

Press Release

Zurich, 31 October 2018, 10 a.m.

KOF Forecasts for Swiss Tourism: Swiss Tourism Has Turned the Corners

According to estimates by the KOF Swiss Economic Institute, the summer season went well. The outlook for the winter season is also positive. Swiss tourism has turned the corner. KOF expects overnight stays to increase by 2.7% in 2019 and by 2.4% in 2020. Swiss destinations have exercised price restraint over the past few years, which has improved their competitiveness. The strongest growth impulses continue to come from abroad, in particular from overseas markets.

Positive development in the summer

This summer, the healthy state of the global economy, the weaker exchange rate and the excellent weather all made for a positive Swiss tourism season. In particular, cities and the Alpine region registered increases in overnight stays. According to KOF's current estimate, the number of overnight stays has increased by approximately 3.1% compared to last year. The outlook for the coming years remains absolutely positive.

Good prospects for the winter season

Expectations for the coming winter season are also positive. Tourism demand will increase thanks to the positive economic situation at home and abroad. The appreciation of the Swiss franc, which has been in progress since the middle of the year, is likely to have a slightly dampening effect on demand from the eurozone. On the assumption of average weather conditions, an increase in overnight stays of 2.3% is expected for the coming winter season. It is thought that cities will continue to experience the strongest growth.

Forecast to 2020: Strongest impulses come from foreign guests

Following difficult years for Swiss tourism due to the strong franc and the economic struggles of the eurozone countries, which make up a substantial portion of total demand, last year the situation began to turn around. This year, tourism is thought to be securely back on track for a sustainable recovery. The prospects for the next two tourism years are bright. KOF predicts that overnight stays will increase by around 3.8% in the current tourism year, with growth flattening out over the next few years. For the tourism year 2019, an increase of 2.7% is forecasted. Internationally, tourism continues to be a growth industry. This is bolstered by the good performance of the global economy. After strong catch-up effects in the number of overnight stays by foreigners this year and last, this dynamic should gradually decrease over the forecast period. The highest increases will continue to come from overseas markets, in particular visitors from Asia and North America. Meanwhile, the recovery in the number of overnight stays by guests from the eurozone is expected to continue.

Mountain cable cars: Healthy figures thanks to good snow conditions

Thanks to the upswing in Swiss tourism and the good weather conditions, the number of initial entries to cable cars in the last winter season increased (+10.3%) for the first time in four years – and did so in all regions of Switzerland, according to figures from Seilbahnen Schweiz (SBS). The increase in tourism demand expected for the coming winter season should have a positive effect on initial entries to cable cars. KOF forecasts a slight increase of 0.3% in the coming winter season and of 0.8% in the one after that. Nevertheless, the longer-term trend for initial entries to cable cars remains slightly negative.

Once again, foreign guests spend more money on Swiss tourism

In 2017, the amount of money spent by foreign guests bounced back for the first time since the shock precipitated by the revaluation of the Swiss franc in 2015. Increasing demand from foreign tourists is expected to further increase this expenditure by 3.8% this year. Meanwhile, expenditure by domestic tourists is expected to grow by 3% this year. This and the slight depreciation of the Swiss franc are permitting prices to rise again in the tourism sector for the first time in a long while. Gross value added in tourism will increase by 3.6% this year.

Special analysis: Price development in tourism

Swiss tourism has had some tough years of late. In a special analysis, KOF investigated how prices have developed in tourism compared to the overall economy and to other tourism destinations. Price development is a critical factor for the earnings of tourism businesses such as hotels. Measured against consumer prices, prices in the tourism industry were stagnant over the past few years, and since 2010 the overall trend has been downward. In the accommodation sector, there has been a marked fall in prices since 2015, and current prices still lag some 5% behind 2010 levels. In neighbouring countries, tourism industry prices have risen by around 30-35% since 2005. In Switzerland, prices have increased by 10% over the same period. This price restraint means the Swiss tourism sector has managed to claw back some of the competitiveness it lost as a result of the revaluation of the franc. By virtue of the positive developments in recent times, tourism businesses have been able to raise prices and improve their earnings.

The full report on forecasts for Swiss tourism in German or French is available here:

<http://www.kof.ethz.ch/en/news-and-events/media/press-releases.html> →

Further information regarding the KOF Forecasts for Swiss Tourism are available at:

<https://www.kof.ethz.ch/en/forecasts-and-indicators/forecasts/kof-forecasts-of-tourism-in-switzerland.html> →

The KOF tourism forecasts are prepared on behalf of the State Secretariat for Economic Affairs (SECO). SECO is in a position to finance tourism forecasts via the Swiss Federal Act on the promotion of innovation, cooperation and the expansion of expertise in the tourism sector (Innotour). The primary addressees of the tourism forecasts are the tourist sector and the cantons.

Contacts

Florian Hälg | Tel. +41 44 632 84 61 | haelg@kof.ethz.ch

Corporate Communications | Phone +41 44 633 99 48 | kofcc@kof.ethz.ch