

SLOVAKIAN HOTELS REPORTED LOSSES IN THE FIRST QUARTER



The hotel room prices as well as RevPAR dropped almost 17 per cent at the beginning of 2010 in Slovakian hotels. Especially the capital Bratislava is fighting the dramatic decline in guest numbers.

The beginning of the last year was not very positive for hotels in Slovakian capital Bratislava. However the results for the same period in 2010 are even worse. According to a recent quarter report by Deloitte, the hotels welcomed even less guests from January to March this year than in 2009.

The occupancy rate in the first quarter of 2010 dropped from 36.5 per cent last year to 36.4 per cent this year. **The price for a room decreased by 16.7 per cent to €77.36 in year to year comparison.** The average price for a room in 2009 was over €90 per night and in 2008 it was even over €100 per night.

The key indicator for hotel industry, the revenue per available room (RevPAR), dropped by 17 per cent to €27.16 when comparing data from the first quarters of 2009 and 2010. Two years ago in 2008 the average revenue was almost double of what it is now - it reached €54.39.

According to Slovakian daily Etrend.sk **the reason for the decline in the number of guests is the fact that new hotels emerged in the Slovak capital thus the competition is tougher.** Thanks to the global decline of tourism there are generally fewer visitors as well as business travelers in the capital city.

The drop in prices, RevPAR, and occupancy in the first quarter of 2010 is not that usual in other European capitals - in some cities these indicators even went up. For example hotels in London, according to Deloitte, recorded a 10.1 per cent growth in RevPAR to £94 (€110) and also a growth of occupancy by 76.2 per cent.

Bratislava is the wealthiest city in Slovakia and its GDP is higher than the EU average. It is an important center that lures numerous international companies. A number of them have their branches in the city - e.g. IBM or Dell. The city is also the seat of the International Visegrad fund. Most foreign visitors come to the city from the Czech Republic and Germany.

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