

# AUSTRIAN REVENUE DOWN AS TOURISTS RESTRICT THEIR SPENDING



Depending on which way the figures for Austrian tourism in the past year are viewed, there are either clear reasons to celebrate or there is a larger problem that needs to be fixed; visitor numbers are up, as are occupancy rates, yet overall revenue for the country's industry is down by 0.5%. Looking at the positive elements, there is clearly no decline in interest in the nation from foreign travellers if arrivals have increased by 1.2% to 36.8 million and overnight stays were up by the same amount, reaching 132.6 million. Additionally, paid employment in the sector is said to be up by 2.2%, with individuals experiencing greater ease in finding new roles after redundancy, and there was a minimum wage increase up to 1,320 euros. There is clearly a problem, however, and many are blaming it on changing spending habits.

**There may be more visitors arriving but they are spending less time in the country and less money.**

The slowdown in global economics and uncertainty for the future means that holidaymakers are still coming to Austria but they are being more cautious with their cash: they are choosing shorter breaks, cheaper accommodation and bringing in less revenue in restaurants, tourist attractions and other businesses. The average length of stay is down 0.6% and some establishments are having to lower their rates to match these expectations. Where they should be celebrating greater numbers they are actually dealing with a sense of stagnancy as the industry deals with a lack of growth and negative influences.

## **Getting the Austrian tourism industry out of its rut.**

It is hard for the country's industry to show any gains in revenue when these tourist mindsets are limiting spending and there are so many additional problems to deal with, such as rising energy bills and the growing cost of advertising, which makes reaching out to this cautious consumer base even harder. These visitors do still want to come, however, and the local tourism industry is working on some bold ideas to progress from this current state and see growth in the future. With goals of 140 million overnight stays and an increase in tourism revenue up to 5 billion by 2018, the local authorities are staying positive and ambitious and they are looking into greater investment opportunities, a media campaign for the International Holidays in Austria and better Visa processing. With these measures and improved spending in the future, there could be a general revitalisation of the industry.

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