

U.S. Hotel Industry Continues to Rise



The U.S. hotel and lodging industry is showing healthy profits, and is expected to continue doing so. It has been pointed out by a number of leading individuals in the sector that the success is based on higher room rates rather than increasing amounts of people staying overnight. The average spend last year was calculated at \$61.69 per night, up 7.5% on the previous year.

On a global scale, 2006 turned out to be the US hotel industry's most successful year in history. It saw a 38% rise on 2005 and a total of \$70 billion were taken in official tourist transactions. The American tourist market mirrored this growth and the trend has been rather steady over recent years. There was an 8.5% rise in 2005, a 7.4% rise in 2006 and a 5.8% rise so far this year. These numbers were calculated on the basis of revenue. The main factors thought to have contributed to this success are the continuing regaining of faith in travel after 9.11, the low rate of U.S. unemployment, a generally strong global economic situation and tamer oil prices.

The biggest risk for the hotel industry in America is believed to be the reluctance of lenders to invest more in an unpredictable line of business. Hotel managers and investors hope to combat this line of business behaviour by adding amenities and extra programs to justify the growth of the industry. Basically, if more is available to tourists, they are almost certain to keep visiting.

Date: 2007-02-13

Article link: <http://www.tourism-review.com/us-hotel-industry-continues-to-rise-news174>