

# NO ROSY EXPECTATIONS FOR THE WINTER SEASON IN AUSTRIA



The Covid-19 pandemic has decimated the tourism sectors of every country. This includes countries which rely more on travelling as a source of income, as well as those who rely less.

One of the countries heavily dependent on tourism is Austria. And it is especially winter tourism which is very important for the Alpine country's economy. At this point, however, the winter season could be at risk as well.

On average, every hotel in Austria lost between EUR 130 thousand and EUR 150 thousand in sales between May and October 2020. This corresponds to a cumulative loss of income of around 2.2 billion euros in this period, according to a current scenario analysis by Prodingler Tourismusberatung. **Moreover, overnight stays between May and August fell by 33 % compared to the same period in 2019.**

This has had a very negative effect on the country's economy. According to figures published by the state statistics office, Austria's economy collapsed by 14.3 % in the second quarter of the year, even more than France and Italy, for example.

As explained by the study, Covid-19 will permanently weaken the tourism sector in the winter of 2020/21. Recovery is not expected, and the negative effects will transmit also to the coming months in the Austrian Alps.

## **Absence of Germans a Problem**

In detail, the analysis assumes that the worst case is that during the winter season there will be a fall of 45 % in terms of overnight stays compared to the 2018/19 season. There will be easing steps again in January, but these are only possible very slowly and considerable restrictions will remain in place until spring 2021.

After Germany issued a travel warning for the Austrian federal states of Tyrol and Vorarlberg, the situation could turn out to be even more dramatic. " It also must be noted that bookings by German tourists already decreased by 43 % between May and August.

Domestic tourism, meanwhile, remains fairly stable. The drop in overnight stays is not that drastic, but in this case too, a massively deepening recession and a loss of GDP can be expected.

## **Return to Pre-crisis Levels in 2023**

But when will "normalcy" return? In the best-case scenario, domestic tourism could reach pre-crisis levels in 2022. **International tourism, in the meantime, would only reach 70 % of its value of 2019.**

A complete return is not expected until 2023 at the earliest and 2025 at the latest. All provided, of

course, that there is no further deterioration in the course of the pandemic.

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