

TURKISH HOTELS FOCUS ON PROFITS RATHER THAN VOLUME



One of the world's most popular tourist destinations, Turkey is currently focusing on 2027. Thousands of its hotels, guesthouses, and restaurants suffer from soaring costs associated with inflation hovering around 30%, which undermines their profits. In consequence, many industry players set their hopes for 2027 when they might restore the profitability of the sector.

Industry insiders acknowledge that despite the likely success in meeting the projected tourist numbers by Turkey at the end of 2026, the profits of the hospitality sector will have suffered significantly from rampant inflation. Therefore, the key tourism players in Turkey will pursue profitability in 2027 instead of focusing on the number of visitors.

Strong Foundations from Recent Years

According to the Minister of Culture and Tourism, Mehmet Nuri Ersoy, who has recently presented the statistical data of Turkey's tourism industry, **64 million foreign tourists visited Turkey in 2025, thereby generating \$65.2 billion in revenue.** This allowed the country to rank 8th in terms of tourist arrivals and 15th in terms of tourism revenue since 2017.

In 2026, Turkey aims to reach 65 million visitors and \$68 billion in tourism revenue. However, industry insiders see 2026 as a challenging year, when Turkey will have to confront numerous issues. For instance, the Russia-Ukraine war impacted the Russian-Ukrainian tourist flow, while the price of oil hit \$100/barrel as a result of the Russia-Ukraine war and the Iranian Strait of Hormuz crisis.

Müberra Eresin, the president of the Turkish Hotel Owners Association TÜROB, who presented the strategic plan for the development of the Turkish hotels sector until 2028, commented on the recent problems of the industry, saying:

"2026 has been a challenging year for the tourism sector. Although the number of visitors has been at a record level, the overall revenue and profitability of the sector have been under pressure. The revenue per occupied room has not increased by the same margin as the growth of occupancy. Although we managed to reach the peak season in September and October, it is expected that the 2026 holiday season will pass away quietly. We believe that Christmas will generate sufficient revenue, as the big hotels in Istanbul are preparing a vibrant holiday season to attract international tourists."

Currency and Cost Pressures

The key reason behind the low revenues, despite the high occupancy rates reported by Turkish hotels, is the fact that the lion's heart of the revenue is in foreign currency, while the expenses are predominantly in local currency. The limited devaluation of the Turkish lira and inflation undermine the profitability of the sector.

In addition, the number of foreign tourists is also down, compared to previous years. According to the Ministry of Culture and Tourism, the number of foreign tourists arriving in Turkey decreased by

0.03% in August 2026, compared to the same month of the previous year.

Thus, 6,963,065 foreigners visited Turkey in August 2026. Consequently, the total number of foreign visitors for the first eight months of 2026 is 34,826,677, which represents a decrease of 1.84% compared to the first eight months of 2025. İstanbul continues to be the favorite destination of foreigners, followed by Antalya and Edirne.

Margins Under Scrutiny

Mehmet İşler, president of Aegean Tourism Businesses and Accommodation Association (ETİK), says that the problems of low profitability have become more severe than ever.

Although the prices of hotel rooms in Turkey have gone up, the increase of salaries, energy, food and beverage, maintenance, financing, and reservation costs deteriorated the profitability of the sector.

“The most crucial point in the future period, which we call 2026, is that the questions we ask have changed. In the coming period, in addition to the questions of how many tourists came, how many rooms were occupied, and how much turnover was made, we must raise issues such as what was the real profitability of the tourism business, how much net income was achieved per room, and whether this income can be sustained,” İşler emphasizes.

Evolving Inbound Tourist Behavior

Furthermore, according to İşler, the current trends in tourists’ behavior require more attention.

“A more significant part of tourists now come to make a deal. They compare prices and evaluate them in terms of price-quality. In other words, they come with a choice. Another consequence of this is that they make their decisions later. **As a result, a significant increase in last-minute bookings compared to previous years is observed.** These trends require more flexible management approaches in terms of staff and receivables. After all, in the current environment, the most important thing is to ensure the sustainability of the hospitality business,” İşler explains.

It is expected that 2027 will also be a year of uncertainties for Turkish tourism, as well as for many other industries. The calm environment that the tourism sector hopes for is, first of all, an end to the Russia-Ukraine war and a resolution of the Iranian Strait of Hormuz issue. In the meantime, Turkish hospitality businesses will orient themselves towards the sustainability of profitability in the context of inflation and exchange rate problems rather than the number of tourists.

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