

# THE IMPACT OF THE PANDEMIC ON TRAVEL TO FINLAND

## CUSTOM TRAVEL SCENARIOS

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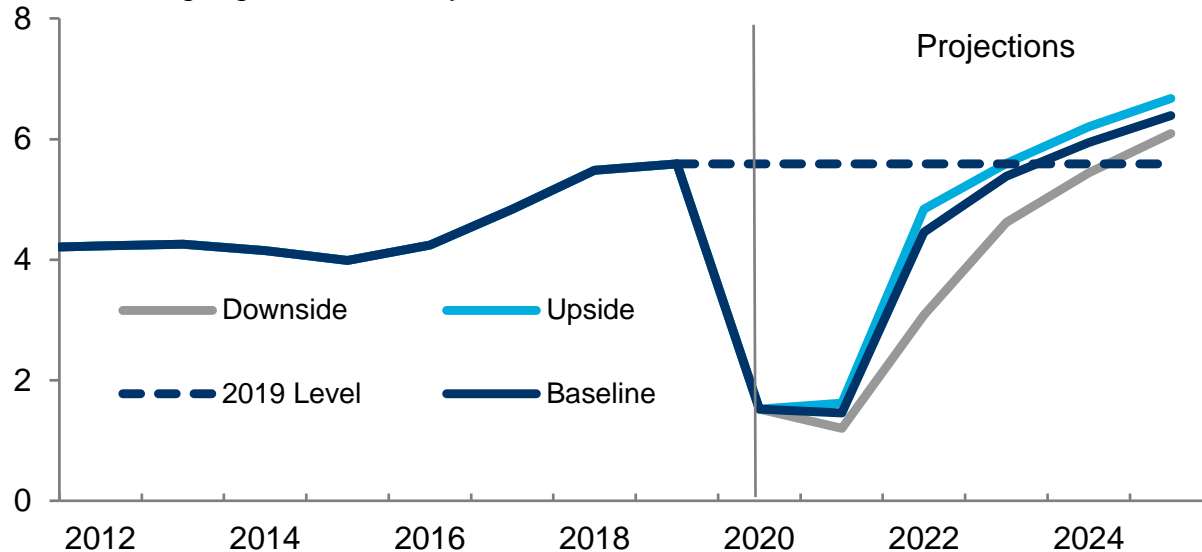
# Executive Summary

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- The coronavirus pandemic continues to have a significant impact on travel to Finland in 2021. Lockdown measures introduced at the end of 2020 and into 2021 have weighed on the international travel recovery through the first half of the year, and while restrictions have begun to ease in H2 – notably for vaccinated travellers – the declines in H1 will weigh on the annual performance. Under our baseline scenario, **international visitors are estimated to be 74% below 2019 levels in 2021**, equivalent to 4.1 million fewer visitors. Alongside this, total visitor nights are expected to decline 5.2 million and total visitor spend by €2.1 billion below 2019 levels. These negative baseline impacts are a little more severe than those projected worldwide (-69% change in visitors in 2021), for Europe in aggregate (-60%) and for the Nordics region (-65%).
- **Vaccine progress will be key to recovery.** The speed at which travel returns to pre-crisis levels will be a function of Finland's source market mix and largely dependent on vaccine progress. European markets will be the first to return, reflecting strong vaccine progress in Europe – key source markets have already fully vaccinated more than half of their populations.
- Vaccine progress in Russia has been slower than the rest of Europe, but more crucially, the Sputnik vaccine (the primary vaccine used in Russia) is not recognised as valid in Finland. As a large source market for Finland – Russia accounted for almost 12% of total travel demand in 2019 – this will constrain the recovery in travel.
- Long-haul travel, most notably from Asia-Pacific, will recover at a slower rate, despite restrictions being eased for entry from some of these markets and modest progress in vaccine rollout for some (e.g. China). This reflects a more stringent policy response in Asia-Pacific where international borders have remained closed since the pandemic began. Greater caution and more risk aversion will constrain the recovery potential from these markets in the near term.
- **We anticipate international arrivals will recover to 2019 volumes by 2024 in our baseline**, with 5.9 million arrivals expected.
- The upside scenario envisages a more rapid recovery, with a faster vaccine rollout and stronger economic growth expectations, underpinned by a swifter unwinding of excess savings which will drive a stronger travel recovery in the near term. **We expect international arrivals to return to 2019 peak levels by 2023 in the upside scenario.** The risks, however, are skewed to the downside. Recent concerns about the Delta variant and potential new strains of the virus will weigh on the economic and travel recoveries. This will lead to a further decline in 2021 arrivals and slower recovery in general in the near term. **We expected international arrivals to return to 2019 peak levels by 2025 in the downside scenario.**

# Impact on International Arrivals

**International Arrivals to Finland**  
Millions of overnight guests, annually



Source: Tourism Economics

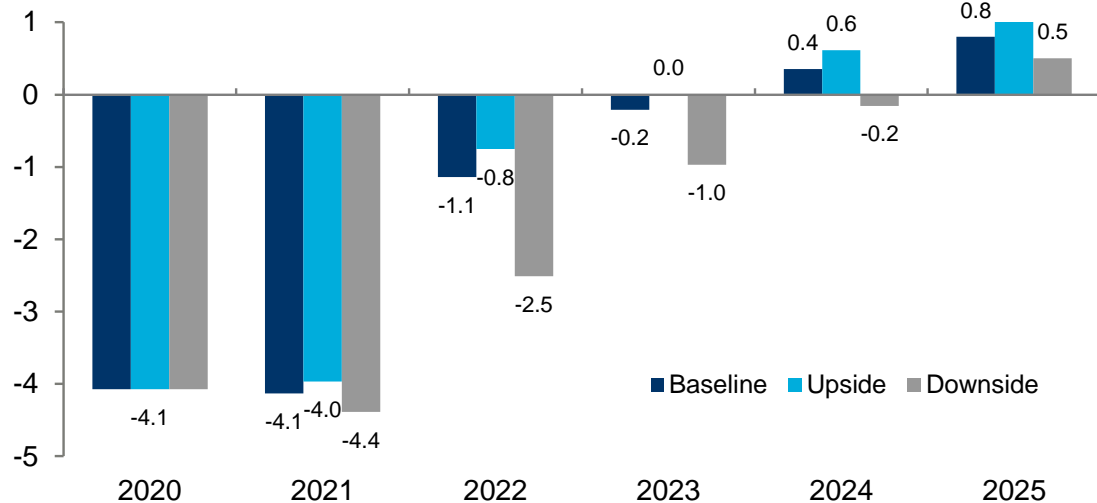
- Our baseline scenario expects international overnight arrivals to be 73.9% below 2019 levels, or 4.1 million fewer arrivals. Recovery is set to truly get underway in 2022, returning to 2019 levels by 2024 in the baseline.
- The subdued recovery in 2021 for Finland is underpinned by several factors:
  - Tighter restrictions in Finland and more widely within key source markets during the first half of 2021 has delayed the recovery in international travel.
  - While travel restrictions are easing for vaccinated travellers, constraints remain in place for unvaccinated travellers where testing and quarantine requirements remain in place.
  - Sputnik has not been approved as a valid vaccine in Finland, meaning that travel from Russia – which accounted for 12% of total international travel demand in 2019 – will remain prohibited.
  - Concerns about the Delta variant, and potential new strains, will see a slower pace of recovery over the winter flu season – but we do not expect to see restrictions to return to those imposed in Q420 / Q121, thanks to strong progress on vaccine rollout, especially in major European outbound markets.
- In the upside scenario, international arrivals are forecast to be 71% below 2019 levels in 2021, or 4mn fewer arrivals. This is only a slight improvement on the baseline for 2021 but a stronger recovery is expected from 2022 onwards, with international arrivals returning to 2019 levels in 2023.
- The risks are larger on the downside. Our downside scenario forecasts international arrivals to be 78.5% below 2019 levels in 2021. The medium term recovery will be more protracted compared to the baseline with return to 2019 peak levels delayed to 2025.

# Impact on International Arrivals

- Our upside scenario is supported by stronger economic growth, with the unwinding of savings built up during the pandemic driving a stronger pick-up in international travel activity and helping in the release of pent-up demand.
- However, the balance of risks are skewed to the downside which sees tighter public health restrictions in Q4 2021/Q1 2022 in response to higher infection rates and potential new strains of the virus. While we don't expect restrictions to return to where they were at the beginning of this year, the impact on confidence and economic recovery will constrain the international travel recovery.

## International Overnight Arrivals to Finland

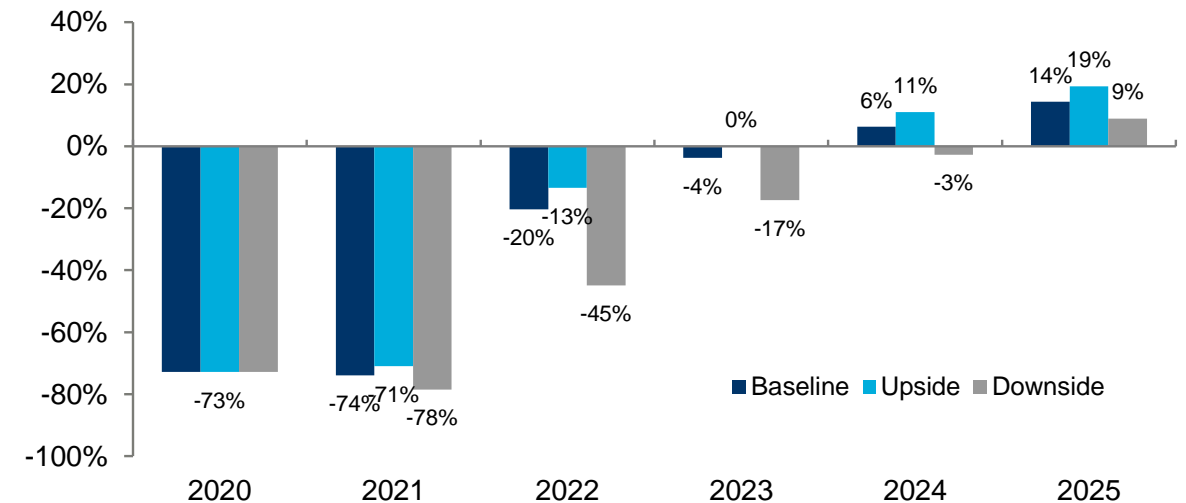
Millions, relative to 2019 levels



Source: Tourism Economics

## International Overnight Arrivals to Finland

Per cent, relative to 2019 levels



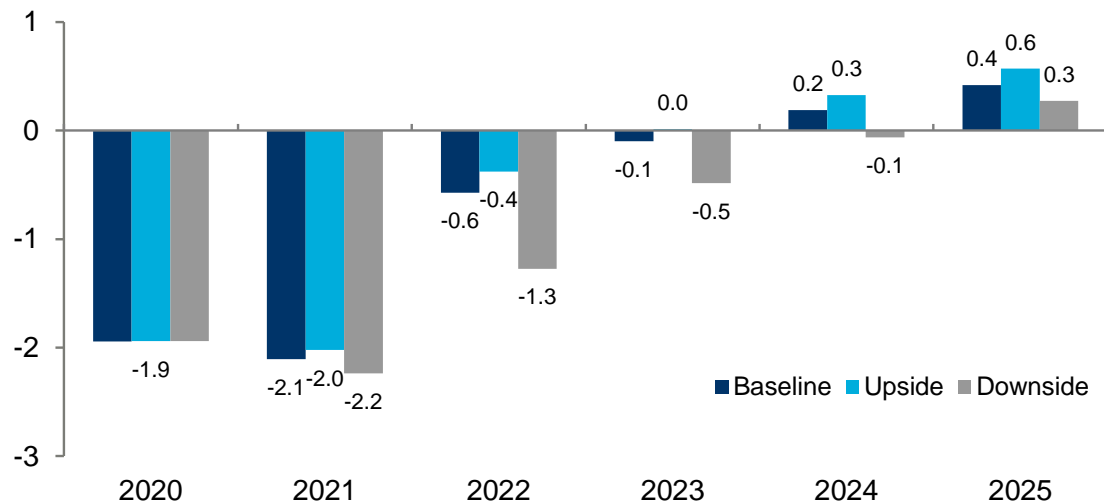
Source: Tourism Economics

# Impact on International – Spend & Nights

- The impact of lower arrivals on inbound tourist spending results in a further decline in 2021, following a loss of €1.9 billion in 2020. In our baseline scenario, inbound tourist spending is estimated to be €2.1 billion lower than 2019 levels. Uncertainty around the pace of recovery in our scenarios places a €2.0 - €2.2 billion range on the potential loss in revenues from 2019 levels.
- International overnights fall by 5.2 million in 2021 relative to 2019 under baseline assumptions, and ranging 5.2 – 5.5 million fewer overnight stays across the scenarios. These falls are comparable to the estimated drops in arrivals, with differences from market composition.

## International Visitor Spending in Finland

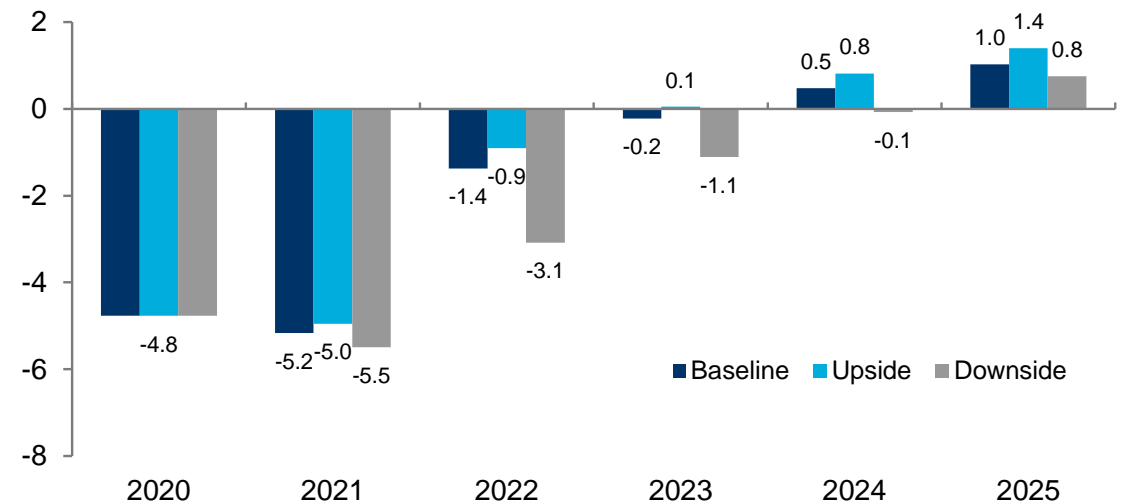
Billions of euros, relative to 2019 levels



Source: Tourism Economics

## International Overnights to Finland

Millions, relative to 2019 levels

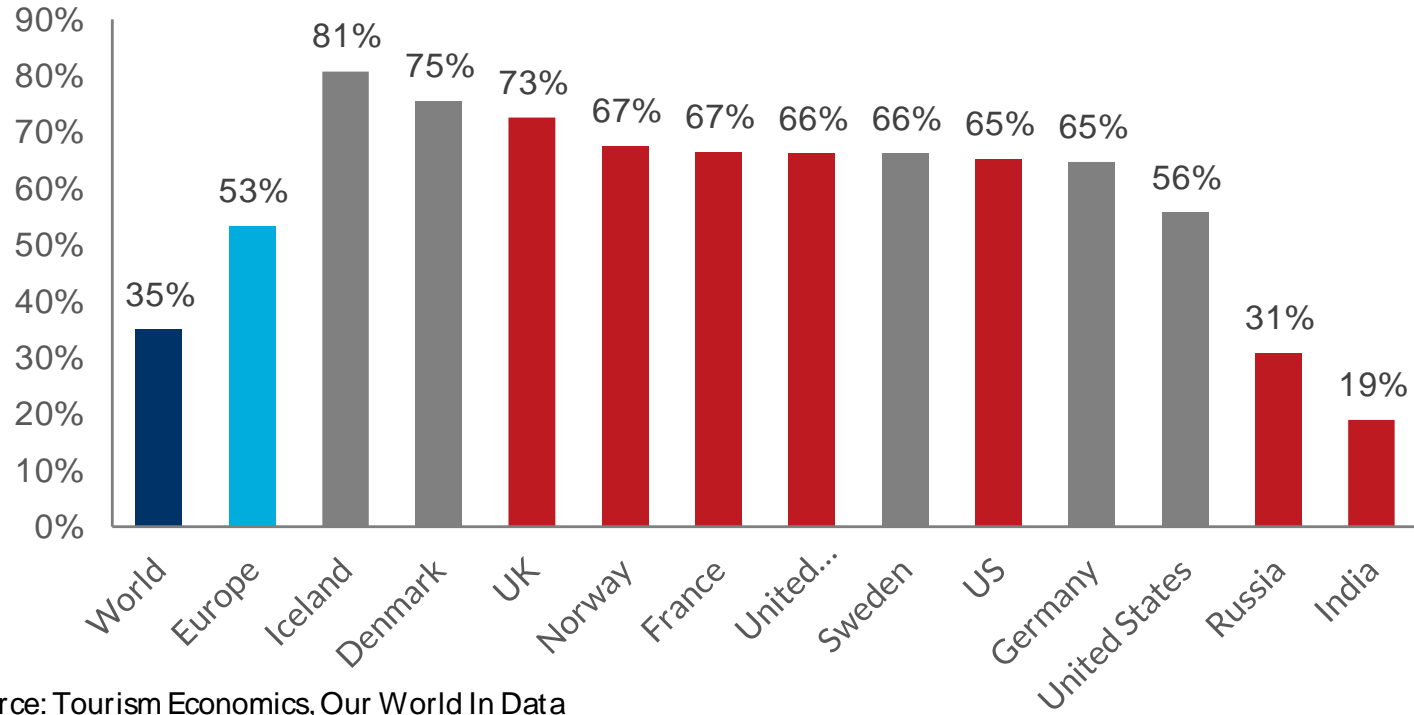


Source: Tourism Economics

# >60% fully vaccinated in most major source markets, but Russia lagging

## Share of population fully vaccinated, Nordics & source markets vs World & Europe

% of total population



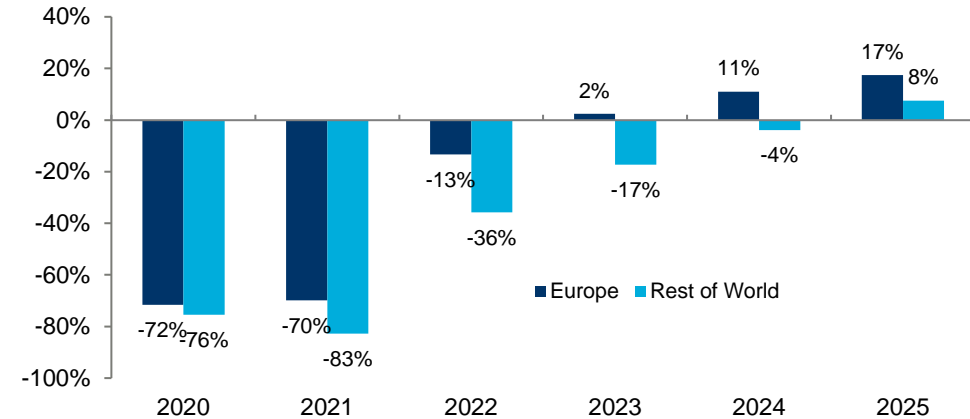
Source: Tourism Economics, Our World In Data

- While distribution rates have slowed in some countries, strong vaccine rollout progress earlier in the rollout has put Finland in good stead for international travel recovery with most major source markets having vaccinated more than 60% of their population.
- As travel activity has resumed for vaccinated travellers from these countries – this bodes well for recovery prospects. Although some are lagging behind – notably Russia and India.
- It is also important to consider the recognition of vaccine types in Finland. Almost 100% of vaccines administered in the EU are among the list of recognized 'valid' vaccines for entry to Finland with the bulk of these being Pfizer, Moderna and Astra Zeneca. However, Sputnik is not yet recognized and will weigh on recovery prospects for travel from Russia to Finland in the near term.

# Impact on International Arrivals – By Source Market

## International Overnight Arrivals to Finland - Baseline Scenario

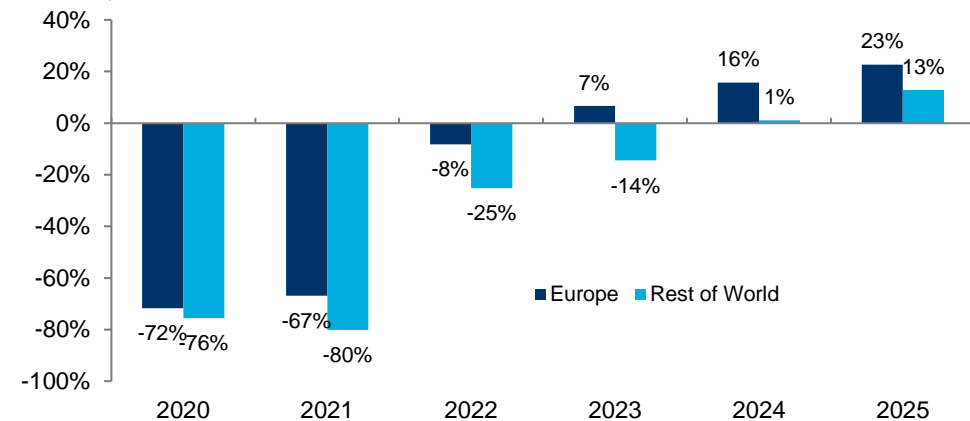
Per cent, relative to 2019 levels



Source: Tourism Economics

## International Overnight Arrivals to Finland - Upside Scenario

Per cent, relative to 2019 levels

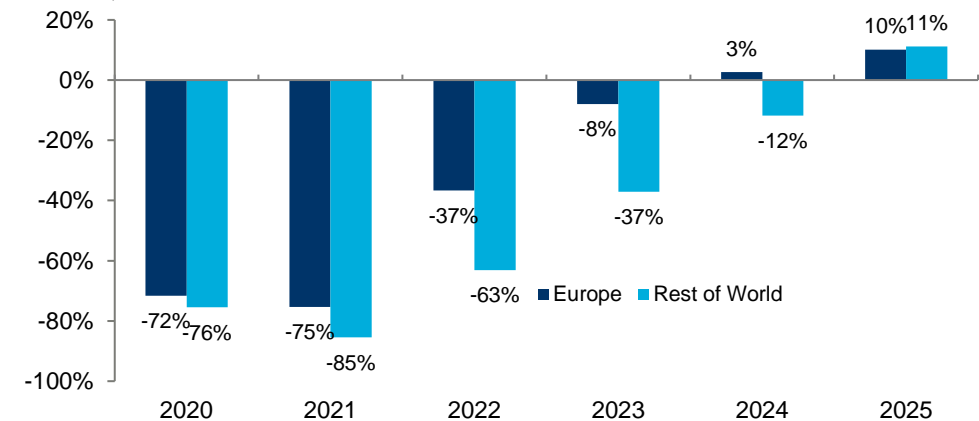


Source: Tourism Economics

- Negative impacts are much larger for travel from long-haul markets, notably from Asian markets where the zero-Covid policy response has meant more stringent border closures. International visitors from long-haul source markets are estimated to be between -80% and -85% lower than 2019 levels in 2021, including a baseline of -83%. The larger scale of these impacts will linger through to the medium term.
- Travel from European markets is less impacted – between -67% and -75% in 2020, including a baseline of -70%. The pace of recovery in subsequent years is also quicker, helped by strong vaccine progress and a preference for travel to closer-to-home destinations.

## International Overnight Arrivals to Finland - Downside Scenario

Per cent, relative to 2019 levels



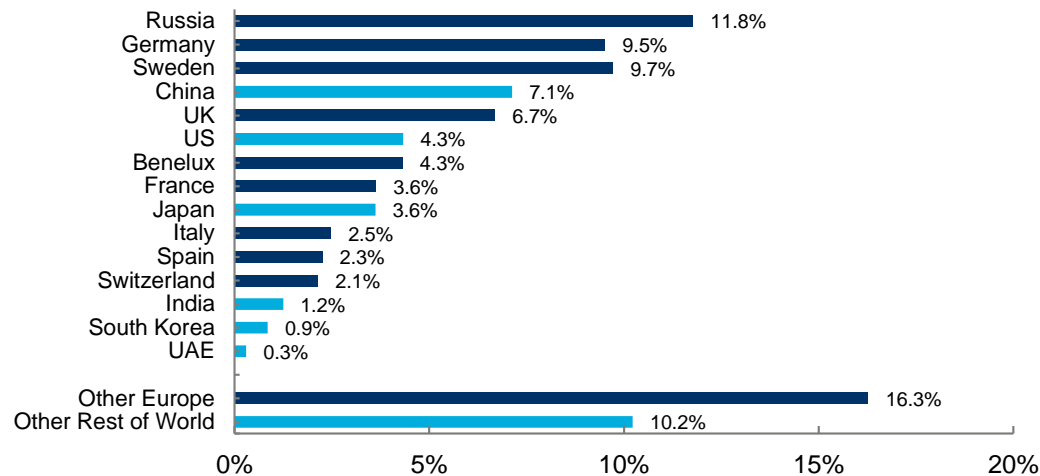
Source: Tourism Economics

# International Arrivals – Source Market Composition

- The vast majority of visitors to Finland come from elsewhere in Europe. In 2019 more than 70% of international arrivals came from European countries – most notably Russia (12%), Germany (10%) and Sweden (10%). Non-European (long-haul) source markets accounted for the remaining almost 30% of arrivals to Finland in 2019. This includes some large markets, including China (8%), the United States (4.6%) and Japan (3.7%).
- The prominence of European markets for travel to Finland provides some support to the outlook with earlier recovery expected for the following reasons:
  - The easing of restrictions for travel between EU member states have been more conducive to facilitating intra-regional travel. The EU Digital Covid Certificate has allowed travel activity to resume regardless of vaccine status – though testing/quarantine requirements are generally still required for unvaccinated travellers. Strong vaccine progress in EU countries where more than 50% of populations are fully vaccinated will aid the recovery.
  - Reciprocity in travel restrictions will be a key influence on the recovery. The aforementioned EU Digital Covid Certificate indicates a strong level of reciprocity in travel restrictions in Europe; but travel from Asia-Pacific markets will remain constrained while international restrictions remain tight in Asia itself – regardless of vaccine status. While we expect some easing of these restrictions in 2022, it is more likely that international travel activity from Asian markets will largely be within Asia at first, before longer-haul outbound travel picks up.
  - Short-haul travel is typically cheaper than long-haul due to transportation costs and because it is easier to take shorter duration trips. The unwinding of excess savings will support the short-haul travel recovery, and confidence regarding longer-haul trips will remain subdued in light of recent Delta concerns and potential new strains of the virus. This means that Europeans are more likely to travel within Europe in the near term before looking to longer-haul travel options. Similarly, a more cautious approach to easing restrictions in Asia-Pacific, and a higher degree of risk aversion (by governments and residents) will linger in the near term.

## International Overnight Arrivals to Finland by Source Market

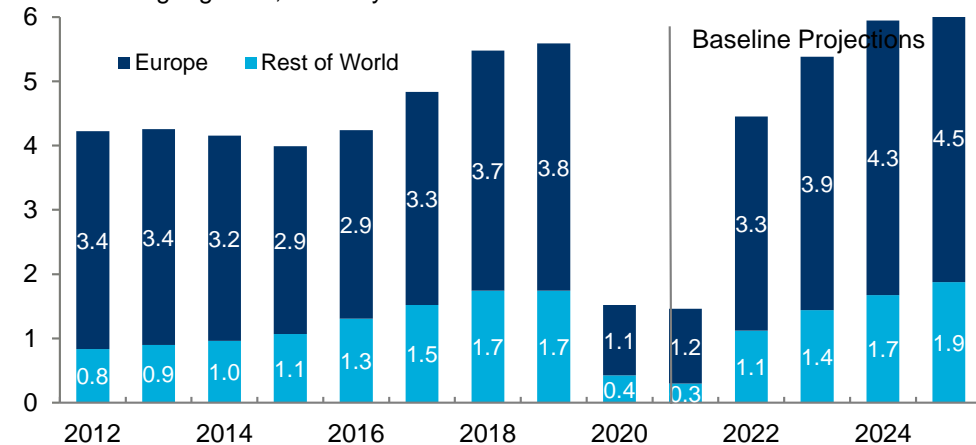
Share of 2019 total



Source: Tourism Economics

## International Arrivals to Finland

Millions of overnight guests, annually



Source: Tourism Economics

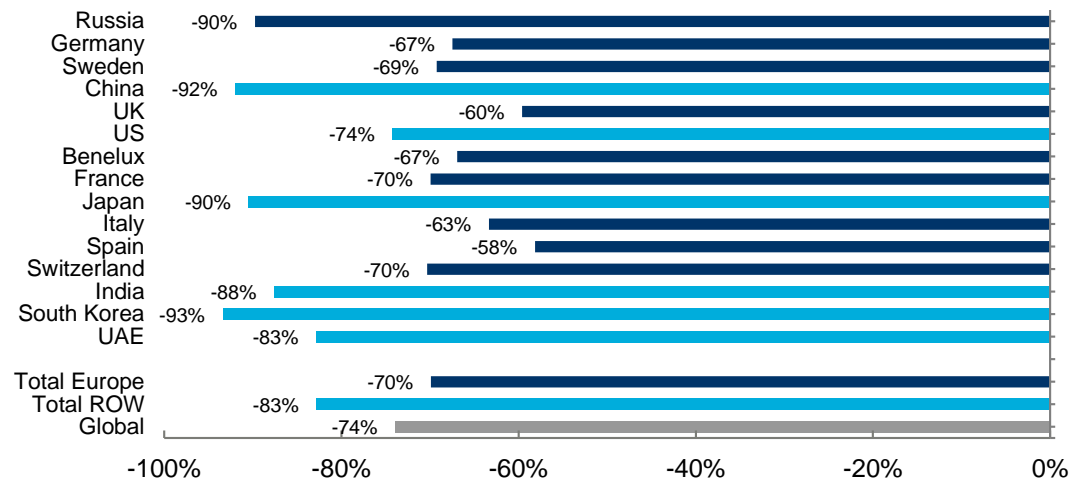


# Impact on International Arrivals – By Source Market

- Among the selected 15 source markets, the largest declines in visitors (in percentage terms) are from long-haul markets – most notably from Asia-Pacific source markets including Korea, China, Japan and India.
- Declines from these markets are largely due to stricter restriction measures implemented in those countries as their governments have adapted a zero-Covid policy stance. This means that international borders have remained firmly shut since the pandemic began which has helped to keep infection rates very low/close to zero. There have been some positive benefits of this stance, as domestic substitution in Asia-Pacific has been very strong. But it also means that internal restrictions have been tightened in response to a smaller increase in infection rates compared to other countries that have adapted a Covid containment policy response (as is the case in Europe). While governments in Asia-Pacific continue to adapt a zero-Covid policy stance, it is assumed that the recovery in arrivals from those countries will return more slowly than from other markets where restrictions have been eased and the virus contained. Travellers will also prefer short-haul destinations which are better known and perceived to be safer.
- The impact on arrivals from European countries is much smaller, but our 2021 forecast still sees arrivals numbers remaining more than 50% lower than 2019 levels. This reflects the impact of tighter restrictions through most of the first half of 2021, with recovery only really beginning to pick-up in July this year. With restrictions easing to a greater extent for vaccinated travellers, coupled with strong vaccine progress, we expect recovery to continue to pick-up through H2 2021.
- Russia is the only European market that remains significantly subdued in terms of recovery in 2021. This reflects slower progress on vaccine rollout, but more crucially, it is caused by the Sputnik vaccine not being recognised a valid vaccine and therefore prohibiting Russians from travelling to Finland.

## International Overnight Arrivals to Finland in 2021 - Baseline Scenario

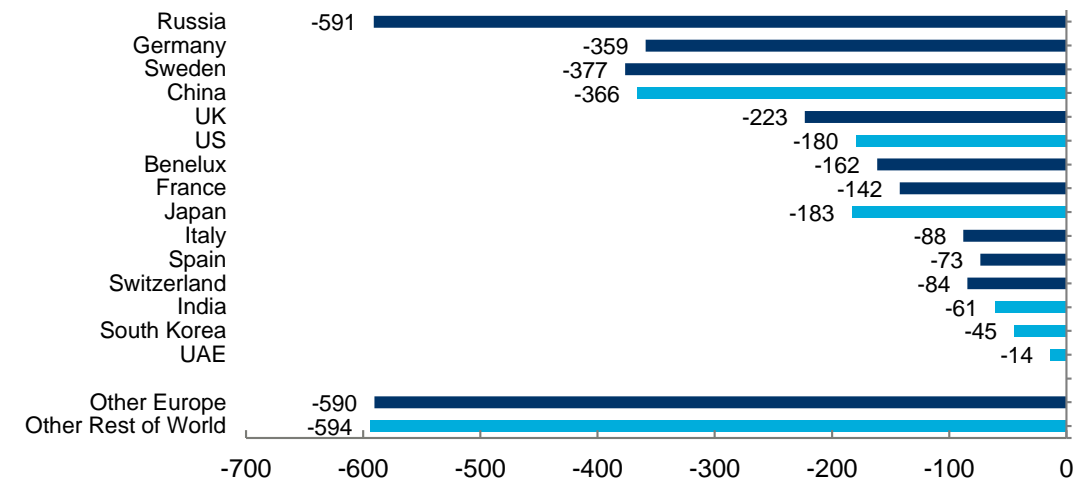
Per cent, relative to 2019 levels



Source: Tourism Economics

## International Overnight Arrivals to Finland in 2021 - Baseline Scenario

Thousands, relative to 2019 levels



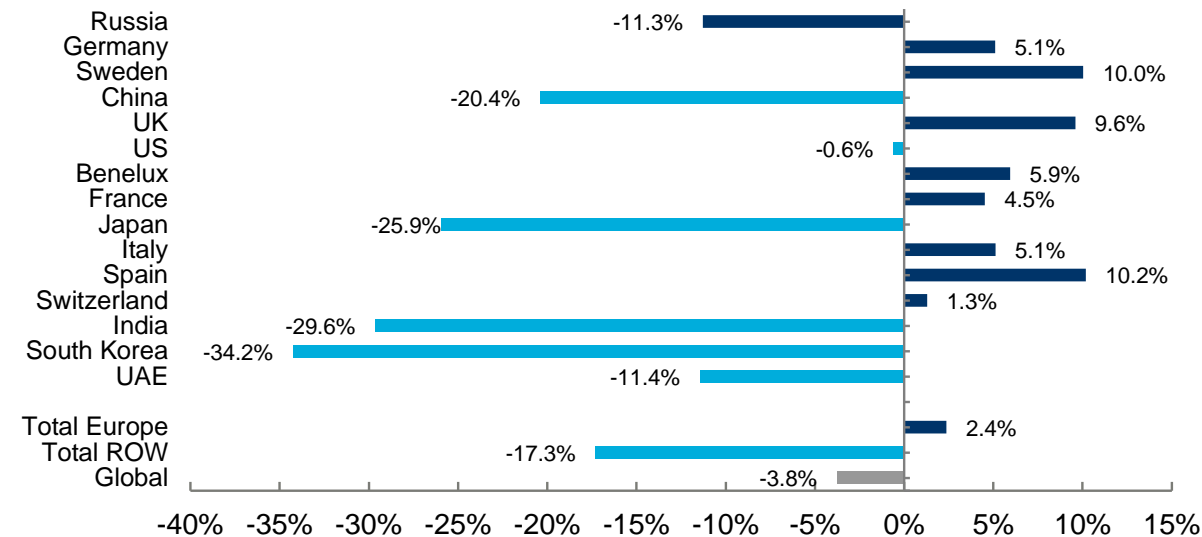
Source: Tourism Economics

# Impact on International Arrivals – By Source Market

- Despite total international travel recovery to 2019 levels being expected in 2024 in the baseline scenario, arrivals from a few markets will exceed 2019 levels in 2023. This is due to the easing of travel restrictions for vaccinated travellers and strong vaccine progress in those countries. This includes all key European source markets, except for Russia where issues surrounding the validity of the Sputnik vaccine will hamper recovery potential.
- Only one long-haul source market – the US – will get closer to recovery to 2019 levels by 2023. This reflects the strong transatlantic relationship with the US, supported by the recent (long overdue) announcement by the US to ease restrictions for vaccinated travellers, and helped by strong vaccine rollout in the US
- Travel from Asia-Pacific markets will remain well below 2019 levels, reflecting the more cautious policy response in Asian markets. Indeed, most Asia Pacific markets are unlikely to return to 2019 peak levels until 2025 or later .

## International Overnight Arrivals to Finland in 2023 - Baseline Scenario

Per cent, relative to 2019 levels



Source: Tourism Economics

# Detailed Projections – Arrivals

## Pandemic Scenario - Detailed Assumptions and Projections

	Overnight Visitors (mn)							Visitors relative to 2019 (mn)					Visitors relative to 2019 (%)						
	2019	2020	2021	2022	2023	2024	2025	2020	2021	2022	2023	2024	2025	2020	2021	2022	2023	2024	2025
<i>Europe</i>																			
Upside	3.8	1.1	1.3	3.5	4.1	4.5	4.7	-2.8	-2.6	-0.3	0.3	0.6	0.9	-71.7%	-66.8%	-8.2%	6.6%	15.8%	22.6%
<b>Baseline</b>	<b>3.8</b>	<b>1.1</b>	<b>1.2</b>	<b>3.3</b>	<b>3.9</b>	<b>4.3</b>	<b>4.5</b>	<b>-2.8</b>	<b>-2.7</b>	<b>-0.5</b>	<b>0.1</b>	<b>0.4</b>	<b>0.7</b>	<b>-71.7%</b>	<b>-69.9%</b>	<b>-13.4%</b>	<b>2.4%</b>	<b>11.0%</b>	<b>17.4%</b>
Downside	3.8	1.1	0.9	2.4	3.5	4.0	4.2	-2.8	-2.9	-1.4	-0.3	0.1	0.4	-71.7%	-75.3%	-36.6%	-8.0%	2.7%	10.1%
<i>Rest of World</i>																			
Upside	1.7	0.4	0.3	1.3	1.5	1.8	2.0	-1.3	-1.4	-0.4	-0.3	0.0	0.2	-75.5%	-80.2%	-25.2%	-14.4%	1.0%	12.8%
<b>Baseline</b>	<b>1.7</b>	<b>0.4</b>	<b>0.3</b>	<b>1.1</b>	<b>1.4</b>	<b>1.7</b>	<b>1.9</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-0.6</b>	<b>-0.3</b>	<b>-0.1</b>	<b>0.1</b>	<b>-75.5%</b>	<b>-82.8%</b>	<b>-35.8%</b>	<b>-17.3%</b>	<b>-3.9%</b>	<b>7.5%</b>
Downside	1.7	0.4	0.3	0.6	1.1	1.5	1.9	-1.3	-1.5	-1.1	-0.6	-0.2	0.2	-75.5%	-85.4%	-63.1%	-37.1%	-11.8%	11.1%
<i>International Total</i>																			
Upside	5.6	1.5	1.6	4.8	5.6	6.2	6.7	-4.1	-4.0	-0.8	0.0	0.6	1.1	-72.9%	-71.0%	-13.5%	0.1%	11.0%	19.3%
<b>Baseline</b>	<b>5.6</b>	<b>1.5</b>	<b>1.5</b>	<b>4.5</b>	<b>5.4</b>	<b>5.9</b>	<b>6.4</b>	<b>-4.1</b>	<b>-4.1</b>	<b>-1.1</b>	<b>-0.2</b>	<b>0.4</b>	<b>0.8</b>	<b>-72.9%</b>	<b>-73.9%</b>	<b>-20.4%</b>	<b>-3.8%</b>	<b>6.4%</b>	<b>14.3%</b>
Downside	5.6	1.5	1.2	3.1	4.6	5.4	6.1	-4.1	-4.4	-2.5	-1.0	-0.2	0.5	-72.9%	-78.5%	-44.9%	-17.3%	-2.8%	8.9%

# Detailed Projections – Nights

## Pandemic Scenario - Detailed Assumptions and Projections

	Nights (mn)							Nights relative to 2019 (mn)					Nights relative to 2019 (%)						
	2019	2020	2021	2022	2023	2024	2025	2020	2021	2022	2023	2024	2025	2020	2021	2022	2023	2024	2025
<i>Europe</i>																			
Upside	5.1	1.8	1.7	4.6	5.4	5.8	6.2	-3.3	-3.4	-0.4	0.3	0.8	1.1	-65.1%	-66.4%	-8.0%	6.7%	15.7%	22.6%
<b>Baseline</b>	<b>5.1</b>	<b>1.8</b>	<b>1.5</b>	<b>4.4</b>	<b>5.2</b>	<b>5.6</b>	<b>5.9</b>	<b>-3.3</b>	<b>-3.5</b>	<b>-0.7</b>	<b>0.1</b>	<b>0.6</b>	<b>0.9</b>	<b>-65.1%</b>	<b>-69.5%</b>	<b>-13.1%</b>	<b>2.4%</b>	<b>11.0%</b>	<b>17.3%</b>
Downside	5.1	1.8	1.3	3.2	4.7	5.2	5.6	-3.3	-3.8	-1.8	-0.4	0.2	0.5	-65.1%	-75.1%	-36.2%	-7.6%	3.0%	10.5%
<i>Rest of World</i>																			
Upside	2.0	0.5	0.4	1.5	1.7	2.0	2.3	-1.5	-1.6	-0.5	-0.3	0.0	0.3	-73.9%	-79.7%	-25.1%	-14.3%	1.1%	12.6%
<b>Baseline</b>	<b>2.0</b>	<b>0.5</b>	<b>0.4</b>	<b>1.3</b>	<b>1.7</b>	<b>1.9</b>	<b>2.2</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-0.7</b>	<b>-0.3</b>	<b>-0.1</b>	<b>0.1</b>	<b>-73.9%</b>	<b>-82.3%</b>	<b>-35.6%</b>	<b>-17.0%</b>	<b>-3.8%</b>	<b>7.3%</b>
Downside	2.0	0.5	0.3	0.8	1.3	1.8	2.2	-1.5	-1.7	-1.3	-0.7	-0.2	0.2	-73.9%	-84.9%	-62.5%	-36.2%	-11.1%	11.2%
<i>International Total</i>																			
Upside	7.1	2.3	2.1	6.2	7.1	7.9	8.5	-4.8	-5.0	-0.9	0.1	0.8	1.4	-67.6%	-70.2%	-12.8%	0.7%	11.6%	19.8%
<b>Baseline</b>	<b>7.1</b>	<b>2.3</b>	<b>1.9</b>	<b>5.7</b>	<b>6.8</b>	<b>7.5</b>	<b>8.1</b>	<b>-4.8</b>	<b>-5.2</b>	<b>-1.4</b>	<b>-0.2</b>	<b>0.5</b>	<b>1.0</b>	<b>-67.6%</b>	<b>-73.2%</b>	<b>-19.5%</b>	<b>-3.1%</b>	<b>6.8%</b>	<b>14.5%</b>
Downside	7.1	2.3	1.6	4.0	5.9	7.0	7.8	-4.8	-5.5	-3.1	-1.1	-0.1	0.8	-67.6%	-77.9%	-43.7%	-15.7%	-1.0%	10.7%

# Detailed Projections – Spend

## Pandemic Scenario - Detailed Assumptions and Projections

	Spend (€ bn)							Spend relative to 2019 (€ bn)						Spend relative to 2019 (%)					
	2019	2020	2021	2022	2023	2024	2025	2020	2021	2022	2023	2024	2025	2020	2021	2022	2023	2024	2025
<i>Europe</i>																			
Upside	2.0	0.7	0.7	1.9	2.2	2.3	2.5	-1.3	-1.4	-0.2	0.1	0.3	0.5	-65.2%	-66.6%	-8.3%	6.2%	15.3%	22.2%
<b>Baseline</b>	<b>2.0</b>	<b>0.7</b>	<b>0.6</b>	<b>1.8</b>	<b>2.1</b>	<b>2.3</b>	<b>2.4</b>	<b>-1.4</b>	<b>-1.4</b>	<b>-0.3</b>	<b>0.0</b>	<b>0.2</b>	<b>0.4</b>	<b>-67.1%</b>	<b>-69.7%</b>	<b>-13.5%</b>	<b>2.2%</b>	<b>10.8%</b>	<b>17.2%</b>
Downside	2.0	0.7	0.5	1.3	1.9	2.1	2.2	-1.3	-1.5	-0.7	-0.2	0.1	0.2	-65.2%	-75.3%	-36.7%	-8.1%	2.6%	10.2%
<i>Rest of World</i>																			
Upside	0.8	0.2	0.2	0.6	0.7	0.8	0.9	-0.6	-0.7	-0.2	-0.1	0.0	0.1	-75.0%	-81.2%	-25.4%	-14.2%	2.0%	14.6%
<b>Baseline</b>	<b>0.8</b>	<b>0.2</b>	<b>0.1</b>	<b>0.5</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-0.3</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>-70.7%</b>	<b>-83.9%</b>	<b>-36.2%</b>	<b>-17.4%</b>	<b>-3.6%</b>	<b>8.6%</b>
Downside	0.8	0.2	0.1	0.3	0.5	0.7	0.9	-0.6	-0.7	-0.5	-0.3	-0.1	0.1	-75.0%	-86.5%	-64.3%	-38.9%	-14.3%	8.0%
<i>International Total</i>																			
Upside	2.9	0.9	0.8	2.5	2.9	3.2	3.4	-1.9	-2.0	-0.4	0.0	0.3	0.6	-68.0%	-70.8%	-13.2%	0.4%	11.4%	20.0%
<b>Baseline</b>	<b>2.9</b>	<b>0.9</b>	<b>0.7</b>	<b>2.3</b>	<b>2.8</b>	<b>3.0</b>	<b>3.3</b>	<b>-1.9</b>	<b>-2.1</b>	<b>-0.6</b>	<b>-0.1</b>	<b>0.2</b>	<b>0.4</b>	<b>-68.1%</b>	<b>-73.8%</b>	<b>-20.0%</b>	<b>-3.4%</b>	<b>6.7%</b>	<b>14.8%</b>
Downside	2.9	0.9	0.6	1.6	2.4	2.8	3.1	-1.9	-2.2	-1.3	-0.5	-0.1	0.3	-68.0%	-78.5%	-44.6%	-16.9%	-2.2%	9.6%

# Detailed Projections – Baseline

Baseline Scenario - Detailed Assumptions and Projections by Source Market

	Overnight Visitors (000)							Visitors relative to 2019 (000)						Travel relative to 2019 (%)					Market Share (Visitors)								
	2019	2020	2021	2022	2023	2024	2025	2020	2021	2022	2023	2024	2025	2020	2021	2022	2023	2024	2025	2019	2020	2021	2022	2023	2024	2025	
Russia	659	181	68	411	584	674	736	-478	-591	-248	-74	16	77	-72.6%	-89.7%	-37.6%	-11.3%	2.4%	11.7%	11.8%	11.9%	4.6%	9.2%	10.9%	11.3%	11.5%	
Sweden	544	97	167	503	598	651	681	-446	-377	-41	55	108	137	-82.1%	-69.3%	-7.5%	10.0%	19.8%	25.2%	9.7%	6.4%	11.5%	11.3%	11.1%	11.0%	10.6%	
Germany	532	155	173	499	559	591	613	-377	-359	-34	27	58	81	-70.9%	-67.5%	-6.3%	5.1%	11.0%	15.2%	9.5%	10.2%	11.9%	11.2%	10.4%	9.9%	9.6%	
China	398	70	32	242	317	386	457	-328	-366	-157	-81	-13	59	-82.3%	-92.0%	-39.3%	-20.4%	-3.2%	14.7%	7.1%	4.6%	2.2%	5.4%	5.9%	6.5%	7.1%	
UK	374	86	151	351	410	443	463	-289	-223	-23	36	69	89	-77.1%	-59.6%	-6.2%	9.6%	18.3%	23.8%	6.7%	5.6%	10.4%	7.9%	7.6%	7.4%	7.2%	
US	242	68	62	172	241	276	298	-174	-180	-70	-1	34	55	-71.9%	-74.2%	-28.9%	-0.6%	14.0%	22.8%	4.3%	4.5%	4.3%	3.9%	4.5%	4.6%	4.7%	
Benelux	241	84	80	226	256	270	284	-157	-162	-16	14	28	43	-65.0%	-66.9%	-6.5%	5.9%	11.8%	17.8%	4.3%	5.6%	5.5%	5.1%	4.8%	4.5%	4.4%	
France	203	71	61	187	213	230	240	-133	-142	-17	9	27	36	-65.2%	-69.9%	-8.2%	4.5%	13.1%	17.8%	3.6%	4.7%	4.2%	4.2%	3.9%	3.9%	3.7%	
Japan	202	57	19	117	150	174	193	-146	-183	-86	-53	-28	-9	-71.9%	-90.5%	-42.3%	-25.9%	-14.0%	-4.5%	3.6%	3.8%	1.3%	2.6%	2.8%	2.9%	3.0%	
Italy	139	34	51	130	146	155	161	-105	-88	-9	7	16	23	-75.5%	-63.3%	-6.6%	5.1%	11.5%	16.5%	2.5%	2.2%	3.5%	2.9%	2.7%	2.6%	2.5%	
Spain	126	26	53	120	139	149	156	-100	-73	-6	13	23	30	-79.4%	-58.2%	-4.8%	10.2%	18.1%	23.4%	2.3%	1.7%	3.6%	2.7%	2.6%	2.5%	2.4%	
Switzerland	120	32	36	111	122	134	146	-88	-84	-9	2	14	26	-73.4%	-70.3%	-7.5%	1.3%	11.6%	21.4%	2.1%	2.1%	2.4%	2.5%	2.3%	2.3%	2.3%	
India	70	15	9	39	49	59	66	-55	-61	-31	-21	-11	-4	-78.4%	-87.6%	-44.6%	-29.6%	-15.5%	-6.0%	1.2%	1.0%	0.6%	0.9%	0.9%	1.0%	1.0%	
South Korea	48	10	3	25	31	36	43	-38	-45	-23	-16	-11	-5	-78.8%	-93.4%	-47.6%	-34.2%	-23.6%	-10.0%	0.9%	0.7%	0.2%	0.6%	0.6%	0.6%	0.6%	0.7%
UAE	17	3	3	12	15	17	19	-14	-14	-5	-2	0	2	-82.5%	-82.8%	-30.0%	-11.4%	2.5%	12.3%	0.3%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	
<i>Europe - Other</i>	910	325	320	798	913	976	1,039	-585	-590	-112	3	66	129	-64.2%	-64.9%	-12.4%	0.3%	7.3%	14.2%	16.3%	21.4%	21.9%	17.9%	17.0%	16.4%	16.3%	
<i>Rest of World - Other</i>	766	204	171	513	639	726	799	-562	-594	-252	-127	-40	33	-73.4%	-77.6%	-33.0%	-16.6%	-5.2%	4.4%	13.7%	13.4%	11.7%	11.5%	11.9%	12.2%	12.5%	
<b>Total Europe</b>	<b>3,849</b>	<b>1,091</b>	<b>1,159</b>	<b>3,334</b>	<b>3,940</b>	<b>4,273</b>	<b>4,519</b>	<b>-2,758</b>	<b>-2,690</b>	<b>-515</b>	<b>91</b>	<b>425</b>	<b>670</b>	<b>-71.7%</b>	<b>-69.9%</b>	<b>-13.4%</b>	<b>2.4%</b>	<b>11.0%</b>	<b>17.4%</b>	<b>68.8%</b>	<b>71.9%</b>	<b>79.5%</b>	<b>74.9%</b>	<b>73.4%</b>	<b>71.9%</b>	<b>70.7%</b>	
<b>Total Rest of World</b>	<b>1,743</b>	<b>427</b>	<b>300</b>	<b>1,119</b>	<b>1,442</b>	<b>1,674</b>	<b>1,874</b>	<b>-1,316</b>	<b>-1,443</b>	<b>-624</b>	<b>-301</b>	<b>-69</b>	<b>131</b>	<b>-75.5%</b>	<b>-82.8%</b>	<b>-35.8%</b>	<b>-17.3%</b>	<b>-3.9%</b>	<b>7.5%</b>	<b>31.2%</b>	<b>28.1%</b>	<b>20.5%</b>	<b>25.1%</b>	<b>26.6%</b>	<b>28.1%</b>	<b>29.3%</b>	
<b>All International</b>	<b>5,592</b>	<b>1,518</b>	<b>1,459</b>	<b>4,453</b>	<b>5,382</b>	<b>5,948</b>	<b>6,393</b>	<b>-4,074</b>	<b>-4,133</b>	<b>-1,138</b>	<b>-210</b>	<b>356</b>	<b>801</b>	<b>-72.9%</b>	<b>-73.9%</b>	<b>-20.4%</b>	<b>-3.8%</b>	<b>6.4%</b>	<b>14.3%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

# Detailed Projections – Upside

## Upside Scenario - Detailed Assumptions and Projections by Source Market

	Overnight Visitors (000)							Visitors relative to 2019 (000)					Travel relative to 2019 (%)					Market Share (Visitors)								
	2019	2020	2021	2022	2023	2024	2025	2020	2021	2022	2023	2024	2025	2020	2021	2022	2023	2024	2025	2019	2020	2021	2022	2023	2024	2025
Russia	659	181	85	472	594	660	712	-478	-573	-187	-65	1	53	-72.6%	-87.1%	-28.3%	-9.9%	0.2%	8.1%	11.8%	11.9%	5.2%	9.8%	10.6%	10.6%	10.7%
Sweden	544	97	185	527	640	707	744	-446	-359	-16	96	163	200	-82.1%	-66.0%	-3.0%	17.7%	30.0%	36.8%	9.7%	6.4%	11.4%	10.9%	11.4%	11.4%	11.1%
Germany	532	155	186	520	594	637	666	-377	-347	-13	62	105	134	-70.9%	-65.1%	-2.4%	11.7%	19.7%	25.1%	9.5%	10.2%	11.4%	10.7%	10.6%	10.3%	10.0%
China	398	70	44	292	340	421	497	-328	-354	-107	-58	22	99	-82.3%	-88.9%	-26.8%	-14.6%	5.6%	24.8%	7.1%	4.6%	2.7%	6.0%	6.1%	6.8%	7.5%
UK	374	86	172	366	436	478	503	-289	-203	-9	61	103	129	-77.1%	-54.1%	-2.3%	16.4%	27.6%	34.3%	6.7%	5.6%	10.6%	7.6%	7.8%	7.7%	7.5%
US	242	68	68	195	243	283	304	-174	-174	-47	0	41	62	-71.9%	-71.9%	-19.3%	0.1%	16.8%	25.5%	4.3%	4.5%	4.2%	4.0%	4.3%	4.6%	4.6%
Benelux	241	84	86	236	272	291	309	-157	-155	-6	31	50	68	-65.0%	-64.2%	-2.4%	12.7%	20.7%	28.1%	4.3%	5.6%	5.3%	4.9%	4.9%	4.7%	4.6%
France	203	71	67	197	228	251	263	-133	-136	-7	25	47	60	-65.2%	-66.9%	-3.3%	12.2%	23.3%	29.3%	3.6%	4.7%	4.2%	4.1%	4.1%	4.0%	3.9%
Japan	202	57	25	142	162	191	212	-146	-177	-61	-41	-12	9	-71.9%	-87.6%	-29.9%	-20.1%	-5.7%	4.5%	3.6%	3.8%	1.6%	2.9%	2.9%	3.1%	3.2%
Italy	139	34	55	135	155	167	176	-105	-83	-3	16	28	37	-75.5%	-60.1%	-2.5%	11.9%	20.4%	26.7%	2.5%	2.2%	3.4%	2.8%	2.8%	2.7%	2.6%
Spain	126	26	57	124	147	160	168	-100	-69	-2	20	33	42	-79.4%	-54.6%	-1.6%	16.1%	26.3%	32.9%	2.3%	1.7%	3.5%	2.6%	2.6%	2.6%	2.5%
Switzerland	120	32	38	116	130	145	159	-88	-82	-4	10	25	39	-73.4%	-68.3%	-3.1%	8.1%	21.0%	32.5%	2.1%	2.1%	2.3%	2.4%	2.3%	2.3%	2.4%
India	70	15	10	46	52	64	71	-55	-60	-24	-18	-6	1	-78.4%	-85.4%	-33.7%	-25.2%	-8.8%	1.3%	1.2%	1.0%	0.6%	1.0%	0.9%	1.0%	1.1%
South Korea	48	10	4	31	34	41	48	-38	-44	-17	-13	-7	0	-78.8%	-91.8%	-35.1%	-27.6%	-14.5%	0.4%	0.9%	0.7%	0.2%	0.6%	0.6%	0.7%	0.7%
UAE	17	3	3	14	15	18	20	-14	-13	-3	-1	1	3	-82.5%	-79.5%	-18.9%	-8.8%	7.2%	17.2%	0.3%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%
<i>Europe - Other</i>	910	325	345	841	909	960	1,021	-585	-565	-69	-1	50	111	-64.2%	-62.0%	-7.6%	-0.1%	5.5%	12.2%	16.3%	21.4%	21.3%	17.4%	16.2%	15.5%	15.3%
<i>Rest of World - Other</i>	766	204	191	584	646	746	819	-562	-575	-181	-120	-20	53	-73.4%	-75.1%	-23.7%	-15.7%	-2.6%	7.0%	13.7%	13.4%	11.8%	12.1%	11.5%	12.0%	12.3%
<b>Total Europe</b>	<b>3,849</b>	<b>1,091</b>	<b>1,278</b>	<b>3,534</b>	<b>4,104</b>	<b>4,455</b>	<b>4,720</b>	<b>-2,758</b>	<b>-2,571</b>	<b>-315</b>	<b>255</b>	<b>607</b>	<b>872</b>	<b>-71.7%</b>	<b>-66.8%</b>	<b>-8.2%</b>	<b>6.6%</b>	<b>15.8%</b>	<b>22.6%</b>	<b>68.8%</b>	<b>71.9%</b>	<b>78.7%</b>	<b>73.0%</b>	<b>73.3%</b>	<b>71.8%</b>	<b>70.8%</b>
<b>Total Rest of World</b>	<b>1,743</b>	<b>427</b>	<b>346</b>	<b>1,304</b>	<b>1,492</b>	<b>1,761</b>	<b>1,967</b>	<b>-1,316</b>	<b>-1,397</b>	<b>-439</b>	<b>-251</b>	<b>18</b>	<b>224</b>	<b>-75.5%</b>	<b>-80.2%</b>	<b>-25.2%</b>	<b>-14.4%</b>	<b>1.0%</b>	<b>12.8%</b>	<b>31.2%</b>	<b>28.1%</b>	<b>21.3%</b>	<b>27.0%</b>	<b>26.7%</b>	<b>28.4%</b>	<b>29.5%</b>
<b>All International</b>	<b>5,592</b>	<b>1,518</b>	<b>1,623</b>	<b>4,838</b>	<b>5,598</b>	<b>6,209</b>	<b>6,672</b>	<b>-4,074</b>	<b>-3,968</b>	<b>-754</b>	<b>6</b>	<b>617</b>	<b>1,080</b>	<b>-72.9%</b>	<b>-71.0%</b>	<b>-13.5%</b>	<b>0.1%</b>	<b>11.0%</b>	<b>19.3%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

# Detailed Projections – Downside

## Downside Scenario - Detailed Assumptions and Projections by Source Market

	Overnight Visitors (000)							Visitors relative to 2019 (000)						Travel relative to 2019 (%)					Market Share (Visitors)							
	2019	2020	2021	2022	2023	2024	2025	2020	2021	2022	2023	2024	2025	2020	2021	2022	2023	2024	2025	2019	2020	2021	2022	2023	2024	2025
Russia	659	181	42	212	361	442	496	-478	-617	-446	-298	-217	-162	-72.6%	-93.7%	-67.8%	-45.2%	-32.9%	-24.7%	11.8%	11.9%	3.5%	6.9%	7.8%	8.1%	8.1%
Sweden	544	97	138	374	552	612	645	-446	-406	-170	8	68	101	-82.1%	-74.6%	-31.2%	1.5%	12.5%	18.6%	9.7%	6.4%	11.5%	12.1%	11.9%	11.2%	10.6%
Germany	532	155	152	382	532	572	599	-377	-381	-150	0	39	66	-70.9%	-71.5%	-28.2%	-0.1%	7.4%	12.5%	9.5%	10.2%	12.6%	12.4%	11.5%	10.5%	9.8%
China	398	70	20	108	187	275	366	-328	-378	-291	-211	-124	-32	-82.3%	-95.0%	-73.0%	-53.0%	-31.1%	-8.1%	7.1%	4.6%	1.7%	3.5%	4.0%	5.1%	6.0%
UK	374	86	107	273	395	434	458	-289	-267	-102	21	60	84	-77.1%	-71.4%	-27.2%	5.6%	16.0%	22.4%	6.7%	5.6%	8.9%	8.8%	8.6%	8.0%	7.5%
US	242	68	57	110	203	281	341	-174	-185	-132	-39	39	99	-71.9%	-76.4%	-54.7%	-16.1%	16.1%	40.8%	4.3%	4.5%	4.8%	3.6%	4.4%	5.2%	5.6%
Benelux	241	84	68	173	244	261	278	-157	-174	-68	2	20	37	-65.0%	-71.9%	-28.2%	0.9%	8.3%	15.2%	4.3%	5.6%	5.6%	5.6%	5.3%	4.8%	4.6%
France	203	71	49	138	195	215	226	-133	-154	-65	-8	12	23	-65.2%	-75.9%	-32.0%	-3.9%	5.8%	11.2%	3.6%	4.7%	4.1%	4.5%	4.2%	4.0%	3.7%
Japan	202	57	13	52	89	125	156	-146	-189	-150	-113	-78	-46	-71.9%	-93.3%	-74.1%	-56.0%	-38.4%	-22.9%	3.6%	3.8%	1.1%	1.7%	1.9%	2.3%	2.6%
Italy	139	34	42	99	138	149	157	-105	-96	-40	0	10	19	-75.5%	-69.4%	-28.5%	-0.3%	7.6%	13.4%	2.5%	2.2%	3.5%	3.2%	3.0%	2.7%	2.6%
Spain	126	26	44	96	137	150	158	-100	-83	-31	11	23	31	-79.4%	-65.5%	-24.3%	8.6%	18.4%	24.8%	2.3%	1.7%	3.6%	3.1%	3.0%	2.8%	2.6%
Switzerland	120	32	31	85	116	130	143	-88	-89	-35	-4	10	23	-73.4%	-73.8%	-28.8%	-3.3%	8.4%	19.0%	2.1%	2.1%	2.6%	2.8%	2.5%	2.4%	2.3%
India	70	15	7	21	35	51	64	-55	-63	-49	-34	-18	-6	-78.4%	-89.8%	-69.8%	-49.2%	-26.5%	-8.0%	1.2%	1.0%	0.6%	0.7%	0.8%	0.9%	1.1%
South Korea	48	10	2	11	18	25	33	-38	-45	-37	-30	-23	-15	-78.8%	-94.9%	-77.7%	-63.0%	-48.1%	-31.2%	0.9%	0.7%	0.2%	0.3%	0.4%	0.5%	0.5%
UAE	17	3	2	6	11	15	18	-14	-14	-10	-6	-2	1	-82.5%	-86.2%	-62.6%	-37.3%	-12.4%	8.0%	0.3%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
<i>Europe - Other</i>	910	325	277	607	871	987	1,080	-585	-633	-303	-39	77	170	-64.2%	-69.6%	-33.3%	-4.3%	8.4%	18.6%	16.3%	21.4%	23.0%	19.7%	18.8%	18.1%	17.7%
<i>Rest of World - Other</i>	766	204	152	335	553	758	939	-562	-614	-430	-213	-8	173	-73.4%	-80.2%	-56.2%	-27.8%	-1.1%	22.6%	13.7%	13.4%	12.6%	10.9%	12.0%	13.9%	15.4%
<b>Total Europe</b>	<b>3,849</b>	<b>1,091</b>	<b>949</b>	<b>2,440</b>	<b>3,541</b>	<b>3,951</b>	<b>4,239</b>	<b>-2,758</b>	<b>-2,900</b>	<b>-1,409</b>	<b>-307</b>	<b>103</b>	<b>391</b>	<b>-71.7%</b>	<b>-75.3%</b>	<b>-36.6%</b>	<b>-8.0%</b>	<b>2.7%</b>	<b>10.1%</b>	<b>68.8%</b>	<b>71.9%</b>	<b>78.9%</b>	<b>79.1%</b>	<b>76.6%</b>	<b>72.7%</b>	<b>69.6%</b>
<b>Total Rest of World</b>	<b>1,743</b>	<b>427</b>	<b>254</b>	<b>643</b>	<b>1,097</b>	<b>1,537</b>	<b>1,937</b>	<b>-1,316</b>	<b>-1,489</b>	<b>-1,100</b>	<b>-646</b>	<b>-206</b>	<b>194</b>	<b>-75.5%</b>	<b>-85.4%</b>	<b>-63.1%</b>	<b>-37.1%</b>	<b>-11.8%</b>	<b>11.1%</b>	<b>31.2%</b>	<b>28.1%</b>	<b>21.1%</b>	<b>20.9%</b>	<b>23.7%</b>	<b>28.3%</b>	<b>31.8%</b>
<b>All International</b>	<b>5,592</b>	<b>1,518</b>	<b>1,203</b>	<b>3,083</b>	<b>4,622</b>	<b>5,438</b>	<b>6,092</b>	<b>-4,074</b>	<b>-4,389</b>	<b>-2,509</b>	<b>-970</b>	<b>-154</b>	<b>500</b>	<b>-72.9%</b>	<b>-78.5%</b>	<b>-44.9%</b>	<b>-17.3%</b>	<b>-2.8%</b>	<b>8.9%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



# International Arrivals – Scenario Assumptions

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## Baseline

- Travel restrictions eased for vaccinated travellers from most countries, but reciprocity in travel restrictions from source markets is key to recovery. Reciprocal restriction measures in Europe and North American countries mean no testing/quarantine requirements and recovery underway.
- International borders remain firmly closed in Asia-Pacific, reflecting more cautious policy response and will constrain recovery in 2021. We expect some easing in restrictions in 2022, starting in Q2 2022, but some constraint will be evident where vaccine progress has been slower. We also expect that intra-Asian travel will resume more quickly when restrictions do ease, pointing to a more protracted recovery in travel from Asia in the medium term.
- The Sputnik vaccine is not currently recognised as valid in Finland, and coupled with slower vaccine rollout, this means recovery in travel from Russia will remain subdued in 2021/22. We expect some further easing in restrictions in terms of travel from Russia in 2022, but recovery will be much more subdued compared to other European countries.
- Recent concerns about the Delta variant and potential new strains of the virus mean that the pace of recovery will slow over the winter flu season, but we do not expect lockdowns to be reimposed in the same way that they were in Q4 2020 / Q1 2021. Vaccine progress is the key differentiator that will reduce the need for restrictions to be tightened as much as last year.

## Upside and Downside

- The upside scenario expects a stronger recovery than the baseline, driven primarily by stronger vaccine rollout increasing the number of vaccinated travellers who are therefore eligible to travel to Finland. This will be underpinned by stronger economic growth, underpinned by Oxford Economics' upside economic scenario which expects stronger consumer spending growth as excess savings are unwound more rapidly than in the baseline.
- The downside scenario reflects tighter public health restrictions being imposed as rising infection rates and potential new strains of the virus impacts the economic recovery and traveller confidence. This will delay the recovery until 2022 with a sizeable downward impact on the medium term recovery.

# Methodology

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- International arrivals are projected based on the current level of these metrics in the GTS database for 2019 and 2020 and the assumptions made regarding the impact of the pandemic on travel.
- Assumptions are made for the selected 15 individual markets for 2021/22 on a monthly basis, based on recent, current and expected travel restrictions. Growth in travel is also adjusted based on broader expectations for travel from European (i.e. shorter-haul) markets and 'rest of world' (longer-haul) based on the current levels of travel restrictions in place, vaccine progress and the recognition of vaccine types. Beyond 2022, impacts mostly reflect broader trends expected for long-haul vs short-haul travel, combined with individual specific factors (such as the economic outlook for the particularly country).
- The average length of stay and average spend per person per night from 2019 (for each source market and type of travel) are kept constant over the forecast horizon, and applied to the projections for arrivals to calculate the impact on nights and spend.
- Monthly arrivals are calculated for each month in 2021/22, and summed to get an annual figure. For 2021 and beyond, annual arrivals data are calculated based on the assumptions applied, and monthly figures are estimated by applying seasonality.

## Seasonality

- Monthly percentage of visits are sourced from Statistics Finland. These data are available from various source markets for travel to Finland. Our seasonality measure is constructed as an average of 2017-2019 seasonality; this constructed measure is assumed to be constant for 2020 onwards.

## Data Sources

- All arrivals, nights and spending data are sourced from Tourism Economics' GTS database. Some supporting data were sourced from Statistics Finland.
- Information on border restrictions for travellers from particular markets were sourced via desk research from various online sources, including the Visit Finland website.