

# AUSTRIA'S TOURISM GROWING AT SLOWER PACE



Austria's tourism industry continues to grow, but will not be able to match the record growth of the past, predicts UniCredit Bank Austria in its current industry report. The summer season was highly successful when the tourism revenues increased by 3 percent to almost 14 billion euros from May to October.

According to the report, revenues in the 2019 calendar year will grow by only 1 to 2 percent in real terms to 28.1 billion euros. The numbers of 2019 and probably 2020 are mainly affected by the high competitiveness of the entire tourism sector in Austria. **The slower economic growth in the most important countries of origin also slows down domestic Austria's tourism.**

Although a decline in tourism revenues in 2020 is unlikely, according to the experts at Bank Austria, a slowdown in demand from visitors from Austria is to be expected, so the growth in tourism revenues in 2020 is likely to remain below the average annual level of 0.9% in real terms of the last twenty years.

With reference to the current tourism analysis of the Wifo, the Austrian Hotel Association complained today that the revenue of the sector would grow much more slowly than the number of overnight stays. "This can, of course, be attributed to the strong increase in day tourists, who leave behind a lot of noise and exhaust fumes, but no income", says ÖHV Secretary-General Markus Gratzner, "or to the fact that the industry is increasingly switching to favorable offers because vacancies cannot be filled". The next government will also plan a major tax reform. "If companies don't earn it, it won't end."

According to the tourism experts, **domestic tourism has succeeded in the long term in compensating for the loss of demand and income** due to growing competition and shorter stays by improving the quality of services and raising prices. Only in recent years has the revenue growth lost momentum compared with overnight stays.

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