

# CHEAPER - EURO ATTRACTS TOURISTS FROM THE USA TO EUROPE



Many Americans are more eager to travel than they have been for a long time because of the cheap euro compared to the dollar; Europe is the destination of the season. This is the first in 20 years from now on; one euro is equal to one dollar.

This parity will majorly impact the tourism sector, especially for airlines that trade fuel in dollars. Overall, everything imported will become more expensive. On the other hand, Americans who travel to Europe will have greater purchasing power and will probably spend more. On the other hand, the Europeans who travel to the United States will be penalized.

The travel group is likely to meet many compatriots at their vacation destinations. The elimination of Corona restrictions and the euro crash make Italy, France, and Germany the top destinations for many Americans this summer. Always beckoning are the Colosseum, the Eiffel Tower, and Neuschwanstein. But the prospect of an unprecedented bargain now provides the final thrill. "Now is the best time for a trip to Europe," reports the financial news agency Bloomberg. And the CBS network promises its viewers: "Everything from croissants to a cab ride to luxury goods will be cheaper than they've been in decades."

If you look at the exchange rate, this is hardly exaggerated. After all, visitors from the U.S. had to pay just under \$1.60 for one euro in the summer of 2008. A year ago, it was still 1.19 dollars. Now there is virtually parity: a dollar is worth as much as the euro. The reputable New York Times: more vacation for the same money. And Mark Zandi, the respected chief economist at Moody's analysis firm, advises, "If you want to travel and have money left over, do it now."

## **Prices are at their highest since November 1981 in America**

The dollar is galvanized by its status as a safe haven in a context of slowing activity but also by the repeated rate hikes of the Federal Reserve.

The US central bank is not succeeding in bringing inflation down for the time being: consumer price inflation accelerated again in June in the United States and is now at its highest level since November 1981.

Interest in a trip across the Atlantic is correspondingly high. The data collectors at the travel portal Expedia recorded a 25 percent increase in search queries for flights to Paris and Frankfurt within one week at the beginning of July. In any case, Americans' desire to travel has been high since the Corona pandemic subsided.

Initial figures for this year confirm the trend: the number of overnight stays by U.S. citizens in Germany from January to April quadrupled year-on-year to a good 800,000. However, there had been a dramatic slump in the Corona years of 2020 and 2021. In 2019 as a whole, just under seven million overnight stays had still been recorded.

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