



The economic factor of coach tourism in Germany 2017

Key study results

dwife.V.

Project commissioned by

- Bundesverband Deutscher Omnibusunternehmer (bdo) e.V.
(German Bus and Coach Operators' Association (bdo))
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Project conducted by

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The complete study (only in German) is available as a PDF document on the homepage of the German Bus and Coach Operators' Association (bdo) at www.bdo.org.

Foreword

Dear reader,

Passengers associate holidays by coach mainly with unforgettable moments. Impressions of picturesque landscapes or vibrant cities remain in their memories. As coach operators, we always look forward to providing our passengers with this kind of experience. In addition to this important personal component, our work has far-reaching economic significance. The gross revenues of coach tourism in Germany amount to more than 14 billion euros. This clearly shows how important it is from a macro-economic viewpoint to provide an appropriate framework for the coach as a means of transport and for the companies operating in the industry.

However, it is clear from recent discussions about such matters as the introduction of motorway tolls and the tightening up of environmental zone regulations that the economic factor of coach tourism is not yet fully appreciated. Robust figures are required in order to substantiate its economic potential. We wish to provide those figures by presenting the data in this report. Based on firm current evidence, this second edition of the study calculates the added value of coach tourism, overarching all economic sectors – thus making it easier for cities and municipalities to recognise the opportunities that exist in this field.

As the German Bus and Coach Operators' Association (bdo), we are pleased to be able to present these very satisfactory figures. Many others contributed to this second edition of the study. As a cooperating partner, the Berlin Chamber of Industry and Commerce actively supported the entire project. The German Economic Institute for Tourism ('DWIF') at the University of Munich, a recognised independent institute, performed extensive research for the study. This was made possible by the numerous data suppliers, the many survey respondents and other project sponsors. I thank all of you.

Berlin, May 2017

Wolfgang Steinbrück

Chairman, German Bus and Coach Operators' Association (bdo)

To the point: key results of the "Economic factor of coach tourism" study

Growing revenues

Coach tourism is an important and growing economic driver in Germany. Gross annual revenue from coach tourism now totals **14.3 billion euros** (all results are based on data from the 2015). Roughly, half the revenue is made up of the package prices paid by coach tourists for their occasional trips. The additional spending in the destination area generated by occasional coach trips follows at 21 per cent. Extra spending in the destination area for outbound and return travel accounts for approximately 14 per cent. The detailed distribution is as follows:

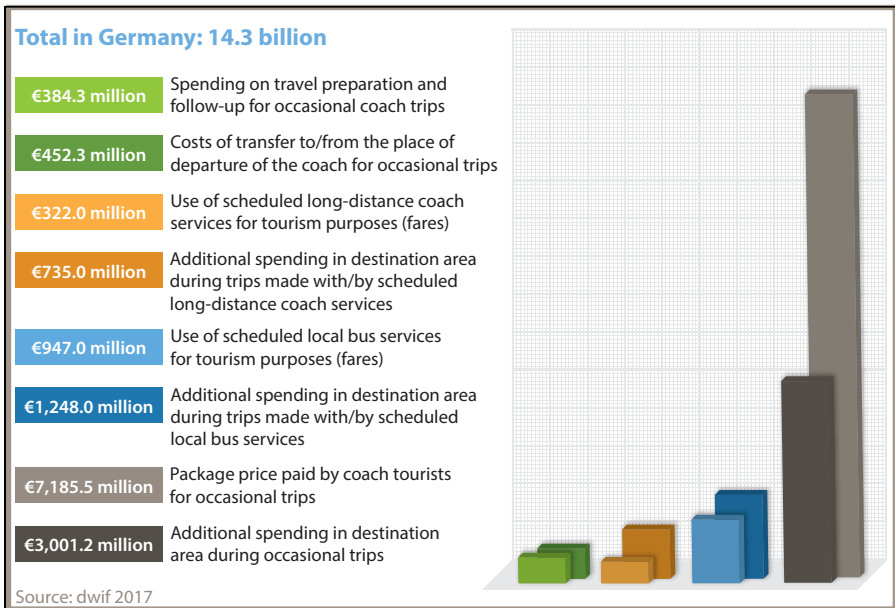


Figure 1: Gross revenues generated by coach tourism in Germany according to type of spending

Additional spending by coach travellers

Overnight stay customers of occasional coach trips in Germany pay on average around 109 euros per person each day of travel. Each customer spends an **additional 31.20 euros** per day on things like hospitality establishments, entertainment and food. Some 34 million overnight stays were generated by 9.6 million users of occasional coach trips in Germany. This adds up to supplementary spending of **more than one billion euros**. Besides the daily package price of around 30.50 euros, **day guests who take occasional coach trips**

in Germany spend **another 30 euros on additional expenses**. With 59.6 million day trips by coach each year, the additional spending sums up to around **1.8 billion euros** in total.

Long-distance coach drives new revenues

Since the market was liberalised in 2013, long-distance coach services have been a driver of the growth of coach tourism. The economic performance of this segment, with a focus on passengers interested in tourism, was determined for the first time in this study. In 2015, a total of 23.2 million passengers used long-distance coaches. About 80 percent of all long-distance passengers are tourists. 5.5 million overnight stays at commercial or private accommodation are attributable to people using the comparatively new mode of transport of the long-distance coach. Besides the total gross revenue of 322 million euros for the tickets, additional daily spending of 52.50 euros per guest occurs in the hospitality sector, retail trade and services. All the additional spending by this group totals **735 million euros**. In addition to the new long-distance coach tourism, the classic coach tours also exhibit a considerable increase in gross revenues.

Approximately 44.1 million day guests used scheduled local bus services for their outward and return journey. The additional daily spending per person comes to around 28.30 euros. Together, this produces a grand total of **1.3 billion euros**.

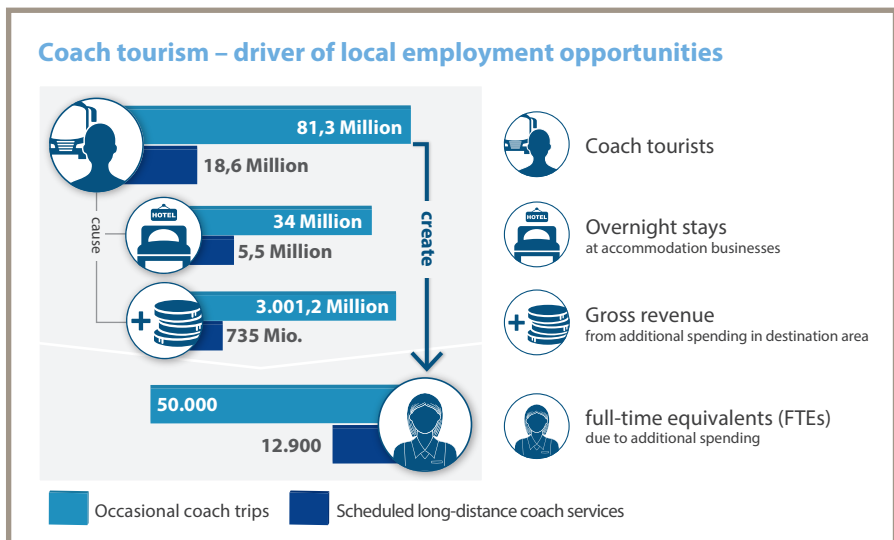


Figure 2: Positive effects in Germany of occasional coach trips and scheduled long-distance coach travel in destination areas

Billions contributed to national income

The total net revenues of coach tourism were calculated after deducting VAT from gross sales. These net revenues currently amount to almost **12.6 billion euros**. From this figure, it is possible to determine the income effects in terms of wages, salaries and profits.

In Germany, more than **4.1 billion euros** is **direct income** from the 1st turnover stage and just under 2.4 billion euros is indirect income from the 2nd turnover stage. Together, tourism income contributions represent more than **6.5 billion euros** in total.

Income for hundreds of thousands

The average annual income per inhabitant of Germany is around 27,540 euros. Based on all income generated by coach tourism – more than **6.5 billion euros** – this equals full-time equivalents (FTEs) for around **238,000 recipients of the average national income**. The FTEs can be differentiated according to different segments.

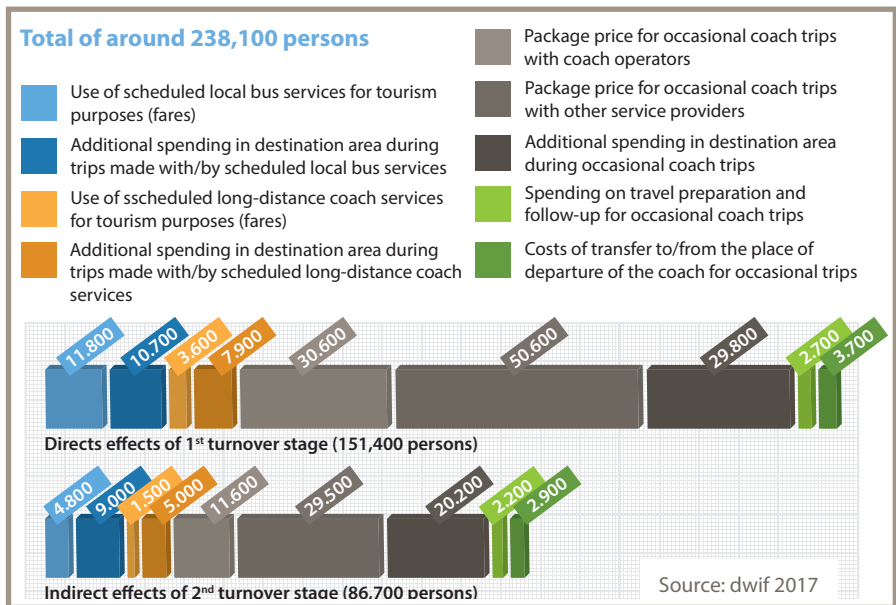


Figure 3: FTEs attributable to coach tourism in Germany

Multiplier effect – one job in occasional coach trips creates five more

More than 42,000 jobs stem directly from coach tour operators and their suppliers. In terms of jobs, the service providers in the destination area benefit even more than the coach operators. More than 80,000 workers rely directly and indirectly on the components of coach trips, like people working in hotels, restaurants and cultural institutions as well as at their service providers. More than 51,000 other jobs are assured in the destination areas by the additional spending generated by coach tour operators, for example in the hospitality and retail trade sectors and their suppliers. Taking into account other relevant fields, this means that one job at a coach operator who provides occasional coach trips will generate **about 5 additional jobs at other companies.**

Positive development compared to 2009

The key data show that coach tourism has developed positively compared to the results of the previous study. While consumer prices rose by 8.1 per cent between 2009 and 2015, the industry's gross revenues went up 17.1 per cent over the same period. The income generated by coach tourism (1st and 2nd turnover stages) rose even more by just over 20 per cent.

As the total national income per inhabitant also increased by almost 20 per cent, there were no numerical changes in this respect. The number of FTEs remained stable at a high level in the period under review.

Key figures	2009	2015	Movement
Gross revenue	€10,496.3 m	€12,292.3 m	+17.1%
Net revenue	€9,043.0 m	€10,834.5	+19.8%
Income 1 st turnover stage	€3,029.7 m	€3,657.4 m	+20.7
Income 2 nd turnover stage	€1,677.7 m	€1,999.7 m	+19.2%
Total income	€4,707.4 m	€5,657.1 m	+20.2%
FTEs	205,000	205,500	+0.2%

Source: dwif 2017

Table 4: Comparison of the key data on the economic significance of coach tourism in Germany between 2009 and 2015 (excluding spending in the destination area on outward/return travel by scheduled services)



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