

# REVENUES VS. OVERNIGHT STAYS: THE TWO SIDES OF SWISS TOURISM



“Encouraging development in the summer” and “positive outlook for the winter season” writes the ETH-KOF economic research in its latest analysis and forecast for Swiss tourism. According to estimates, the number of overnight stays in the summer season has risen by 3.1% compared to the previous year.

Increases were recorded mainly by cities and in the Alpine region. The good international economic situation, the weaker franc and splendid weather have ensured momentum, with the outlook for the next years remaining clearly upwards. **KOF expect a growth of Swiss tourism of 2.7% in 2018 and a 2.4% increase in 2020.** The strongest growth is expected from foreign guests, especially from Asian and North American regions.

## Good winter season not enough

Even for the winter season, which is just around the corner, experts are confident. Overnight stays are expected to increase by 2.3%, with cities still likely to be in the lead. This forecast is based on the assumption of average weather conditions.

“It’s actually getting better and better,” admits Barbara Gisi, director of the Swiss Tourism Federation. “But the number of overnight stays cannot be equated to the revenues. Margins have fallen in recent years,” she added.

The expert knows that a good winter alone does not save the mountain areas, and there is no guarantee that the next winter will be good either. In addition, global warming is advancing, which means that holidays in the snow are threatened even more.

## Turnover per overnight stay falls

Accordingly, the average turnover per overnight stay in the Swiss hotel industry has fallen continuously from 122 to 115 francs since 2008. All hotel categories have lost value since 2008.

The fact that overnight stays and income are not necessarily equal, has been noticed even by experts from KOF. “Due to price restraint, the competitiveness of Swiss destinations has improved in recent years,” the report said.

According to KOF, prices of Swiss tourism companies have “tended to decline” since 2010. In accommodation, the price decline since 2015 has been pronounced and is currently around 5% below the level of 2010. Looking back to 2005, prices in tourism in neighboring countries have risen by 30 to 35% since 2005, and by 10% in Switzerland.

**This also means that holidays in Switzerland, despite price concessions, are still more expensive than abroad.** This is also reflected in the fact that overnight stays have developed better in all neighboring countries since 2008 than in Switzerland.

Despite all this, KOF sees a glimmer of hope, at least in the short term. “The current positive trend could lead to price increases and thus to an improved earnings situation for tourism businesses,”

KOF's report concluded.

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