

BEIJING HOTELS LOWER PRICES



Whole world is looking at China as the Olympic Games quickly approach. Hoteliers expected the Games to bring tourists who will pay any price for a hotel room. Some of them have even tripled their prices for the time of the Olympics. Now it seems they were wrong.

There are 339,000 rooms, or 665,000 beds, for visitors in Beijing. Nevertheless, the daily demand during the Games is likely to be 333,000 beds, according to the city officials. Five star hotels have no problem as they were booked months in advance by the Olympic officials, delegations and sponsors. Also facilities near Olympic venues are almost fully booked. Other hotels however are not doing so well and they are struggling to get more guests. Some hoteliers have even reduced their prices. Average prices for three-star hotels were reduced to \$60 (USD) a night from \$100 and four star hotels dropped to \$117 a night from \$220.

There are several reasons for the lower than expected number of visitors during the Olympic Games. First, China has tightened the visa rules. The Chinese officials want to have trouble-free games and so they are preventing the entrance of possibly “dangerous” guests. There are also the high prices not only of accommodation but also of transports. Higher oil prices make flying more expensive. Also other events like e.g. exhibitions were moved to other cities to avoid possible troubles in the crowded Beijing.

According to the official data “only” some 1.87 million inbound tourists visited Beijing in the first half of this year, which is a 5 per cent decrease compared to the same period last year. In June 2008 there were 19.9 per cent less inbound tourists than in the last year. According to the spokesman of Beijing Municipal Bureau of Statistics, Yu Xiuqin, the strict security measures for the Olympic Games influenced the inbound tourism but from long-term perspective it should stimulate Beijing's tourism market immensely.

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