

# SWISS PREDICTED INCREASE IN HOTEL ACCOMMODATIONS IN SUMMER



Economic researchers of the BAKBASEL Institute expect an upswing in Swiss tourism for the summer season. According to their forecasts, the number of overnight hotel stays should increase by 1.7 percent compared to the previous year. By 2016, in addition to overnight stays, the traffic income of Swiss mountain railways is also expected to increase.

Although that would be significantly less than during summer season in 2013, when overnight stays had increased by 3.5 percent, it would still exceed the long-term average of 1 to 1.5 percent, as BAKBASEL and the State Secretariat for Economic Affairs (Seco) announced on Monday.

While in the recent past the business was mainly driven by domestic demand, foreign tourists are likely to generate more revenue this summer; BAKBASEL anticipates an increase of overnight stays by 2.4 percent with this demographic.

This was due to the resurgent global economy and, in particular, the positive development of demand from remote and growing markets; it is indicated in the statement. In contrast, domestic demand is expected to grow only modestly with an increase of 0.8 percent.

For the full year 2014, the economic pundits expect an increase of overnight stays by 1.4 percent with the weak winter season 2013/2014 taking its toll. In 2015, it may start picking up again with an anticipated growth rate of 1.8 percent. For 2016, BAKBASEL predicts a gain of 1.3 percent.

## **Traffic revenues for mountain railways expected to rise**

According to the latest estimates of BAKBASEL, traffic revenues for the Swiss mountain railways in the current tourism year should also show an increase in real terms of about 0.4 percent over the previous year.

According to analysts, the prospects for the traffic revenues of Swiss mountain railways are looking good with an expected growth rate of 2.5 percent in 2015 and 2.4 percent in 2016.

There are several reasons for the anticipated development; first, an increase in demand with overnight guests is expected. Above all, the Institute for Business Cycle Research anticipates a significant uptick in day-trippers from Switzerland, thanks to a very favorable domestic economy.

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