

AUSTRIAN HOTEL INDUSTRY REPORTS DECLINING RESULTS DESPITE RISING OCCUPANCY



The Hotel Fitness Check 2024 delivers alarming results regarding the Austrian hotel industry. Despite a 10 percent increase in occupancy across 3- to 5-star hotels, operating results are falling.

Detailed analyses of almost 800 balance sheets confirm what has long been a secret in the industry. Companies are particularly burdened by sharply increased employee and energy costs—even though energy efficiency has improved. Half of the energy comes from cheap alternative sources.

A Wake-up Call to Politicians

Walter Veit, President of the Austrian Hotel Association, sees a clear need for politicians to take action: "Austria is at the top internationally regarding employee costs and at the bottom regarding what employees have left in their wallets at the end of the month. That has to change, and politicians know that!"

When it comes to energy costs, the situation and the outlook are even worse: "On the one hand, the population and the economy have to swallow enormous price increases; on the other, energy suppliers close to politics first post record profits in the middle of the crisis and then have the nerve to increase network costs."

Politicians Must Act Quickly

In addition to the actions that companies can take to optimize costs, it is also crucial for politicians to implement effective measures. When operating results decline despite increasing demand—evidenced by higher occupancy rates and increased overnight stays—it signals the need to change the framework conditions.

Accurate relief measures must be enacted for the Austrian hotel industry, including shortening the depreciation period and strengthening equity. **Only by doing this can the hotel industry, a key driver of Austrian tourism and a guarantor of regional value creation and employment, operate sustainably from a business perspective.**

If the new government does not act quickly and decisively, the Austrian hotel industry will continue to lose ground.

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