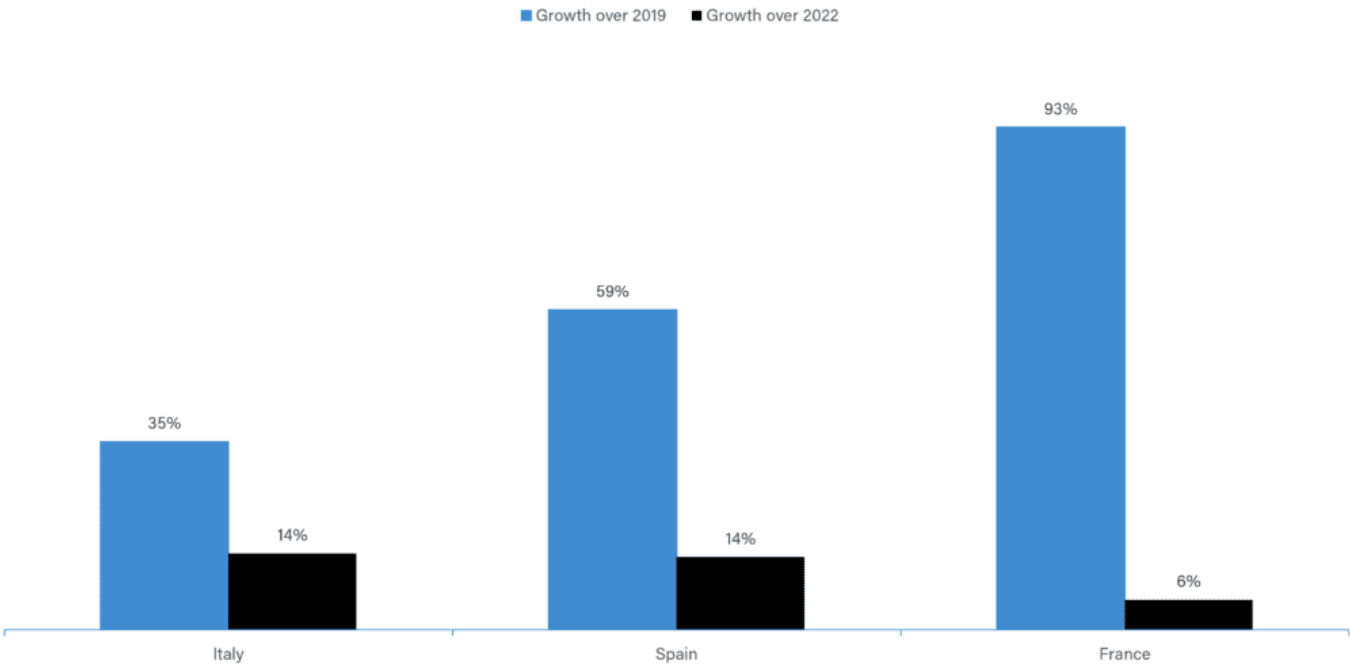Source: OTA Insight

A similar pricing trend can be observed in the vacation rental sector as well.

Europe Vacation Rental ADR (October 2023)

■ Growth over 2019   ■ Growth over 2022
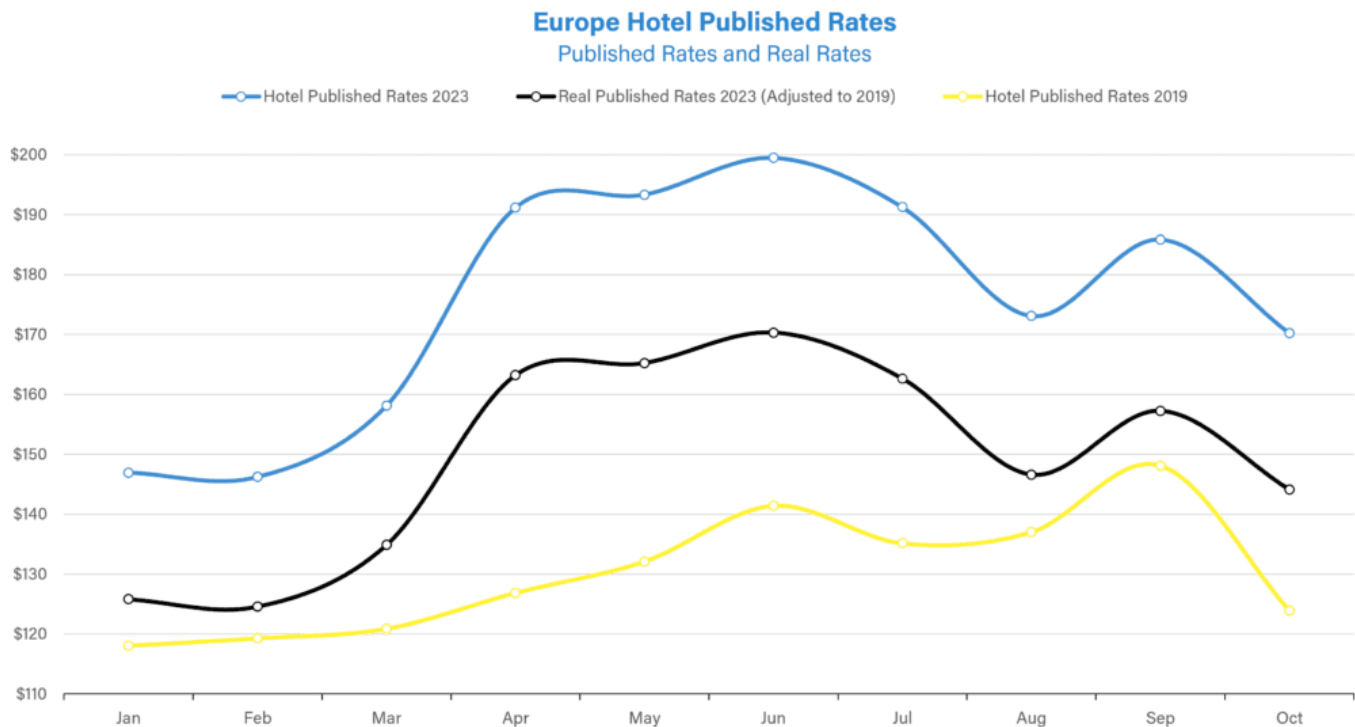

Source: KeyData Dashboard

An influx of North American tourists over the summer drove prices higher, making travel more expensive.

These elevated prices coincide with high inflation rates. To understand the real pricing trends, we have used hotel pricing data and adjusted it using the Consumer Price Index for Europe. The adjustment highlights that hotel prices are still tracking significantly above 2019 levels, especially in the summer months in Europe. This gap, however, appears to be closing again as summer travel has diminished.

Europe Hotel Published Rates
Published Rates and Real Rates

—○— Hotel Published Rates 2023   —●— Real Published Rates 2023 (Adjusted to 2019)   —○— Hotel Published Rates 2019

Source: Skift Research from OTA Insight, ECB. Data as of November 2023.

Note: Real rates are adjusted for inflation using the Consumer Price Index in Europe. European hotel prices are based on hotel prices in France, Germany, Italy, Spain, and UK. Local currency has been converted to U.S. dollars using current exchange rates.

A recent report by Morning Consult suggests that pent-up travel demand is subsiding, with the slowdown potentially more noticeable in Europe. Domestic travel intent in Europe is waning. The slowed travel momentum has been primarily linked to rising inflation, which has eroded consumer savings in the past year, prompting them to revisit their spending priorities. Additionally, seasonality as well as the impact of large-scale conflicts may be contributing to the setback observed in European tourism.

China's Holiday Boom Was Weaker Than Anticipated

Most countries had a declining index score over the last month. Hong Kong was the only country to witness gains in October 2023, credited to the Golden Week holiday in China, from October 1 to 7. The holiday is known to hold paramount importance for travel and tourism in China.

Travel spending in China increased by 1.5% over the comparable period in 2019. The country recorded 826 million domestic trips, marking a 4.1% rise over 2019. This figure, though, fell short of the Ministry of Culture and Tourism's forecast of 896 million trips.

Furthermore, cross-border travel volumes only recovered to 85% of the 2019 levels, slightly below the projected number by ~100 thousand trips. Despite the initial surge due to the long holiday, the momentum in travel did not persist throughout the rest of the month. As a result, China's travel index dropped by 2 pp over September 2023.

Skift Travel Health Index Performance by Country

Country	Oct-23	Sep-23	MoM Growth (abs)	YoY Growth (abs)
Hong Kong, China	90.8	89.8	+1	+35
Brazil	108.9	108.6	0	+12
India	115.7	115.6	0	+19
South Africa	87.4	89	-2	+7
Canada	106.5	108.3	-2	+9
Spain	102.6	104.8	-2	+8
United Kingdom	106.9	109.2	-2	+9
China	99.8	102.2	-2	+44
Russia	64.6	67.5	-3	+12
U.S.	107.6	110.7	-3	+5
United Arab Emirates	115.4	118.6	-3	+8

Country	Oct-23	Sep-23	MoM Growth (abs)	YoY Growth (abs)
Japan	104.1	107.6	-4	+27
Mexico	111.6	115.1	-4	+1
Australia	96	99.8	-4	+2
Singapore	92.8	96.6	-4	+8
Argentina	105.3	109.3	-4	+10
Indonesia	89.7	93.9	-4	+8
Turkey	113.9	119.3	-5	0
Italy	97.9	103.7	-6	+2
Germany	90.7	96.9	-6	+10
Thailand	91.9	98.3	-6	+14
France	101.3	108.1	-7	+7

China's domestic airline seat capacity has not only rebounded from the pandemic but has also increased by 10% over 2019 in October 2023. However, international seat capacity remains 45% below pre-pandemic times. It is expected to improve by December 2023 but will remain 38% below that in December 2019.

China Airline Seat Capacity
Relative to 2019
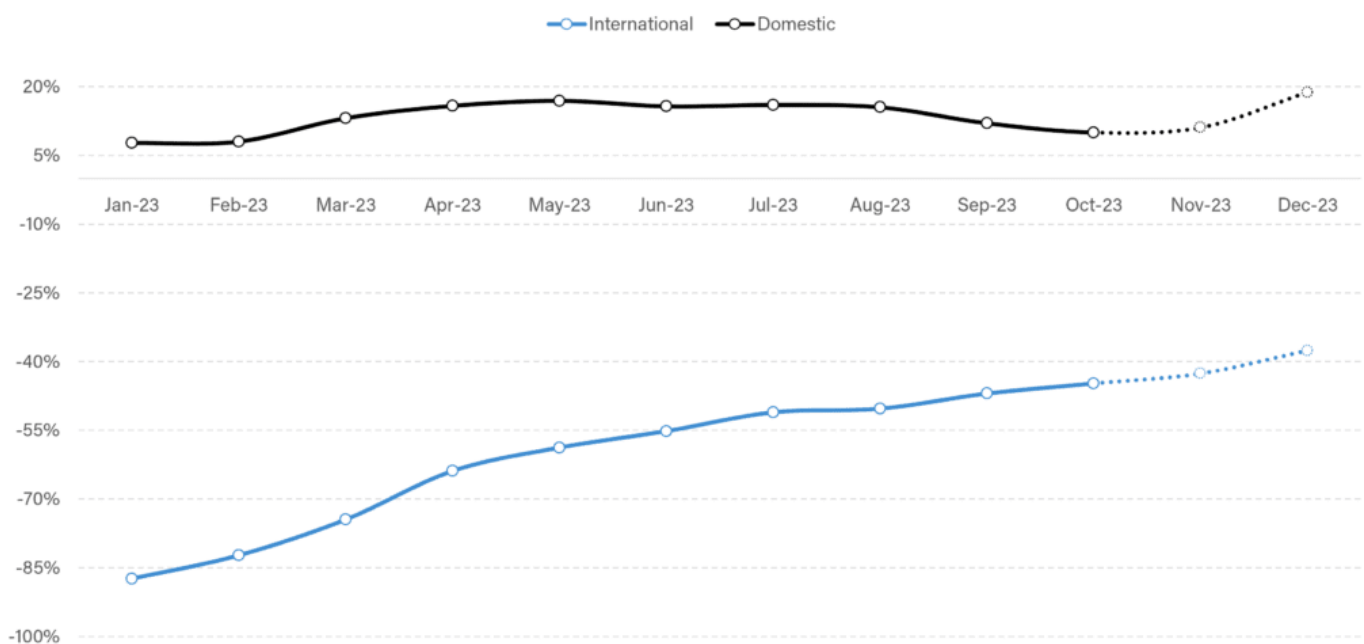
Source: OAG

While the Golden Week holiday sparked optimism for the Chinese economy, the actual figures fell short of government projections. Despite the surge in consumer spending, a greater push is required to counter the economic slowdown in the country.

Frequent lockdowns and strict COVID policies prolonged the restriction on travel. Also, the uncertain job market, with youth unemployment exceeding 21%, has raised concerns about income stability among the Chinese population, leading to cautious spending habits.

The extended recovery phase might potentially induce a permanent shift in the preferences of Chinese travelers, reducing the allure of international destinations. This poses a risk to countries dependent on travel from China.

Conclusion

The Skift Travel Health Index dipped by 2 pp and stands at 103 in October 2023.

Similar to the declining trend witnessed in 2022, travel performance in all regions experienced a slowdown, with Europe showing the most significant softening by 5 pp. This is largely linked to the seasonality of demand, the impact of large-scale conflicts like war on travel intent, and rising inflation impacting the spending patterns and priorities of European travelers.

Hong Kong benefited from the Golden Week holiday in China which contributed to a 1 pp increase in Hong Kong's travel index.

In China, though, the week-long holiday drove up hotel prices and travel activity during the week. However, the actual travel volumes fell short of government forecasts. Additionally, despite the initial surge, the travel momentum did not continue for the entire month, resulting in a 2 pp decline. There is a risk of frequent lockdowns and restrictions of travel having caused a permanent shift in the travel preferences of the Chinese population.

Methodology

Data Partners

Skift Research collects and analyzes data from 22 different data partners to provide the most comprehensive view of the travel industry's performance.

Aviation	Hotels	Vacation Rentals	Car Rental
aMaDEUS	CENDYN	BEYOND	CarTrawler
aviasales	duetto	KEYDATA	
COLLINSON	hotelbeds	Transparent	
CRITEO	onyx		
ForwardKeys	OTA INSIGHT		
OAG	RateGain		
NIUM	Shiji		
Skyscanner	TRAVELGATE X		
SOJERN	TRUSTYOU		
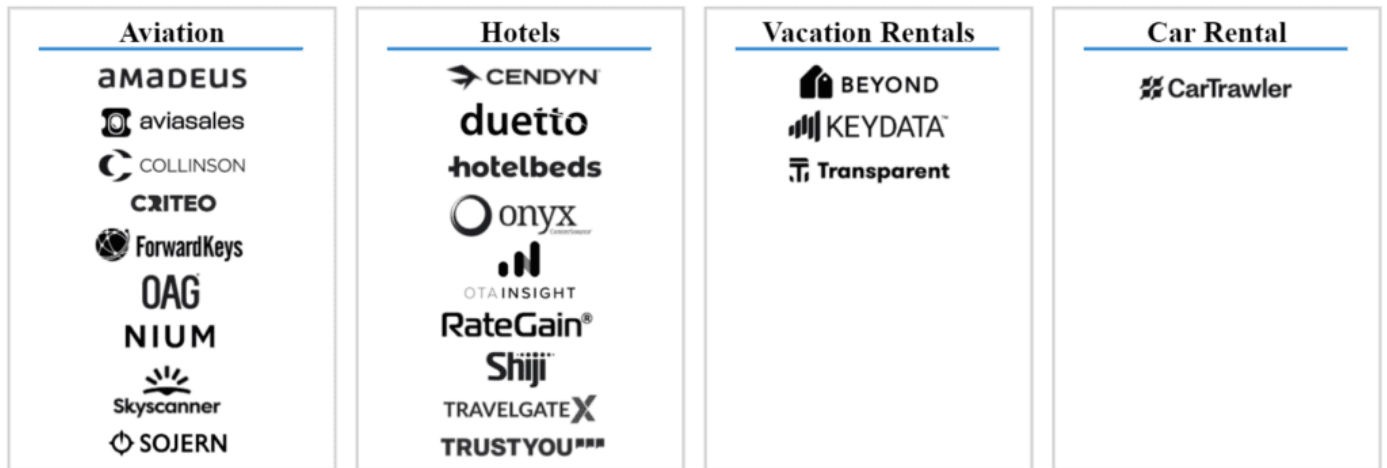
Index Design

The Index tracks 84 indicators per country to assess the health of the travel industry in each country. These indicators are aggregated into performance categories and sub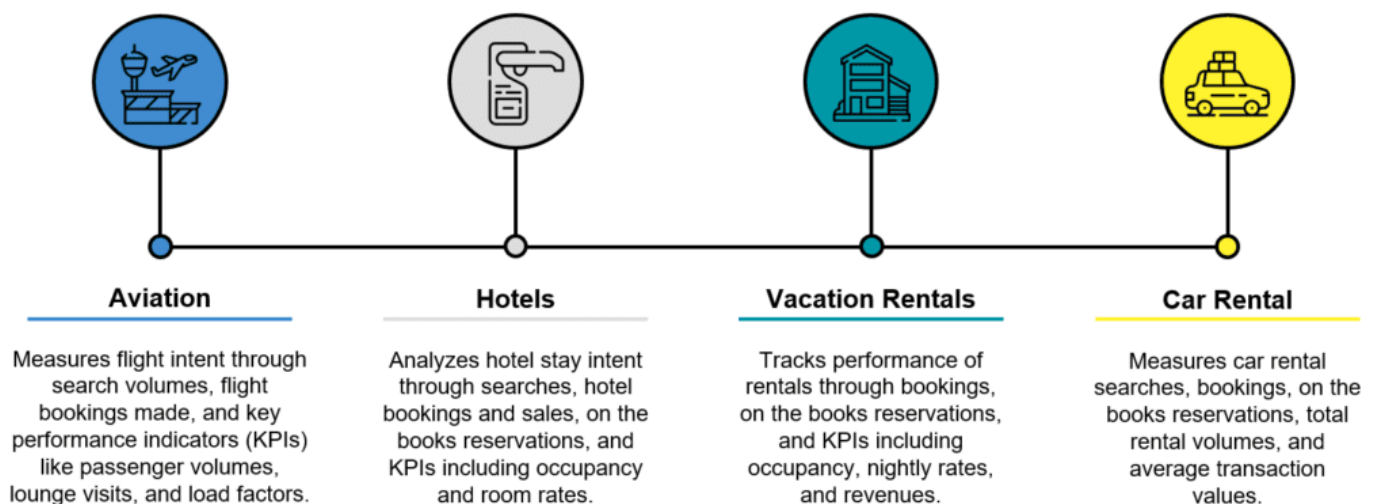-categories. The top level of division is by travel vertical, and each vertical is further divided by intent indicators, booking indicators, and key performance indicators.

The Index covers the following travel sectors:

Aviation	Hotels	Vacation Rentals	Car Rental
Measures flight intent through search volumes, flight bookings made, and key performance indicators (KPIs) like passenger volumes, lounge visits, and load factors.	Analyzes hotel stay intent through searches, hotel bookings and sales, on the books reservations, and KPIs including occupancy and room rates.	Tracks performance of rentals through bookings, on the books reservations, and KPIs including occupancy, nightly rates, and revenues.	Measures car rental searches, bookings, on the books reservations, total rental volumes, and average transaction values.

Country Coverage

The Index focuses on the travel performance in 22 of the largest tourism economies, namely, Argentina, Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Mexico, Russia, Singapore, South Africa, Spain, Thailand, Turkey, U.S., United Arab Emirates, and United Kingdom. These countries together account for 62% of inbound tourism receipts, 67% of outbound tourism expenditure, and 78% of global 2019 GDP.

Index Score Calculation

The Index is designed to provide an easy overview of the health of the travel industry. We have tracked the industry since the beginning of 2020. For 2020, 2021, 2022, and 2023 data, the performance of each indicator is compared to the same time in 2019. The Index provides a score relative to a baseline reading of 100 for the same month in 2019.

The full methodology can be found on our website.

Data Tables

Total Skift Travel Health Index Scores by Country

	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023
Argentina	103.0	109.6	100.5	106.0	104.4	101.2	109.3	105.3
Australia	100.4	97.0	94.7	99.5	97.0	97.4	99.8	96.0
Brazil	110.3	112.2	111.3	109.7	107.7	109.6	108.6	108.9
Canada	97.2	100.1	104.7	109.3	106.6	105.9	108.3	106.5
China	96.7	102.0	101.8	99.7	97.6	96.2	102.2	99.8
France	104.3	111.6	112.3	110.1	105.2	108.1	108.1	101.3
Germany	90.1	93.7	93.2	96.6	92.0	91.3	96.9	90.7

	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023
Hong Kong, China	71.0	76.1	73.3	70.2	76.6	100.2	89.8	90.8
India	110.4	110.0	110.1	112.7	110.3	116.2	115.6	115.7
Indonesia	88.0	90.2	93.6	104.5	88.8	94.0	93.9	89.7
Italy	104.6	102.2	108.8	105.9	102.4	102.7	103.7	97.9
Japan	107.3	105.1	108.4	107.2	105.0	110.2	107.6	104.1
Mexico	118.5	115.9	114.2	115.5	111.2	113.8	115.1	111.6
Russia	66.7	64.4	65.9	69.0	69.1	66.9	67.5	64.6
Singapore	102.7	102.2	101.3	104.1	96.7	98.3	96.6	92.8
South Africa	92.6	90.7	92.6	93.1	90.6	90.8	89.0	87.4
Spain	106.9	107.4	104.6	102.6	103.5	104.7	104.8	102.6
Thailand	99.1	103.6	102.8	104.0	102.0	96.7	98.3	91.9
Turkey	104.5	107.8	118.7	120.6	108.0	120.4	119.3	113.9
U.S.	97.7	98.9	102.5	109.0	107.9	108.0	110.7	107.6
United Arab Emirates	105.2	109.1	121.6	110.9	104.8	113.7	118.6	115.4
United Kingdom	103.7	105.2	110.3	108.7	109.5	110.4	109.2	106.9

Aviation Scores by Country

	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023
Argentina	87.3	98.5	84.4	95.6	94.2	92.3	92.7	97.2
Australia	103.6	94.5	93.3	99.6	101.2	104.5	105.6	106.0
Brazil	104.1	110.4	113.2	106.8	105.4	108.2	98.4	100.7
Canada	89.6	88.1	89.5	95.2	99.8	102.2	100.3	101.3
China	58.5	61.2	63.0	64.4	66.5	66.0	67.1	66.4

	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023
France	98.3	105.7	99.4	96.1	95.5	97.9	96.3	93.1
Germany	90.3	92.1	90.2	94.1	93.6	93.0	90.5	87.2
Hong Kong, China	51.5	54.6	53.0	56.3	59.8	77.8	76.3	75.5
India	105.5	104.1	110.3	112.8	109.8	112.6	114.0	111.4
Indonesia	62.1	64.8	68.0	83.6	64.6	71.4	74.6	72.9
Italy	110.2	100.3	117.0	110.8	109.7	109.8	111.3	106.6
Japan	94.2	89.5	95.7	95.7	95.7	106.2	105.2	105.6
Mexico	111.7	111.4	109.6	109.6	112.9	114.1	116.2	116.6
Russia	74.0	70.7	73.9	79.9	79.1	73.2	76.3	69.7
Singapore	75.3	76.2	75.8	86.1	83.7	82.1	82.0	81.7
South Africa	73.6	73.6	75.0	71.5	72.5	71.1	73.4	72.5
Spain	113.9	111.3	109.3	107.0	108.0	108.2	109.4	110.3
Thailand	79.5	83.9	81.6	91.1	88.1	90.7	91.8	94.2
Turkey	92.9	104.5	114.1	114.0	107.7	114.3	109.6	101.7
U.S.	90.8	92.0	97.3	108.8	112.9	114.3	116.0	112.6
United Arab Emirates	97.3	96.0	112.6	102.4	99.6	104.9	106.9	102.0
United Kingdom	93.9	92.4	99.7	95.2	100.2	103.5	104.0	102.3

Aviation contributes 40% to the total score. The scores in this table have been indexed to give a better insight into performance. 100 = pre-pandemic level.

Hotel Scores by Country

	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023

	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023
Argentina	124.7	124.5	124.0	128.3	120.6	118.9	130.0	124.8
Australia	94.1	90.1	89.0	96.7	89.9	91.7	92.2	80.9
Brazil	140.2	132.3	128.7	135.4	127.7	131.1	131.2	131.9
Canada	101.1	109.6	123.6	131.6	117.5	113.4	123.4	117.2
China	107.5	112.6	114.0	113.6	108.6	110.2	114.4	98.0
France	111.9	113.6	121.4	125.8	115.1	118.2	115.2	99.9
Germany	97.6	100.3	100.5	110.3	98.9	99.0	109.7	95.7
Hong Kong, China	74.1	87.7	75.3	68.6	81.2	121.7	99.6	104.7
India	115.9	116.7	109.6	115.1	111.2	123.8	121.9	124.6
Indonesia	106.8	110.6	115.0	128.6	103.7	110.4	107.6	96.8
Italy	104.4	108.5	108.1	106.0	101.6	100.4	100.5	89.5
Japan	121.0	120.8	121.8	123.0	124.3	128.7	111.1	99.3
Mexico	129.8	126.5	125.5	130.4	115.7	125.7	120.7	113.8
Russia	52.7	48.3	47.2	46.7	46.7	46.6	45.2	44.6
Singapore	127.6	131.6	128.5	122.2	106.3	110.7	109.7	100.6
South Africa	113.5	111.2	111.5	116.5	110.3	113.6	105.7	109.0
Spain	105.4	109.6	106.2	102.8	102.2	104.5	99.3	93.0
Thailand	122.6	133.6	123.6	123.5	117.6	107.6	107.7	88.5
Turkey	119.9	113.3	135.9	141.5	109.5	134.6	136.0	123.8
U.S.	102.8	105.1	112.6	117.3	112.3	108.8	104.9	98.8
United Arab Emirates	102.4	113.7	127.7	110.9	98.1	108.6	116.3	117.3
United Kingdom	110.6	116.4	123.1	124.5	123.6	120.2	112.3	109.9

Hotels contributes 35% to the total score. The scores in this table have been indexed to give a better insight into performance. 100 = pre-pandemic level.

Vacation Rental Scores by Country

	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023
Argentina	142.8	147.3	147.1	149.2	154.9	152.8	155.2	153.7
Australia	129.6	134.1	126.4	128.7	128.7	122.0	131.8	123.0
Brazil	122.2	129.5	125.6	125.6	131.6	128.4	130.1	118.0
Canada	124.2	126.5	128.3	128.9	135.7	133.4	126.4	115.2
China	180.0	178.1	175.4	154.4	147.7	141.2	158.7	154.4
France	130.2	135.8	137.0	134.9	132.9	129.4	147.1	152.0
Germany	109.9	112.7	105.4	101.4	102.2	103.5	109.8	109.6
Hong Kong, China	81.9	83.9	82.4	85.3	93.1	106.5	105.1	101.0
India	108.3	112.4	113.9	119.5	122.8	122.6	120.3	116.1
Indonesia	89.4	92.9	99.8	107.3	114.3	112.7	111.1	107.3
Italy	137.0	132.2	136.2	131.0	130.5	134.1	135.8	134.2
Japan	123.9	122.8	125.2	120.2	118.8	124.1	128.4	127.6
Mexico	124.8	122.3	120.6	117.1	110.5	121.8	124.9	118.5
Russia	101.8	107.5	113.3	121.7	126.2	128.3	126.5	125.9
Singapore	117.4	117.9	120.3	121.7	124.8	128.5	120.9	111.6
South Africa	94.2	95.6	101.2	99.3	103.7	101.9	100.5	97.3
Spain	131.1	126.5	125.2	124.0	122.5	128.0	133.4	140.2
Thailand	126.6	118.3	109.4	108.1	115.0	114.6	111.5	109.5
Turkey	115.5	117.7	122.1	126.0	131.9	133.2	141.6	142.3
U.S.	124.1	124.8	119.6	122.0	121.8	119.1	124.6	122.9

	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023
United Arab Emirates	140.0	140.1	144.9	140.0	150.7	157.8	171.3	172.4
United Kingdom	131.2	128.0	125.5	126.6	129.1	126.5	127.4	119.3

Vacation Rentals contributes 10% to the total score. The scores in this table have been indexed to give a better insight into performance. 100 = pre-pandemic level. 2021 VR data for Argentina missing.

Car Rental Scores by Country

	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023
Argentina	85.9	97.5	93.7	88.9	77.9	85.3	92.6	84.8
Australia	105.5	107.1	105.6	101.5	99.6	90.3	98.8	98.8
Brazil	94.3	98.7	100.9	96.8	96.2	91.2	109.5	107.0
Canada	119.4	118.3	116.5	110.4	107.2	106.8	113.4	116.9
China	124.0	135.0	128.0	131.1	121.3	119.7	135.6	156.7
France	115.5	121.4	123.9	109.3	101.4	103.4	106.2	101.4
Germany	85.7	85.0	88.1	82.8	80.0	72.3	84.7	84.8
Hong Kong, China	117.5	109.8	116.6	109.8	108.3	114.5	101.8	101.7
India	121.2	117.3	116.7	111.3	110.4	112.7	111.1	115.1
Indonesia	121.2	117.3	116.7	111.3	110.4	112.7	111.1	115.1
Italy	83.7	84.4	85.2	87.8	84.2	77.4	81.2	79.1
Japan	117.6	116.7	117.7	110.4	111.6	104.7	110.3	113.9
Mexico	120.5	113.4	110.0	109.9	107.2	94.1	103.5	102.7
Russia	74.6	74.6	74.6	74.6	74.6	74.6	74.6	74.6
Singapore	120.0	116.2	111.3	110.0	101.9	110.8	107.0	109.7

	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023
South Africa	105.5	103.0	101.6	104.0	96.5	88.3	95.8	88.3
Spain	87.9	88.1	89.9	84.8	87.6	83.8	92.2	88.7
Thailand	100.5	98.7	110.6	104.0	103.0	88.9	98.1	95.4
Turkey	104.3	109.2	94.2	103.6	95.3	95.3	97.4	110.4
U.S.	98.2	97.1	93.6	96.6	89.8	97.3	115.9	113.6
United Arab Emirates	114.4	121.5	124.5	123.1	112.7	123.8	128.6	117.8
United Kingdom	110.2	107.2	108.0	104.6	100.4	101.1	109.7	109.7

Car Rental contributes 15% to the total score. The scores in this table have been indexed to give a better insight into performance. 100 = pre-pandemic level.