

ACCOMMODATION AND TRAVEL PRICES ARE FALLING IN EUROPE



According to data from travel management company Travelperk, global travel prices decreased by 8 percent in the last quarter of 2022. However, they were increasing 11 percent in the first quarter, 15 percent in the second quarter and 6 percent in the third quarter of 2022. The last quarter's decrease was observed in almost all areas of the tourism sector.

According to the data, inflation in the tourism sector has eased for the first time globally. Compared to the previous quarter, **air ticket prices decreased by 7 percent, hotel prices by 3 percent and train ticket prices by 2 percent.** A 6 percent increase was observed only in car rental prices in the fourth quarter of 2022. The inflation rate during the quarter was recorded as 26 percent compared to the same period of the previous year.

The Biggest Price Drop - Flights to London

Nine out of ten flights that demonstrated the biggest price drop were from or to London. Among these nine flights, prices dropped 38 percent on the Munich-London flight, 29 percent on the London-Budapest flight, 21 percent on the London-Barcelona flight and 16 percent on the London-Berlin flight.

In the third quarter, an excessive increase in travel prices was observed. Flight prices from the UK increased by 96 percent in the quarter compared to the same period in 2021. This rate was 64 percent for Spain, 48 percent for France, and 45 percent for Germany.

Accommodation Prices Dropped in Many Destinations

Accommodation prices across Europe fell 7 percent in the last quarter of 2022 compared to the previous quarter. Accommodation fees fell 10 percent in Spain, 7 percent in Germany and 3 percent in France.

The cities with the highest declines were Edinburgh with 24 percent, Barcelona with 18 percent, Dublin with 15 percent and Munich with 12 percent. On the other hand, hotel prices rose 10 percent in Lisbon and 8 percent in Helsinki.

A decline in USA Started in the Third Quarter

The decline in USA started earlier than in Europe, especially in the second half of the year, because the fuel prices in the USA are cheaper than in Europe.

Business class flights are 10 percent cheaper in the U.S. than before the pandemic. In general, flight prices remained stable in the fourth quarter 2022. There are some regional differences in travel prices. Although the New York - Los Angeles flight rose 20 percent, this increase was offset by a 2 percent drop in the San Francisco - New York service and a 1 percent drop in the New York - Chicago service.

The biggest share of the Increase Is in Las Vegas

The U.S. accommodation fees increased by 4 percent in the third quarter of 2022 compared to the second quarter; an additional 1% quarter-on-quarter increase was seen in the last quarter of 2022.

In Las Vegas, however, the accommodation fees increased by 38 percent in the third quarter of 2022 compared to the previous quarter. Additional 25 percent quarter-on-quarter increase was observed in Las Vegas in the fourth quarter of 2022. So, the inflation in Las Vegas in the third quarter is the highest inflation rate observed in accommodation prices, while inflation in the fourth quarter is the second highest inflation rate observed in accommodation fees.

The other highest rates of accommodation inflation are also found in the USA; New York and Austin have the other highest inflation rates with 14 percent and Houston at 11 percent.

Travel Prices in the USA Still Higher Than in Pre-pandemic Times

By contrast, accommodation prices fell 21 percent in Boston, 16 percent in Chicago and 13 percent in San Francisco.

Despite this easing in industry prices, travel prices are still higher than in the pre-pandemic period. Flight prices are 34 percent higher than before the pandemic, while travel prices are 20 percent higher than before the pandemic.

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