

AUSTRIA: TOURISM BOOM HELPS THE ECONOMY



According to a study of Austrian tourism, the real tourism exports increased by 4.2% (nominal +6%), which makes it one of the pillars of the Austrian economy. The high growth rate of real tourism exports in 2015 was well above the stagnation trend since 2000. As a matter of fact, it is the highest number since that year and as such is considered a real tourism boom.

“Given the rather moderate economic recovery in the EU, domestic tourism developed surprisingly favorably,” the Report on the tourism and leisure industry in Austria in 2015 noted.

In the first half of the year domestic tourism recorded new highs in arrivals and overnight stays. The start of the summer season was also successful. According to statistics Austria experienced an increase of 4.2% to a total of 70.8 million overnight stays.

On the one hand, Austria offers a wide range of offer and it is constantly being expanded thanks to investments from enterprises. On the other hand, it also shows the tendency that in times of crisis the travel radius narrows.

A particularly strong group of guests are German tourists, who often come back to Austria - their six million overnight stays in summer pre-season represent an increase of 2%. Other overnight stays increases registered were those from Switzerland (+1.2%) and the UK (+1%). This means that the declines from other countries such as the Netherlands, Italy or Russia can be offset in the overall balance. The number of visitors from Turkey, India and the Czech Republic increased highly, albeit the total numbers were low.

The tourism boom in the Austrian capital Vienna is particularly spectacular. In July a 4.1% increase of overnight stays compared to last year was registered. This increase also helped to exceed the previous record of overnight stays by 1.5 million stays. From January to July this gives 8.139 million overnight stays and an increase of 4.8%.

Sales in the first six months grew by 2.8% and amounted to about €327.4 million. Therefore, Vienna is now well above the result of the record year 2015 and is fully “on track” to reach 20 million overnight stays per year by 2020. As it seems, every category of Viennese hotels benefited from the tourism boom in July, except five-star hotels. The average bed occupancy rate increased to 67.5% (in July 2015 around 81%). The room occupancy rate increased to 86% (in 2015 81%). However, from last year the Viennese hotel capacity has reduced from last year by 400 beds to 64,500 (-0.7%).

An important factor for the tourism business to stay competitive is the willingness to invest. This can be achieved with the use of subsidized loans. In July alone, three dozens of loans totaling more than €63 million were released by the ERP Commission for tourism. **Thus, the awarded loan volume has already risen this year to the peak value of around €100 million**, which represents a doubled figure compared to the previous year.

The triggered investment thus amounts to around €178 million. With these subsidized loans guest rooms, spa facilities are modernized and expanded. The hotel infrastructure is improved and also the staff rooms are improved and modernized.

Date: 2016-09-05

Article link: <http://www.tourism-review.com/austrian-tourism-boom-is-good-news-news5109>