

# HOTEL ROOMS ARE GETTING CHEAPER WORLD WIDE



Hotels.com announced that hotel rooms are on average 17% cheaper now compared to the last year. Greatest drop recorded in Latin America.

Current economic situation makes people travel less and be more cautious with their money. As a result, the demand for hotel accommodation drops. Hoteliers fight back by lowering their prices. According to Hotels.com, **average hotel prices fell by 17 per cent in the first half of this year compared to 2008**. They based their Hotel Price Index (HPI) on money paid in 78,000 hotels across 13,000 places around the world. As a source for the HPI was used information about bookings through the Hotels.com website.

According to the index, it was the **Latin America that recorded the sharpest decline in hotel room prices** during the first six months of 2009. The prices here dropped by 18 per cent also "thanks" to the swine flu outbreak. North American (US and Canada) hotel prices dropped by 17 per cent during the period. In Europe the prices also reacted to the global crisis by decreasing 10 per cent in Q4 2008 and then by 16 per cent in first half of 2009. Prices in the Caribbean decreased only by 2 per cent during the period in question. Last but not least hotel prices in Asia dropped on average by some 17 per cent.

The prices for hotel rooms are naturally dependent on exchange rates. For this reason, the British looked outside the Eurozone to get more for their weak pound. Prices for hotels in Europe have dropped but it is naturally better deal for people paying in Euros than for those paying in pounds. Even though the hotel room prices dropped globally, some destinations actually recorded a growth in prices. They have risen e.g. in Tel Aviv (20 per cent), Abu Dhabi (15 per cent) or Istanbul (up 15 per cent). As the situation changes Moscow is no longer the most expensive city in the world. The average price for a hotel room dropped here by 36 per cent to L167 in the first half of this year.

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