

## Unprecedented short term drop – long term forecast left unchanged

At the end of February the trailing 12 month number of tourists that visited Iceland stood at 2.1 million. With the onset of the coronavirus and the subsequent restrictions on movements, the average is set for an unprecedented drop. Based on the data on the virus and previous outbreaks of viruses, as well as conversations with more than 12 experts (domestic and foreign), our figures have been sharply revised downwards.

At this point we expect the number of tourists to fall to between 1.3 – 1.4 million for the year 2020. This figure includes the 250 thousand tourists that had already arrived in the country at the end of February. Our optimistic forecast has 1.6 million tourists arriving in Iceland this year and our pessimistic forecast has 1.1 million tourists.

In 2021 we expect at least 1.8 million tourists to arrive in Iceland. Our long term outlook has not materially changed, although we expect that the years 2020 and 2021 will shift the forecast curve further out.

