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Despite Terrorism Scares, Summer Tourists Still Plan European Trips

Even after attacks in Paris and elsewhere, travel agents predict strong vacation bookings around the continent



WSJ's Scott McCartney joins Lunch Break with Tanya Rivero and discusses how travel agencies expect a strong summer travel season despite fears of terrorism, thanks to a strong dollar and cheaper airline tickets. Photo: iStock



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When it comes to summer travel, a strong dollar and cheaper airline tickets are overpowering terrorism fears.

Travel agencies say they expect a very strong summer travel season, with bookings already filling up at top spots in popular destinations. Many of the best luxury rooms are already booked on Italy's Amalfi Coast, according to Virtuoso, a network of travel agencies. As of Wednesday, the only options left at the high-end Santa Caterina hotel for July 9 to 16 on [Expedia](#), for example, were suites starting at a steep \$2,165 per night. Five other luxury hotels there are completely sold out for those dates, according to Expedia.

Paris tourism, hit hard by the [November attacks](#), has rebounded significantly, agents say, though bookings for trips into France this year have been down about 7%, according to [Travelport](#), which runs reservation systems for hotels and airlines. The Brussels bombings have also had limited impact, mostly because Brussels is a destination for business, not leisure.

“We’re kind of learning to live with this now. The traveler is much more resilient these days” in the face of attacks and diseases such as the Zika virus, says David Scowsill, chief executive of the World Travel & Tourism Council, a London-based group of travel company leaders.

One destination that has been hard hit: Turkey. A string of [terrorist bombings](#) have prompted many Europeans to avoid Turkish destinations. Turkey’s Minister of Culture and Tourism reported a 10.3% decline in the number of visitors in February compared with a year earlier. Larger declines are predicted for summer.



Travel agents say bookings to Paris, home to the Louvre, have rebounded since the attacks there in November. *PHOTO: T.J. KIRKPATRICK/CORBIS*

Some travelers are opting to explore lower-profile destinations considered less likely to be a target, like Lisbon and Prague, travel agencies say. Bookings at travel agencies in the Virtuoso network are up 88% to Portugal. Ireland is up 58% in volume of bookings, Mexico up 48%, Sweden 23% and Poland 18% at Virtuoso-connected agencies.

“Some destination markets are down, but other places are up and they more than compensate,” says Gordon Wilson, Travelport’s chief executive.

LOWER SUMMER FARES IN THE U.S.

- Airfare data firm Hopper predicts domestic tickets will be, on average, 9% cheaper than the summer peak last year.
- Expedia says average airline tickets to Miami booked January to March for June travel were 10% cheaper than June tickets booked the same time last year.
- Other domestic markets show similar declines, including Las Vegas, New York, Los Angeles and Philadelphia, all down just under 10% year over year.

Kathleen Sheridan, a travel agent at Altour in Paramus, N.J., had a couple in their 60s cancel a European river cruise due to terrorism fears and instead book a train trip through the Canadian Rockies. “They wanted to do that at some point anyway,” she says.

The strength of the U.S. dollar against other

currencies has made it more expensive for foreign travelers to visit the U.S., but much cheaper for Americans to venture abroad.

Compared with the same time in 2014, a euro costs 17% less to buy today in dollars. The British pound is 15% less expensive than two years ago. The Canadian dollar is down 16% versus the U.S. dollar; Mexico is 26% cheaper, Brazil 39%.

Dallas travel agent Rudi Steele says he's seen European hotels push rates higher because of strong demand, though the impact is muted for Americans when converted into dollars. More high-end hotels are asking for prepayment and some are adding 45-to-60 day cancellation requirements. Some rates are nonrefundable, "even though we know they can sell it again," Mr. Steele says.

Increased competition among airlines, both domestically and internationally, has kept fares down on many routes this year. Craig Jenks, president of consulting firm Airline/Aircraft Projects, counts a net addition of 24 daily flights between the U.S. and Europe this summer, a 5.2% increase.



Experts are seeing travelers willing to pay higher prices for business class trips to London this summer. PHOTO: GETTY IMAGES

Low oil prices have allowed airlines to add planes to fleets and flights on routes that might not have been profitable if operating costs were higher. Low-fare airlines in particular have been growing, with bigger incumbents matching discounted prices.

Average ticket prices to London, Paris, Madrid and Rome are down roughly 10% year over year, according to Expedia.

American's price for nonstop, round-trip flights from Charlotte, N.C., to Paris on July 8 to 15, for example, was \$1,006 in coach on Tuesday. From New York's Kennedy Airport to Paris on the same dates, Delta, **Air France** and American all offered round-trip, nonstop tickets for \$971. Trans-Atlantic fares typically average about \$1,400 to \$1,500 round-trip.

Business-class discounts may be tougher to find. The same Charlotte-Paris flights in business class were priced at \$6,627.

"Business-class tickets to popular parts of Europe—maybe Milan or Rome or Paris or London—last year would have been about \$5,000. But now it can go up to about \$6,000, \$7,000, \$8,000 for certain dates," says Virtuoso senior vice president Albert Herrera. That's due to strong demand for business-class seats.

Airfare data tracking firm Hopper says prices posted for flights to Europe slid 2.1% in the past two weeks, perhaps due in part to the **Brussels bombings** on March 22. But airlines say the impact has been minimal, even with the Brussels airport shut down for nearly two weeks. Delta estimated its loss from Brussels at about \$5 million, a fraction of what one U.S. snowstorm or hurricane disruption costs.

Typically terrorism attacks spark an increase in **travel insurance sales**, but insurance experts caution that most policies offer limited protection. Most policies only cover you if the attack is in or near a city that's on your itinerary and within seven to 30 days of your trip. If you want to cancel a trip to London or Paris because of the Brussels bombings, your insurance likely won't cover you. And any policy purchased after government alerts are issued won't cover known threats.



Airlines say the impact of the March attacks in Brussels on bookings to Europe has been minimal. PHOTO: LAURIE DIEFFEMBACQ/GETTY IMAGES

“Unfortunately, the threat of terrorism is not enough to trigger a policy’s terrorism coverage,” says Adam Rusin, product manager at Squaremouth, a travel insurance comparison shopping site.

The best insurance if you think you might be afraid to go is “cancel for any reason” coverage, which is more expensive but more useful.