

AUSTRIA IS STRONGLY DEPENDENT ON TOURISM



Should the winter season be cancelled due to corona, this would cost 1.5 percentage points of Austrian GDP, economists estimate, so strongly the economy is dependent on tourism.

The stabilizing effect of tourism in times of crisis has fizzled out. While the hotel and restaurant industry was still able to stay afloat and create additional jobs in the bank crash a good ten years ago, the situation looks much worse in the pandemic year 2020.

The argument that "people always travel" no longer stands up. Governments advise against travel. Many people, deeply unsettled by contradictory information, are sticking to it. Closed borders and a lack of flight connections do the rest.

Fewer Overnight Stays Even in September

Since March, tourism figures have been declining. For September, Statistics Austria reported a minus of 14% in overnight stays, although domestic guests traveled clearly less abroad and instead spent more nights in Austria (plus 13.9 %). On the other hand, foreign guests stayed away in masses (6.2% decrease in overnight stays).

Christoph Badelt, head of the Economic Research Institute (WIFO), explained what it could mean if the winter season were to be cancelled due to high infection figures and travel warnings: In that case, economic output - i.e. GDP - would probably collapse by a further 1.5 percentage points.

Big or Even Much Bigger

The weight of tourism in Austria's economy cannot be clearly answered. "A big one", say some, "an even bigger one", say others. 7.3% is the correct number, with which one should work, says the tourism expert of the WIFO, Olive Fritz. That's how high the share of direct and indirect tourist services is in the gross domestic product (GDP). Clearly, Austria is more dependent on tourism than it was expected by many.

Indirectly this means that for example the rolls, which the baker supplies to hotels or restaurants, are also considered in this characteristic figure. "The share of tourism in the GDP has been stable for many years," says Fritz; next year we will know to what extent the sector's share will decrease this year compared to other economic sectors due to Corona.

The Ministry of Tourism, but also the Tourism Section of the Chamber of Commerce and the industry itself prefer to use a different figure: tourism accounts for 15.3% of the domestic economic output, including the leisure industry.

Up to 25% Share of GDP

Peter Zellmann, head of the Institute for Leisure and Tourism Research, considers even this figure to

be understated: "I estimate that it will probably be around 25%. People spend far more money on leisure and vacations than the statistics show in terms of income." His favorite example is the carpenter who re-furnished the baker's store. Zellmann: "The baker only exists in the region because he makes half of his turnover in tourism. The turnover of the table is naturally not assigned to tourism, the jobs of the carpentry however depend to 50% on tourism".

Tourism expert Fritz of the WIFO will not accept this. **It is already difficult enough to delimit the leisure economy.** "What is the spare time portion of the jeans which I bought around 100 euro? When I wear them to the office, is it work clothes? When I go home, leisurewear? And when I go to my mother's for the weekend, tourism? I have a queasy feeling," says Fritz.

Leisure Industry Should Be More Narrowly Defined

For this reason, the leisure industry was no longer included in the tourism report in 2019. At the request of the politicians, this is to change again. At the beginning of next year, they will sit down together and agree on a narrower scope. "Then, however, the total will no longer be 15%, but certainly less. And about Zellmann, Fritz says: "I am sceptical when someone says that this is far more significant, but I cannot provide empirical evidence because you can't measure everything".

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