

RUSSIAN HOTELS PROFITING FROM INCREASED FOREIGN TOURISM INFLOW



The growing inflow of foreign tourists is of great benefits to the Russian hoteliers, who has been increasing the prices. According to estimates of tour operators, next summer the cost of hotel accommodation in Moscow will be 10-20% higher than last summer for foreign tourists.

The new pricing policy of Russian hotels may increase the cost of tours by up to 30 percent. Tourism experts warn that it could also reduce the number of visitors.

Some tour operators stated that the last summer was a period of overbooking and hoteliers have high expectations for the next summer as well. As a result, the prices of accommodation for foreign tourists in St. Petersburg rose on average by 30-50%. In some cases, even by 100%. In Moscow the increase is about 10-20%.

Taking into account the increased cost of hotel rooms, the local tour operators have started to adjust their programs. According to them, in the past tourists stayed in St. Petersburg for two or three nights, but now they often stay for one night only. Currently, the average cost of tours to Russia amount to 1000 euros. Next summer it could rise to up to 1300 euros.

The tourism inflow to Russia is growing for the second consecutive year. At the end of 2015, the Russian Union of Travel Industry (PCT) has reported an increase in the number of trips by 13.7%, to 29.4 million.

According to the calculations of PCT, in the first half of 2016 there was a 10% increase, to 12 million trips. The representatives of the Committee of Development of Tourism of St. Petersburg predicted that next year the number of tourists in the city will grow by 15-20%, to 7.5-7.8 million people. Moscow Mayor Sergey Sobyenin said that the number of tourists will increase by 2.5%, to 17.5 million. Tour operators themselves have even more positive assessments - some of them estimate a growth in foreign tourist inflow by 30-50%

At the end of last summer, the hoteliers in Moscow and St. Petersburg reported a record operating performance. Earlier, JLL reported that the occupancy rates in these cities were 90% and 79%, respectively. In the first eight months of 2016, the occupancy rate of St. Petersburg hotels was 67.2%. This is a 2.7% increase compared to the same period last year. In Moscow, the rate was 70.5% (5.1% increase).

According to JLL estimates, this year the average room price (ADR) in luxurious hotels in St. Petersburg exceeded Moscow's prices for the first time. 17.8 thousand rubles per night (St. Petersburg) against 17 thousand rubles (Moscow). On average, the ADR grew by 20.1% in St. Petersburg in eight months, to 6.4 thousand rubles. In Moscow the ADR increased by 7.6% (7.4 thousand rubles).

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