

HOTELS IN BALI ON SALE AS COVID-19 PANDEMIC HITS THE INDUSTRY



As Indonesia's largest tourist destination, Bali's economy is heavily dependent on the tourism industry. The sector reportedly accounts for more than 60% of the island's economy. In 2019, 6.2 million visitors arrived at the destination. Now, the hotels in Bali are for sale.

This year Bali reported a fall of 22% in the first quarter of the year and only 1.04 million people arrived. And this was even before the worst phase of the Coronavirus outbreak.

Thus said, even before the Coronavirus pandemic the island was registering a downfall in demand. As the virus spread hit its peak, however, the situation became critical. For this reason, many Indonesian hoteliers have chosen to take drastic measures with regards to their businesses.

Bali Hotels on Sale

Large hotel chains such as Marriott or Hilton have the financial power to get through the halt caused by the Coronavirus. But it is the smaller hotels that are fighting for their survival. Many of them have decided to offer their properties for sale, giving potential investors the chance to snatch interesting opportunities for a discount price.

Some developers have gone as far as to lowering their price by almost half (from \$17 million to \$9 million). According to data, the number of temporary accommodations listed for sale in Bali rose by 30% since the beginning of the pandemic.

When Will the Industry Revive?

Amid this dire situation, it is difficult to look at the positives. However, it is predicted that domestic tourism will recover sooner than the international market. In 2018, 303 million domestic trips were made in Indonesia in contrast with 270 million the year before.

The idea is to allow domestic tourists back to the island in August, while international tourism could revive in September. That is, of course, if everything goes according to the plan of the local authorities and the Indonesian government.

Nevertheless, large masses of tourists as in the years before are not expected in Bali in the coming months, also due to the measures taken by some of the island's largest source markets.

Australia, Bali's biggest source market, seems to be on its way to keep their borders closed until 2021. **Meanwhile, Singapore, another important source of tourists, is limiting trips out of the country only to the essential ones.**

Thus said, it seems inevitable that it will take time for the industry in Bali to recover. Many hoteliers are selling their properties and one can predict that in September, once international tourism to the island resumes, visitors will encounter a somewhat different tourism environment in Bali. However, that can essentially be said about tourism as a whole, with the industry set for challenging months in the post-Coronavirus era.

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