Tourism & Leisure

A Place for Business and Pleasure

Travel has become a way of life in Germany. Whether on the job or on vacation, Germans are constantly on the go. Likewise, Germany itself has become increasingly popular as a vacation site – not only for foreign, but also among native Germans. The diverse landscape, the manifold opportunities for leisure and sports activities, cultural sites, events of international importance as well as fascinating cities such as Berlin, Cologne, Dresden, Hamburg, or Munich, attract tourists from all around the globe.

Germany’s rise as a tourist destination is confirmed by various rankings. For example, it was awarded the third place in the World Economic Forum’s 2019 Travel and Tourism Competitiveness Report behind Spain and France. Germany performed especially well in the areas of Health & Hygiene, Human Resources and Labor Market, Cultural Resources and Business Travel, of Ground and Port Infrastructure, and Environmental Sustainability.

All in all, Germany offers first class travel opportunities to both domestic and international visitors and it constitutes an extremely attractive market for providers of travel and tourism services.

Markets Germany | Issue 01/2018 - The Leisure Boom

The Leisure Boom

Germany is flying the flag as the most popular destination for city breaks, reinforcing its strong position in the international tourism market. The trend is driven by bookings from European culture vultures and young people.

Our Industry in Numbers

- In 2018, Germans spent a total of EUR 154 billion for leisure time, entertainment and culture.
- A gross value added of more than EUR 105 billion, make Germany one of the largest tourism markets in Europe.
- The German hotel and accommodations sector recorded 447 million overnight stays by national and foreign guests in 2018.
- Germans spent EUR 79.4 billion in 2018 on trips abroad.
- The number of overnight stays by foreign guests increased in the year 2017 by 1.4% to reach 84 million.
Tourism Hotspots in Germany

As a tourist destination, Germany has made a name for itself around the globe. The most international visitors in 2018 came from the Netherlands, Switzerland, the United States, the United Kingdom and Austria. Certain destinations within Germany remain of particular interest to tourists from all over the world. In 2018, international and domestic travelers alike spent the most time in the well-known tourist destinations of Bavaria, Berlin, Baden-Württemberg and North Rhine-Westphalia. The top five city-destinations for all tourists were Berlin, Munich, Hamburg, Frankfurt am Main, and Cologne.

Market Potential

The German travel and tourism markets possess tremendous potential for both tour operators and travel agencies. Germans are known for their “travel bug”, whether on vacation or in the office, and they spend plenty of time on both domestic and international trips. According to Eurostat, Germany is the biggest domestic tourism market within Europe with an average of four nights that a German annually spends in German hotels.

The business travel sector composes an attractive subsector of the travel industry: The sheer volume of this market in 2018 of EUR 53.5 billion makes it equally interesting for both domestic and foreign travel service providers. In 2018, around 11 million German business travelers took a total of 189.6 million individual trips in total.
While looking for hotels, consumers generally make their decisions based on affordability, reliability, memorability and specialization. As a result, hotels are competing on a cost, brand or design basis. Health, fitness and age group related products are growing in popularity. Also, the luxury hotel sector is on the upswing, as evidenced e.g. by the opening of several new 5-star hotels in Berlin and other German cities in the past years.

**Attractive Environment for Investments**

As far as competitiveness as a travel and tourism site is concerned, Germany occupies a prominent position on the international stage. Only Spain and France have a comparably advanced infrastructure for tourism and travel. This was recently substantiated by the 2019 Travel & Tourism Competitiveness Report of the World Economic Forum, which analyzed competitiveness in the tourism sectors of 140 countries. Germany owes its top placement to – above all – its unique offer of cultural resources and business travel, combined with excellent connectivity, tourist service infrastructure and a strong labor market.

**Travel & Tourism Competitiveness Index 2019: Europe***

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<tr>
<th>Country</th>
<th>Ranking of European Countries</th>
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<td>Norway</td>
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* Source: The Travel and Tourism Competitiveness Index 2019

**Incentives**

Germany offers numerous incentives for all investors - regardless of whether they are from Germany or otherwise. There is a large selection of programs designed to support a wide variety of business activities at different stages of the investment process available. Support ranges from cash incentives for the reimbursement of direct investment costs to incentives for labor and research and development (R&D).
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