

Press Release

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KOF Tourism Forecasts for Switzerland

The strength of the Swiss franc and the resulting weak domestic economy are placing a strain on the tourist industry. Following two years of recovery, this year will record a decline in overnight stays. Although the impact of the Swiss franc shock was less pronounced than anticipated in spring, individual regions have experienced a significant drop in demand from Europe. Nevertheless, the economic outlook is moderately positive and a slight recovery is expected for the coming two tourist years. For 2016, the forecast projects a 1.6% increase in overnight stays rising to 2% in 2017.

2015 summer season: overnight stays stagnate

The record of the summer season was patchy: due to the hot weather, more Swiss tourists holidayed in Switzerland than in the past year. Visitor numbers from the Euro area, on the other hand, declined – in some cases considerably. Rising numbers of overnight stays of tourists from overseas markets in Asia and the Arab region did not fully compensate for this drop. Current estimates anticipate a stagnation in overnight stays. A shift in the tourist structure led to rising demand in urban areas. Regions that focus on the holiday business, as well as the region of Ticino, recorded a decline in overnight stays.

2015/2016 winter season: domestic demand up, foreign demand down

Due to the strong Swiss franc, fewer visitors from the Euro area will spend their winter holidays in Switzerland. The slight improvement in the European economy combined with rising demand from the UK, the USA and other overseas markets will offset the drop in price-sensitive guests at least to some degree. The number of foreign overnight stays will nevertheless decline. Thanks to a slightly more positive outlook for the Swiss economy, demand among domestic tourists will rise. All in all, KOF anticipates further stagnation in the Swiss tourist industry in the coming winter season.

Tourism value added

Total tourist demand this year is set to drop by 1.5%, primarily due to the decline in foreign demand. At the same time, gross value added will decrease by 2.7%. Following two forecast years with rising tourism value added in Switzerland, dynamics have slowed down this year as a consequence of price reductions caused by the Swiss franc shock. Since it is difficult to adjust intermediary inputs in the tourism industry in the short term, price reductions directly translate into lower margins and hence slower growth in gross value added.

Alpine winter sport tourism

A special analysis section examines the international and national trends in Alpine winter sport tourism. Compared to France and Austria, the other main winter sport destinations, Switzerland has lost market share over the last few years. One of the main reasons for this development is loss of price competitiveness. Both foreign and domestic tourists are price-sensitive and are shifting to other destinations. Within Switzerland, among the main winter sport regions of Valais, Grisons, Bernese Oberland and Central Switzerland, only the latter has managed to retain stable visitor numbers. However, the cost-effectiveness of lift operations has declined less swiftly than visitor numbers. In the coming winter season, KOF anticipates a 1.4% drop in visitors in the Alpine region.

The **Report** on the Tourism Forecasts for Switzerland is available at:

<http://www.kof.ethz.ch/en/media/press-releases/>

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KOF Tourism Forecasts are compiled on behalf of the State Secretariat for Economic Affairs (SECO). Thanks to the Swiss Federal Act on the Promotion of Innovation, Cooperation and Knowledge Creation in Tourism (Innotour), SECO is now in a position to fund tourism forecasts which are primarily intended for the Swiss tourist industry and the Swiss cantons.