

OVERTOURISM'S PROBLEMS IN ITALY: AN AUTUMN OF OBSTACLES



During the season, new issues appeared on the market that Italian tourism will have to deal with for most of 2024.

Everything needs to be redone, or at least most of it. Although it was initially thought that everything that happened in the past three years would be archived, recent events have created new challenges for the tourism industry to tackle for the upcoming winter season and possibly for a significant portion of 2024, including the summer months.

For a while, the economy had hoped to put the "dark three-year period" of 2020-2022 behind them and move on. However, the consequences of everything that occurred during that time have impacted all production sectors, particularly the Italian tourism industry.

More expensive vacations

One of the most debated facts recently was the price increase in Italy, affecting all consumer goods, including tourism. July data showed a 26% increase in national connections prices, while connections to and from abroad decreased by 7%. Hotels saw a jump of 19 percentage points, followed by package holidays at 17%. The June Demoskopica analysis showed that tourism inflation exceeded the overall inflation rate by 3 points, similar to Istat data. These figures confirm the experience of both consumers and professionals, with a direct consequence: customers from Italy prefer to travel outside the national borders. Enit data showed a 1.1% increase in passengers arriving at Italian airports in August, with a clear foreigners predominance. Domestic tourism is giving way to arrivals from abroad, confirming the trend already reported in the year's first four months. Although the first part of 2023 had raised hopes of full occupancy, which still needed to materialize.

Crowd in the Italian Sky

The year 2023 saw a major battle over domestic flight costs. The Italian National Institute of Statistics recorded a surge in flight prices, prompting the government to intervene with a new rule. This rule blocks airlines from using dynamic pricing in certain situations, specifically on national routes with islands, if there is a peak in demand and if the prices of tickets or additional services exceed the average fare by 200 percent.

However, the airline companies were unhappy with this rule and expressed dissatisfaction. Robert Carey, the president of Wizz Air, called the decree "illegitimate" and "clearly contrary to EU regulations." He also pointed out that his company has lowered its rates by 50 percent since arriving on the Italian market. EasyJet echoed this sentiment, saying that the new decree contradicts the principle of tariff freedom established by EU legislation. Ryanair even announced a reduction in some operations due to the law.

The airlines fear this new rule will limit their ability to set prices and ultimately reduce air transport

supply, hurting competition and consumers. They argue that tariff freedom has brought enormous benefits to European consumers, making flights accessible to a wider population. They also warn that this restriction could harm Italy's tourism and economy.

Overcrowding in major Italian tourism destinations

The issue of overtourism was a topic of concern even before the pandemic, but COVID-19 disrupted all plans and shifted the focus away from it. Now that activities have resumed and things are stabilizing, the problem of overcrowding in major tourist destinations is again in the spotlight.

Venice, one of the cities often associated with overtourism, has taken a step toward addressing the issue. They have implemented a measure discussed in the past but never implemented: a 5-euro ticket for entry into the city. This tax will only be enforced for thirty days a year during periods of high congestion. The trial will begin in 2024, most likely between Easter Monday and April 25th. Visitors must book in advance, but there will be no entry limits.

Tourism Councilor Simone Venturini stated that Venice wants to be a global trailblazer and know the need to find a new balance between the rights of those who live, work, or study in Venice and those who visit the city. Whether other cities in Italy or abroad will follow Venice's example remains to be seen. Florence and San Gimignano rejected the idea. Still, other destinations may adopt similar measures in the future, especially if Venice's tax effectively manages overtourism.

Spreading the problem

Overcrowding in tourist destinations is a widespread concern in Italy and various parts of the world. This issue has been exacerbated by the pent-up demand for travel over the last few years, which is now exploding with the reopening of borders. As a result, rising prices have become a common occurrence.

In addition to overcrowding, the Italian tourism sector is also grappling with an endemic problem of manpower shortage. Companies in this industry will likely continue to face this challenge, particularly during peak periods, which still account for a significant percentage of total footfall, especially on the Peninsula.

Date: 2023-10-03

Article link:

<https://www.tourism-review.com/the-overtourism-brings-problems-to-italian-tourism-news13761>