

CONFIDENCE GROWS IN THE GERMAN HOSPITALITY INDUSTRY



Following the elimination of Corona restrictions, the demand in the German hospitality industry is picking up again significantly.

According to the Dehoga Bundesverband survey, 43.2% of establishments report good to very good Easter business, **however, rising energy costs are increasingly burdening hoteliers and restaurateurs.**

In April, sales were still 17% below the pre-crisis level in April 2019, but in the previous month of March, the loss was much more serious, with a drop of 27.5% compared to March 2019. In other words, things are clearly on the upswing. This is particularly true of private demand.

The positive trend is also reflected in Easter sales, which were encouraging in many parts of the industry. 43.2% of entrepreneurs rate it as good to very good, and 33.2% are satisfied. "Confidence is growing in the German hospitality industry," says Dehoga President Guido Zöllick. "The removal of the Corona measures in Germany is creating a mood of optimism among hosts and guests alike. People are looking forward to being able to go out and travel freely again."

In contrast to the upward trend in private meetings and tourist overnight stays, business demand is still lagging behind. Regarding private bookings, 21.6% of entrepreneurs say that these are currently still going badly. In the business sector, however, the figure is more than twice as high at 46.4% - almost one in two.

Zöllick nevertheless shows cautious optimism: "Given the further decline in Corona figures, we assume that corporate business in Germany will also pick up again." Important signals, he says, are the major trade shows that are taking place again throughout Germany and also bringing international guests back to the cities.

However, entrepreneurs are concerned about the massive price increases and growing uncertainties. Businesses cite skyrocketing energy costs (89.4%), followed by rising food prices (86.8%) and personnel costs (64.9%) as the biggest challenges. "There is no end in sight to the price spiral," says Zöllick. **"Ensuring reliable and affordable energy supplies is urgently needed for the planning security of our crisis-ridden industry."**

The pandemic has hit the hospitality industry harder than almost any other major industry, says Zöllick. He, therefore, reiterates the association's call for an end to the reduced VAT rate for meals in restaurants. "Maintaining the 7% VAT on food is crucial to the competitiveness and future security of German hospitality industry."

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