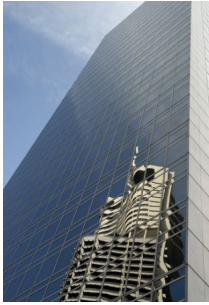


US HOTEL INDUSTRY MAKES SERIOUS STRIDES FORWARD



After the terrorist attacks of September 11, 2001, the US travel and tourism industry suffered a serious setback. Not only did foreigners stop arriving in huge numbers, yet Americans also began to take extra caution in travelling around their own country. However, statistics are suggesting that the Americans are well on the way to making a full recovery from the 2001 disaster and this is particularly evident in the hotel business.

Not only are the rates for rooms going up, the number of visitors increasing sharply and facilities improving, yet new hotels are springing up like mushrooms after rain all over the United States.

Some of the statistics are quite astonishing. For example the hotel revenues are already up 20% this year alone. Recent announcements that there will be at least 2000 hotels built and opened in the next 2 years have underlined the progress the industry is making. It has been stressed that the hotels are visited by a mixture of business and pleasure guests, both of which are growing. This year's success is related to the last year's figures. In 2006, US hotels had an impressive 63.4% occupancy rate, the highest since 1998. The average nightly spend also rose, to \$103 from \$83 of 5 years ago.

The hotel chain El Paco has been embodying the recent fruitfulness of the industry. It has announced plans to build between 300 and 400 extra rooms in existing hotels. It already has 80 hotels with more than 8000 rooms and an average annual revenue of around \$130 million. This figure has been growing rapidly in recent years, rising sometimes as much as 15% per annum.

In some US cities, for example Phoenix or San Antonio, the build-up could actually push room prices down. However, in places such as New York and Las Vegas, the fact that the traveller demand is still on the up could maintain the surge in prices.

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