

European hotels waiting for recovery

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Only 2 % of European hotel executives expect stable growth of revenue already this year. Whereas in 2009, 37 % forecast growth for this year. Regular survey “DLA Piper European Hospitality Outlook Report“ by international law firm DLA Piper indicates this. 417 European hotel executives were interviewed in 2010. “Our survey has shown that the mood in the hotel sector is even worse than a year ago. This sector is among the most affected areas of business activity as company clients cut down travelling and marketing event costs due to the economic recession. Volcanic eruption consequences in Iceland, Greek debt crisis and fear of its spread across Europe have supported this trend,“ says Martin Severa from DLA Piper Prague LLP.

Prices of hotel services will reach the pre-crisis level in 2012 at the earliest, according to the DLA Piper survey. It is assumed by up to 55 % of hotel management. Up to 80 % of hotel managers confirm that large chains will try to take over smaller competitors. 66 % say that the market share of large chains will strengthen during 2010. 27 % of European hotel managers remain optimistic in the investment sector despite everything. Large hotels are planning to expand in countries like China and India.

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