

Hotel Industry: Getting Ready for Euro 2012

“A green island in the sea of red” – describes Poland’s recent performance in comparison with the shrinking economies in the neighboring countries. In the Polish hotel market, however, the color was more red than green. After an impressive 2007 when the biggest obstacle for incoming travel agents was a shortage of hotels rather than clients, no one had expected the winds of change to bring less rosy figures.



According to the Central Statistical Office, the foreigners at Polish hotels are mostly Europeans. Germans rank first, far ahead of Britons, Italians, Russians and Americans. The data from StayPoland.com incoming travel agency revealed that although the last two years saw more hotel reservations, the average booking value decreased by 12% due to foreign business and leisure visitors reducing their travel budgets. Hoteliers do not expect the pre-crisis price levels to return sooner than 2013.

Nevertheless, the long-term outlook is optimistic. Every year, over 100 new hotels enter the market. The rise in demand from Polish clients is mitigating the situation. The data from the Institute of Tourism shows recovery in the Q1. International hotel chains are now confidently resuming the investment plans they have previously put on hold. The most ambitious player seems to be the Hilton, with a plan for 7–8 new hotels. Orbis, the biggest hotel chain in Poland run by French Accor, is investing in budget class hotels.



Two threats loom over the hotel market – the return of the crisis and the volatile exchange rate. In the last 2 year, the value of the Polish Zloty lost 20% to the Euro and a stratospheric 40% to the American Dollar. It makes services in Poland relatively cheaper for foreigners, but complicates the budgeting for hoteliers. Anyway, there is no better time to visit.

No threats, however, can overshadow the biggest event in years in Poland. Whether Ukraine would get ready in time to co-host with Poland the EURO 2012 Football Championship is still being debated. In Polish cities, the constructions of new, impressive stadiums are already in full swing. Hosting the championship is injecting vigor into the Polish hotel market for the coming years. Apart from stadiums and hotels, new conference facilities are being built which in effect will strengthen the MICE market. For small talk in Poland today, you can forget the weather. Instead, enquiries about the EURO 2012 and pledging support to the Polish national team will win you hordes of new friends.



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