

INBOUND TOURISM IN RUSSIA TO REVIVE ONLY DUE TO BUSINESS TRIPS



As every country, Russia has suffered greatly due to the Coronavirus outbreak and with it also the country's tourism industry. The revival of inbound tourism in Russia will only begin due to business trips and provided that there will not be a second wave of the virus in the fall, according to experts.

"The inbound tourism market is unlikely to recover this year. We should immediately focus on the next year. However, on the assumption that the virus will not return, then, most likely, there will be quite rapid growth in the field of business tourism," vice president of the Association of Tour Operators of Russia (ATOR) Alexander Kurnosov said.

"I think that we should not expect foreign recreational tourists this year, as international communications are unlikely to resume before the end of the summer," he added.

The high season for recreational tourism in Russia usually falls on May-September. Thus, this season has essentially already been lost.

The expert also said that even if international flights restart and foreign visitors appear in August-September, there will be very few of them compared to "the usual numbers".

Moscow and St. Petersburg Suffer

According to Kurnosov, up to 90% of foreigners in Russia visit Moscow and Saint Petersburg. Thus, with the lack of foreign guests, hotels in Moscow and St. Petersburg will be underloaded during the summer season. That is, if they do not adjust their pricing policies to attract more domestic guests.

"Over the next month, the occupancy of hotels in Moscow and St. Petersburg is unlikely to reach 50%, since the ratio of business tourists and recreational ones varies from 50-50 to 60-40. If business tourism does recover, it will not happen before mid-July or the beginning of August in an optimistic scenario. But it will still depend on the hotels themselves. With the right pricing policy, they will be able to attract visitors from the regions," Kurnosov noted.

Large Businesses to Survive

The expert also says that despite the crisis, large hotel businesses are unlikely to leave the Russian market, since, as a rule, they have a financial airbag.

"I think that neither a large hotel chain, nor small and medium-sized hotels, nor tour operators and travel agents will give up state support today. But the advantage of large chains is that they usually have a financial airbag. They can count on credit resources and investment money. In my opinion, their situation is generally more stable," he concluded.

In the meantime, several major Russian airlines are exploring the possibility of resuming international passenger flights from July 15, subject to a stable positive dynamic with regards to the pandemic and while observing strict sanitary rules.

Date: 2020-06-14

Article link:

<https://www.tourism-review.com/tourism-in-russia-to-benefit-from-business-trips-news11586>