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**Demand for Overnight Stays in Austria
in 2024 Higher Than Before
the COVID-19 Pandemic**

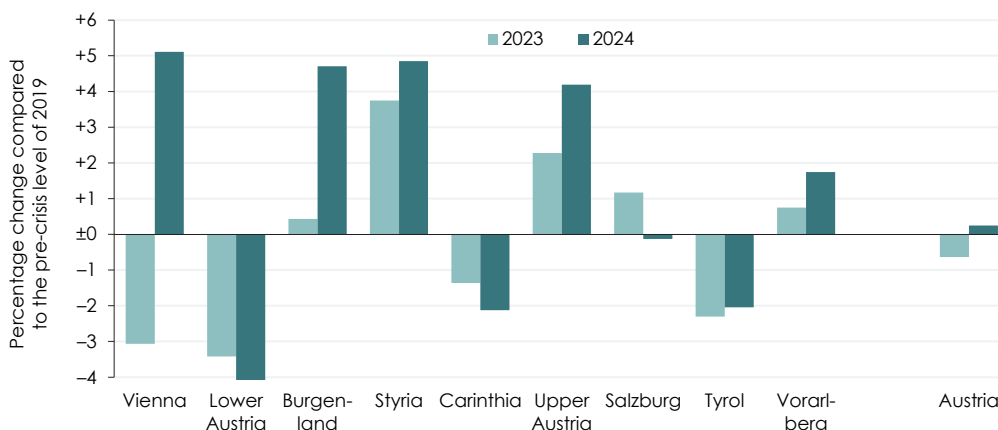
Oliver Fritz, Sabine Ehn-Fragner

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- The upward trend in global tourism continued after the pandemic: although the number of international arrivals in 2023 was still 10.9 percent below the 2019 level (after -33.5 percent in 2022), the catch-up process should be completed by 2025 at the latest.
- At -3.1 percent (2019-2023), the shortfall in guest arrivals from abroad in Austria was lower than in a global comparison and in Europe as a whole (-4.7 percent). From January to September 2024, the pre-crisis level was already exceeded by 2.6 percent.
- The largest gaps in overnight stays in 2023 were observed in Lower Austria (-4.4 percent) and Tyrol (-3.0 percent), Styria was the most successful (+3.3 percent). In 2024 to date, only Lower Austria, Carinthia and Tyrol (-2.0 to -4.5 percent) were still lagging behind 2019, while Vienna had already exceeded the previous level by 5.1 percent (Austria +0.2 percent).
- While domestic tourism was the mainstay in the pandemic years of 2020 and 2021, the recovery process since 2022 has been driven by foreign demand. In addition, the recovery is progressing much faster in the summer season than in winter.
- According to WIFO estimates, the number of overnight stays in 2024 is likely to have exceeded the previous peak of 2019 by 0.3 percent. The total value of travel revenue (including day trips) is likely to have been almost 17 percent higher than before the COVID-19 crisis due to the strong price increase. In volume terms, however, revenue is expected to have fallen by a good 14 percent.

Development of overnight stays from January to September



"Lively demand in the summer favours the recovery of the tourism industry in Austria, while the pre-crisis level has not yet been reached in the winter season. Vienna and Styria are currently the federal provinces with the highest growth dynamics."

From January to September 2024, the number of overnight stays in Austria exceeded the pre-crisis level of 2019 for the first time (+0.2 percent). In the same period in 2023, there was still a shortfall of 0.6 percent, in 2022 almost 11 percent (source: Statistics Austria; WDS – WIFO Data System, Macrobond).

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Oliver Fritz, Sabine Ehn-Fragner

December 2024

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Despite the difficult environment (war in Ukraine, inflation), the recovery of the Austrian tourism industry is progressing rapidly after overcoming the pandemic. In 2023, only 1 percent of the 2019 overnight stays were missing across Austria, although there were major regional differences: while Styria already recorded 3.3 percent more overnight stays than in 2019, there was still a gap of 4.4 percent in Lower Austria. Demand recently developed particularly dynamically in Vienna (January to September 2019-2024 +5.1 percent), where the slump was most drastic during the pandemic years. Although the increase in demand across Austria is associated with growing nominal revenue (2023 +16.8 percent compared to the previous year, 2019-2023 +10.3 percent), if the high inflation rates of recent years are taken into account, revenue in 2023 was still 14.9 percent lower than in 2019 – an indication that guests are paying more attention to their budgets despite the unabated desire to travel.

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1. International tourism remains on a growth path

While the global gap to the pre-crisis level of international arrivals was still 10.9 percent in 2023, it had already fallen to 3.9 percent by January to July 2024. The catch-up process should be completed by 2025 at the latest.

From the 1990s onwards, tourism experienced continuous growth worldwide. It was a key driver of economic development, favoured cultural exchange and enabled the creation of jobs. Despite numerous challenges, this growth trend remained largely unbroken for a long time. Although minor crises had a short-term impact on demand, they did not have a lasting effect on the global upward trend in tourism: while there was considerable uncertainty following the terrorist attacks of 11 September 2001, the increased security measures – particularly in international air travel – allowed a rapid recovery. Tourism also proved to be robust during the financial market and economic crisis of 2008-09: after a brief decline, growth quickly resumed, supported by rising demand from emerging markets and the increasing affordability of travel.

It was the COVID-19 pandemic that caused international tourism to collapse. Global travel restrictions and health concerns among guests led to an unprecedented decline in tourist activity worldwide. Hotels,

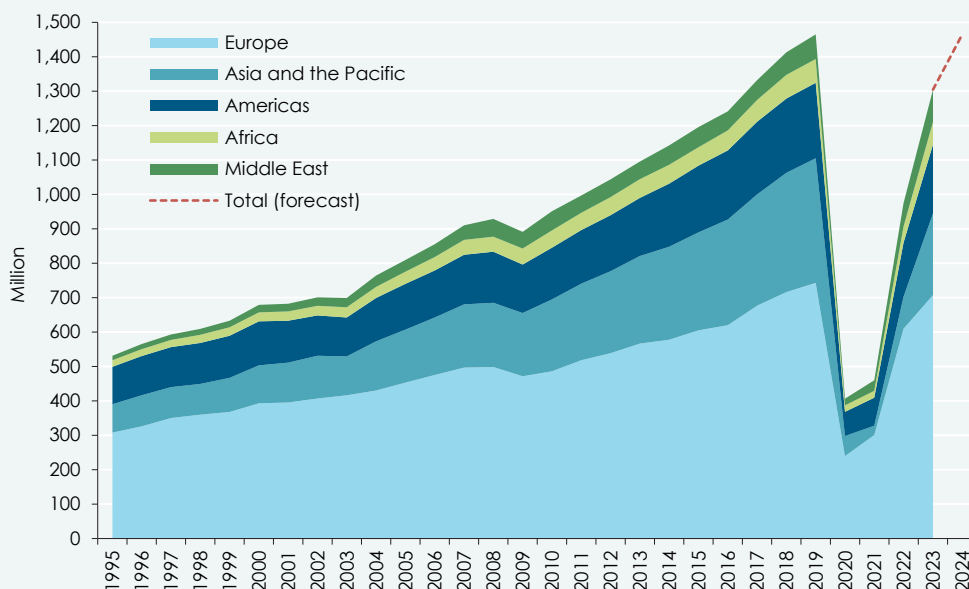
airlines and tour operators faced enormous challenges and many regions that were heavily dependent on tourism ran into difficulties due to the huge drop in visitor numbers. Nevertheless, tourism proved to be resilient even during that crisis. The recovery began relatively quickly after travel restrictions were eased and progress was made in vaccinating the population. The industry adapted to the new circumstances by stepping up health and safety measures and relying more heavily on digital technologies to regain the trust of travellers. Demand was also fuelled by social developments: whereas travelling was once considered a luxury item, it increasingly became an integral part of household consumption plans. This change in consumer behaviour is likely to be essential for the resilience of tourism in crises.

In terms of global international arrivals, the gap to the pre-crisis level of 2019 has not yet been fully closed, but it has been shrinking continuously since 2022 from –33.5 to –10.9 percent (2023) and most recently

to -3.9 percent (January to July 2024; Figure 1)¹. UN Tourism even expects the original

2019 mark to be reached in 2024 as a whole.

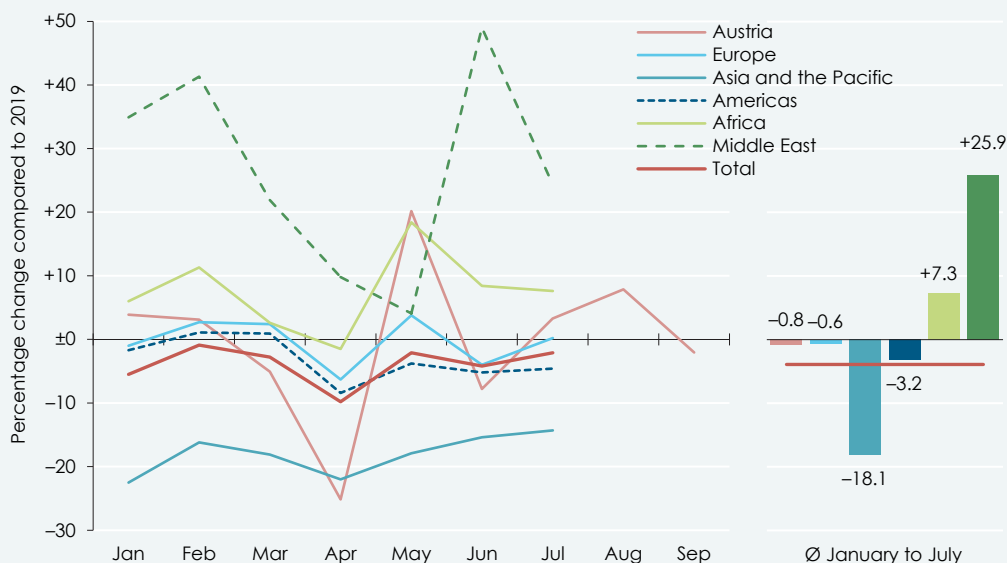
Figure 1: **Development of international tourist arrivals by world region**



Source: UN Tourism. 2023: provisional, 2024: forecast (as of September 2024).

Figure 2: **Monthly development of international tourist arrivals in Austria and by world region**

2024



Source: Statistics Austria, UN Tourism. World regions: provisional values (as of September 2024).

The recovery in foreign demand varied by region in the first seven months of 2024 (Figure 2); while arrivals in Europe and North America had already almost reached pre-

crisis levels (-0.6 and -3.2 percent respectively), Asia and the Pacific region still had almost a fifth of catching up to do (-18.1 percent). The main reason for this is

¹ The present analysis of world tourism is limited to data on foreign demand; domestic demand, which is of very different importance in the individual

destination countries, is not taken into account, so that unfortunately a complete picture of the development of tourism cannot be derived from the data.

likely to be the still noticeably subdued demand from China. Africa and the Middle East, on the other hand, are booming (January to July 2019-2024 +7.3 and +25.9 percent respectively).

After overcoming the COVID-19 crisis, the tourism industry is already facing the next challenges, particularly with regard to sustainability and the economic, social and

political upheavals that advancing climate change will bring in the medium to long term. In the short term, the current economic environment will also have a dampening effect on the growth of global tourism: in Europe, many economies are in recession. Uncertainty about future economic development is leading to consumer restraint, which means that guests are also spending less on travel activities.

2. Austria's position in international European travel

2.1 Nominal revenue from international travel in Austria and the EU already above pre-crisis levels

2021, with urban destinations and winter tourism particularly affected.

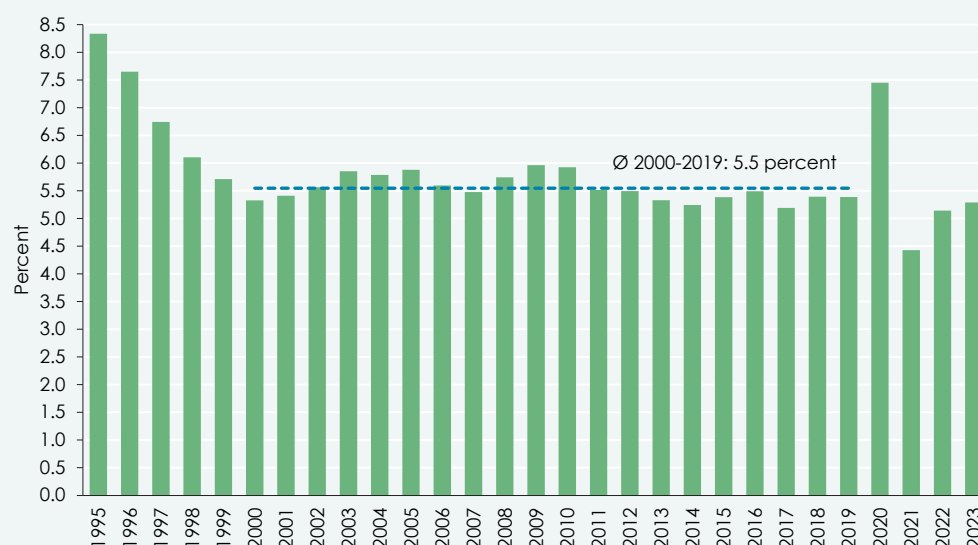
Measured in terms of nominal travel exports of the EU 27, Austria's market share was very stable between 2000 and 2019, averaging 5.5 percent. Due to the lockdown-related cancellation of the 2020-21 winter season, which could not be fully compensated for by brisk demand in the following summer, the market share temporarily fell to around 4.4 percent in 2021, but already exceeded the 5 percent mark again in 2022 and 2023 (Figure 3).

Austria's travel exports in 2023 exceeded the 2019 volume by 7.6 percent in nominal terms. At 5.3 percent, the market share within the EU 27 was only slightly below the long-term average.

In the years before the COVID-19 pandemic, Austria's tourism sector had grown steadily. This was fuelled by a very diverse offering and the fact that Austria is an attractive destination for both domestic and foreign guests not only in summer but also in the winter months. As a result of the pandemic, however, Austria also experienced a dramatic decline in tourism activity in 2020 and

Figure 3: Austria's market share in international European travel

Measured in terms of nominal travel exports of the EU 27



Source: IMF; OeNB; Statistics Austria; UN Tourism; wiw; WIFO calculations; WDS – WIFO Data System, Macrobond. Excluding international passenger transport.

While Germany, one of the most important tourism destinations in the EU 27, lost market share in 2022 and 2023, the other major tourism countries – France, Italy and Austria – have been able to keep their nominal shares relatively stable since 2019 (Figure 4). Spain (2023: 19.7 percent), Europe's most important tourism country in terms of market share, and Portugal (5.8 percent) recently recorded significant gains – both countries

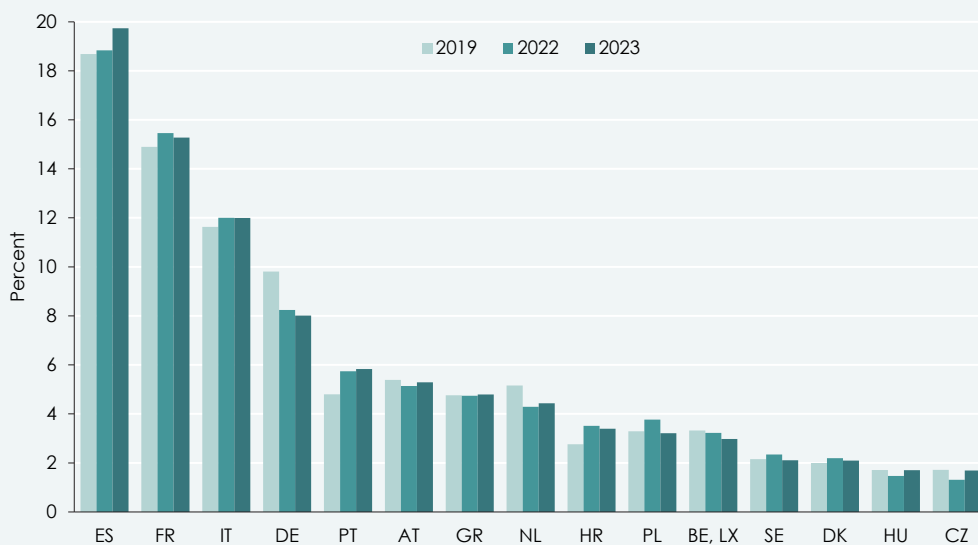
were able to increase their EU-wide export value by a good 1 percentage point. Portugal thus displaced Austria from 5th place (2019 and 2020) to 6th place (2022 and 2023).

In total, the value of travel exports in the EU 27 was 9.6 percent higher in 2023 than in 2019, compared to just 7.6 percent in Austria. The highest increases were achieved by

Portugal (+33.2 percent), Romania (+39.4 percent, albeit with low volumes) and Croatia (+34.9 percent). Germany (-10.5 percent) and the Netherlands (-5.8 percent) are among the few countries that recorded declines in the value of international travel exports in 2019-2023. However, due to the high price increases, the

travel receipts in real terms remained below the pre-crisis level even in many countries with nominal growth – this also applies to the EU 27 as a whole, where price-adjusted expenditure on international travel services was still lower in 2023 than before the pandemic.

Figure 4: **The 15 EU countries with the largest market shares in international European travel**
Measured in terms of nominal travel exports of the EU 27



Source: IMF; OeNB; Statistics Austria; UN Tourism; wiiw; WIFO calculations; WDS – WIFO Data System, Macrobond. Excluding international passenger transport. Ranked by market share in 2023.

2.2 Price increases weaken the competitiveness of Austrian tourism

The relative price development in Austria's accommodation and food service activities compared to other European countries points to possible problems with regard to the current and, above all, future competitiveness of the Austrian tourism industry (Figure 5). The (harmonised) cumulative inflation in Austria in 2015-2023 was far higher than in the EU 27 (accommodation +50.8 to +37.4 percent, food service activities +46.5 to +30.3 percent).

The above-average price increases in the two core areas of domestic tourism are due

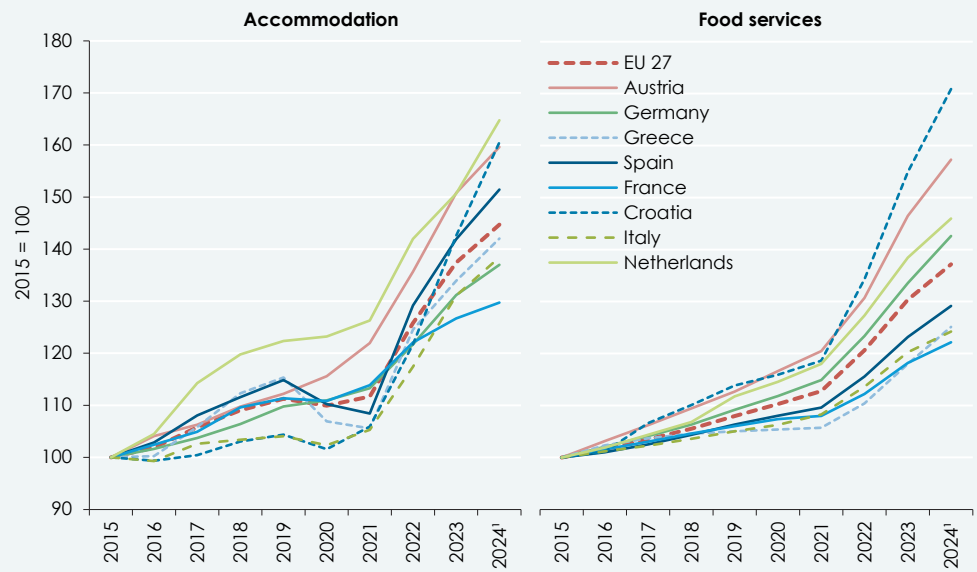
to various factors: in addition to booming demand, which generally also leads to higher prices, rising operating costs (especially for energy) as well as higher income and investments². As Figure 6 illustrates, the price level in Austria was already well above that of the EU 27 in 2019 (adjusted to purchasing power parities). The trend in 2023 suggests that the downward correction caused by the pandemic was only temporary. Even though Austria has undoubtedly invested a great deal in the quality of its tourism offering, high and rising prices could have a deterrent effect, especially on price-conscious travellers who prefer cheaper alternatives abroad.

² In 2022, the share of investments in total revenue from accommodation and food service activities was around 9.9 percent, compared to just 5.1 percent in the total economy. Even in the years before the

pandemic, more was invested in tourism than in the total economy (source: Statistics Austria, Performance and Structural Survey).

Figure 5: **Harmonised consumer prices in accommodation and food services**

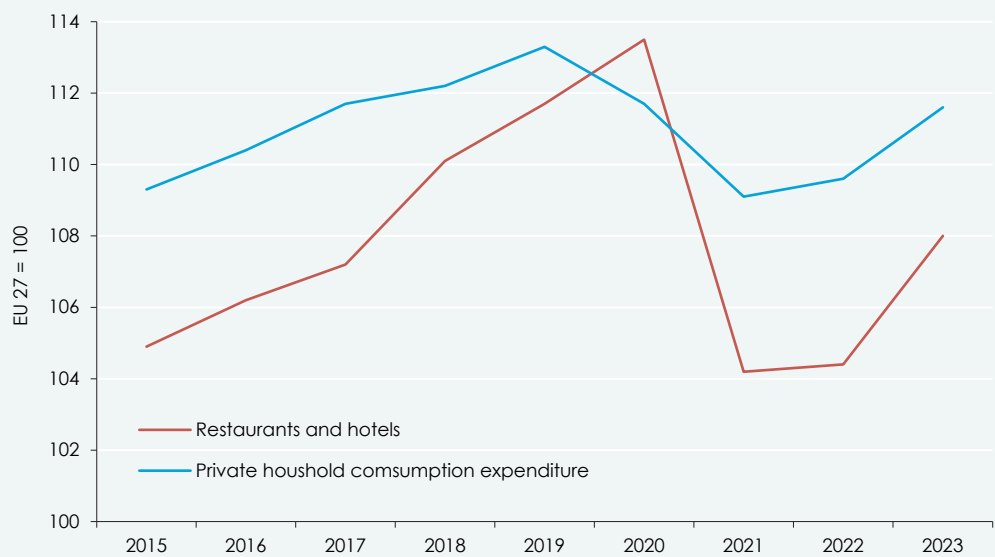
On a Euro basis



Source: Eurostat; ECB; IMF; WIFO calculations; WDS – WIFO Data System, Macrobond. – ¹ Estimate based on the average development from January to September.

Figure 6: **Comparative price level indices for Austria**

At purchasing power parities, relative to the EU 27



Source: Eurostat; WDS – WIFO Data System, Macrobond.

3. Recovery of tourism is progressing

3.1 International guests brought Austria strong growth in overnight stays in 2023

In 2023, domestic tourism largely overcame the impairments and uncertainties in the wake of the pandemic, geopolitical conflicts and high inflation. The recovery progressed rapidly, at least in terms of guest arrivals and overnight stays. While the demand

gap in 2022 was still more than a tenth of what it was in 2019, it narrowed to 2.1 percent (arrivals) and 1.0 percent (overnight stays) in 2023. In summer 2023, a new high was even reached and the 80-million-mark was exceeded for the first time with a good 80.9 million overnight stays.

In the 2023 calendar year, domestic guests closed the gap to 2019 at a faster rate (–0.1 percent, +2.6 percent year-on-year) than foreign travellers (–1.3 percent, +13.5 percent year-on-year). The unfavourable economic conditions had a dampening effect, particularly the high price increases, which led to falling real incomes. Although this hardly dampened the desire to travel, it did dampen the propensity to spend: price-adjusted sales in travel as a whole were still 14.9 percent below the 2019 level in 2023 (2019–2022 –19.3 percent; Table 1).

The origin structure of guests normalised again in 2023: while 37.2 percent of overnight stays in Austria were attributable to domestic guests at the peak of the pandemic

in 2021, the share in 2023 (26.4 percent) was the same as in 2019 (26.2 percent). Within the foreign guest segment, however, there were shifts in favour of neighbouring countries of origin, whose weighting of overnight stays rose from 46.7 percent (2019) to 47.5 percent. In contrast, the importance of long-distance markets declined significantly (from 5.9 to 5.0 percent), mainly due to the continued massive drop in demand from China (2019–2023 –76.2 percent), Japan (–65.1 percent) and South Korea (–31.7 percent), which could not be compensated for by growth from the USA (+1.9 percent) and the Arab region (Saudi Arabia and United Arab Emirates Ø +27.3 percent) and Israel (+22.5 percent; Figure 7).

All nine federal provinces saw an increase in overnight stays in 2023 compared to the previous year, with four exceeding the 2019 level. City tourism in Vienna grew extremely dynamically (+30.7 percent compared to 2022) despite continued weakening demand from parts of Asia.

Table 1: **Overnight stays and tourism receipts in Austria**

	Overnight stays			Tourism receipts					
	From domestic tourists	From foreign guests	Total	Domestic		International ¹		Total ¹	
	In 1,000			Nominal	In real terms ²	Nominal	In real terms ²	Nominal	In real terms ²
	Million €								
2010	35,024	89,857	124,881	5,442	6,257	15,706	17,862	21,148	24,119
2015	36,425	98,824	135,249	6,008	6,008	18,356	18,356	24,364	24,364
2016	38,014	102,863	140,877	6,283	6,123	18,954	18,554	25,237	24,676
2017	38,523	105,977	144,500	6,471	6,123	19,954	18,936	26,425	25,059
2018	39,390	110,430	149,819	6,716	6,153	21,408	19,738	28,124	25,890
2019	39,944	112,765	152,709	6,890	6,204	23,130	20,931	30,020	27,135
2020	31,596	66,280	97,876	5,326	4,716	13,437	11,960	18,763	16,676
2021	29,599	49,964	79,563	5,310	4,547	10,167	8,745	15,477	13,292
2022	38,881	98,031	136,912	7,309	5,631	21,020	16,267	28,329	21,897
2023	39,908	111,261	151,169	7,684	5,342	25,419	17,752	33,103	23,093
2024 ³	40,048	113,043	153,091	7,994	5,286	27,001	17,936	34,995	23,222
	Percentage changes from previous year								
2010	+ 1.7	– 0.0	+ 0.5	+ 1.3	– 1.3	+ 2.2	+ 0.4	+ 1.9	– 0.1
2015	+ 2.1	+ 2.7	+ 2.5	+ 4.2	+ 2.0	+ 5.2	+ 3.4	+ 5.0	+ 3.1
2016	+ 4.4	+ 4.1	+ 4.2	+ 4.6	+ 1.9	+ 3.3	+ 1.1	+ 3.6	+ 1.3
2017	+ 1.3	+ 3.0	+ 2.6	+ 3.0	+ 0.0	+ 5.3	+ 2.1	+ 4.7	+ 1.6
2018	+ 2.2	+ 4.2	+ 3.7	+ 3.8	+ 0.5	+ 7.3	+ 4.2	+ 6.4	+ 3.3
2019	+ 1.4	+ 2.1	+ 1.9	+ 2.6	+ 0.8	+ 8.0	+ 6.0	+ 6.7	+ 4.8
2020	– 20.9	– 41.2	– 35.9	– 22.7	– 24.0	– 41.9	– 42.9	– 37.5	– 38.5
2021	– 6.3	– 24.6	– 18.7	– 0.3	– 3.6	– 24.3	– 26.9	– 17.5	– 20.3
2022	+ 31.4	+ 96.2	+ 72.1	+ 37.7	+ 23.8	+106.7	+ 86.0	+ 83.0	+ 64.7
2023	+ 2.6	+ 13.5	+ 10.4	+ 5.1	– 5.1	+ 20.9	+ 9.1	+ 16.8	+ 5.5
2024 ³	+ 0.4	+ 1.6	+ 1.3	+ 4.0	– 1.0	+ 6.2	+ 1.0	+ 5.7	+ 0.6

Source: Statistics Austria; OeNB; WIFO; WDS – WIFO Data System, Macrobond. – ¹ Including international passenger transport. – ² At 2015 prices. – ³ Forecast: as of 9 December 2024.

The most important foreign source markets in Austrian tourism also show different demand dynamics: while guests from Germany (+1.3 percent), the Netherlands (+7.3 percent) and the CEEC 5 (Ø +9.7 percent) already stayed overnight in Austria more frequently in 2023 than in 2019, there was still a need to catch up for tourists from Italy (–8.5 percent), Switzerland (–10.9 percent) and the UK (–11.6 percent).

Austria's tourism offering is regionally very diverse and includes major city destinations as

well as culinary, lake and spa regions in addition to alpine areas. As a look at tourism development at a small-scale level shows, 2023 was above all the year of resurgent city tourism: while Viennese accommodation in 2022 was still a quarter short of the previous overnight stay peak of 2019, the gap was closed to 2.0 percent in 2023. In the months of July, September and December 2023, demand for overnight stays in Vienna was already well above the pre-crisis level.

Figure 7: Structure of overnight stays in Austria according to the distance of the source markets

2023

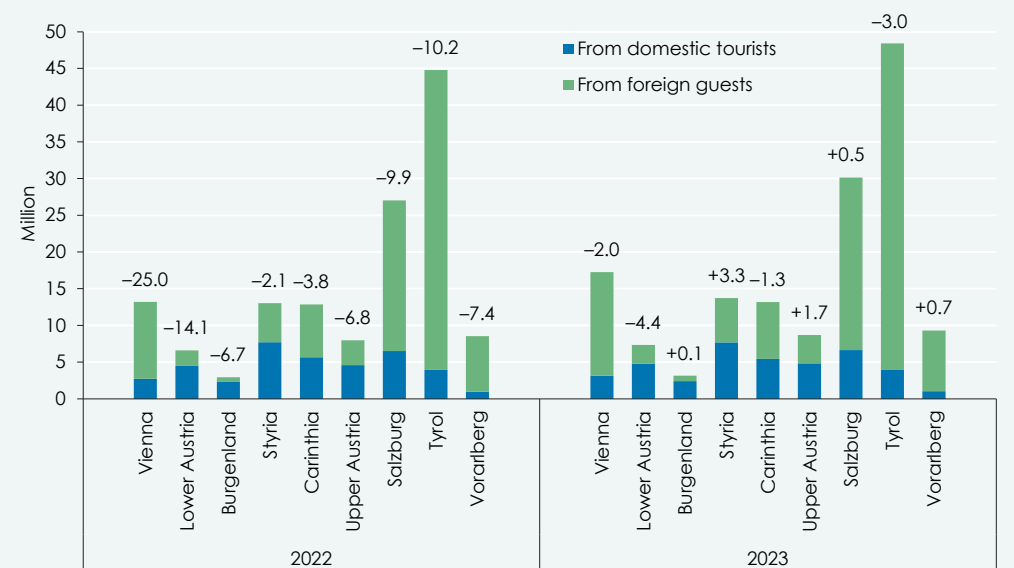


Source: Statistics Austria; WIFO calculations; WDS – WIFO Data System, Macrobond.

In other federal provinces, the gap to the (high) level of overnight stays in 2019 was also further reduced in 2023 (Lower Austria –4.0 percent, Tyrol –3.0 percent, Carinthia –1.3 percent) or exceeded it

again for the first time (Styria +3.0 percent, Upper Austria +1.7 percent, Vorarlberg +0.7 percent, Burgenland +0.1 percent).

Figure 8: Overnight stays by federal provinces and source market



Source: Statistics Austria; WDS – WIFO Data System, Macrobond. The values shown above the columns indicate the percentage change in total overnight stays compared to 2019.

3.2 Seasonal and regional development

3.2.1 Winter season 2023-24

From November 2023 to April 2024, almost 71.1 million overnight stays were recorded in Austrian accommodation establishments. Demand therefore increased by 2.5 percent year-on-year, but was still 2.5 percent below the previous peak of the 2018-19 season (72.9 million) before the COVID-19 pandemic. In terms of guest nationality, the international and domestic markets developed very similarly compared to winter 2022/23 (+2.5 and +2.6 percent respectively), while domestic tourism was more favourable compared to the 2018-19 season (-1.7 percent, foreign travellers -2.7 percent).

As arrivals increased more strongly than overnight stays (domestic travellers +3.0 to +2.6 percent, international guests +6.2 percent to +2.5 percent), the length of stay in winter 2023-24 shortened year-on-year in both guest segments, by 1.2 percent to just under 2.7 nights for domestic guests and by 3.4 percent to around 3.9 nights for foreign guests. However, with an average length of stay of 3.6 nights, guests stayed in accommodation for the same total length of time as in 2019.

With the exception of Salzburg (-0.2 percent), the winter overnight stays balance in 2023-24 was better than in the previous year in all federal provinces – the increases ranged from 1.2 percent in Tyrol to 12.5 percent in Vienna (Austria +2.5 percent). In the five-year period, however, there was still a need to catch up in five federal provinces, especially in Lower Austria and Tyrol (-6.5 and -5.5 percent respectively). In Burgenland (+2.8 percent) and Vienna (+3.5 percent), the number of overnight stays was already significantly higher than in winter 2018-19. In addition, the regional dynamics diverged significantly by guest segment: in Burgenland, Styria and Salzburg, the number of international overnight stays developed more favourably than domestic demand compared to pre-crisis levels – contrary to the national trend – while Tyrol showed a similar balance in both origin markets (domestic -5.4 percent, foreign -5.5 percent). The biggest drop in overnight stays compared to winter 2018-19 among domestic and foreign travellers was in Lower Austria (-6.1 and -7.5 percent respectively). In contrast, the highest percentage gains were achieved by domestic guests in Vienna (+9.7 percent) and by foreign travellers in Burgenland (+16.3 percent; although the regional significance of international guests was very low).

3.2.2 Summer season 2024

In the 2024 summer season (May to September), which was only incompletely recorded at the time of writing, domestic accommodation establishments counted a good 72.5 million overnight stays, 0.4 percent more than in the previous year (+3.0 percent compared to the same period in 2019). Demand in the first five summer months was only brisker in 1980 and 1981 (74.4 million each) and 1972 (74.6 million), the year with the highest number of overnight stays on record since 1959.

The increase in overnight stays in summer 2024 is due to lively demand from abroad (May to September: 51.8 million, +0.8 percent year-on-year), while domestic tourism declined (20.8 million, -0.6 percent). The latter had reached its previous high of just under 21.4 million overnight stays (May to September) in summer 2022; in 2024, the volume was 2.7 percent lower. The decline in domestic demand is likely due not only to the deterioration in the price competitiveness of the Austrian tourism industry, but also to the rediscovered desire to travel abroad, which was dampened during the pandemic and in subsequent years. In contrast, the number of overnight stays by foreign guests from May to September 2024 was the highest in over three decades – the last time there was stronger international demand in the comparable months of 1990 to 1992 with 52.3 million to 55.1 million, but the historical peak is even further back (1972: 59.8 million).

After guest arrivals increased more strongly than overnight stays (+1.8 percent; domestic travellers +0.2 percent, foreign guests +2.6 percent), the average length of stay in the same accommodation from May to September 2024 fell by 1.4 percent year-on-year to 3.1 nights, which corresponds to the pre-crisis figure from 2019. The long-standing trend towards more frequent but shorter trips, which was only interrupted in the pandemic years, thus continued.

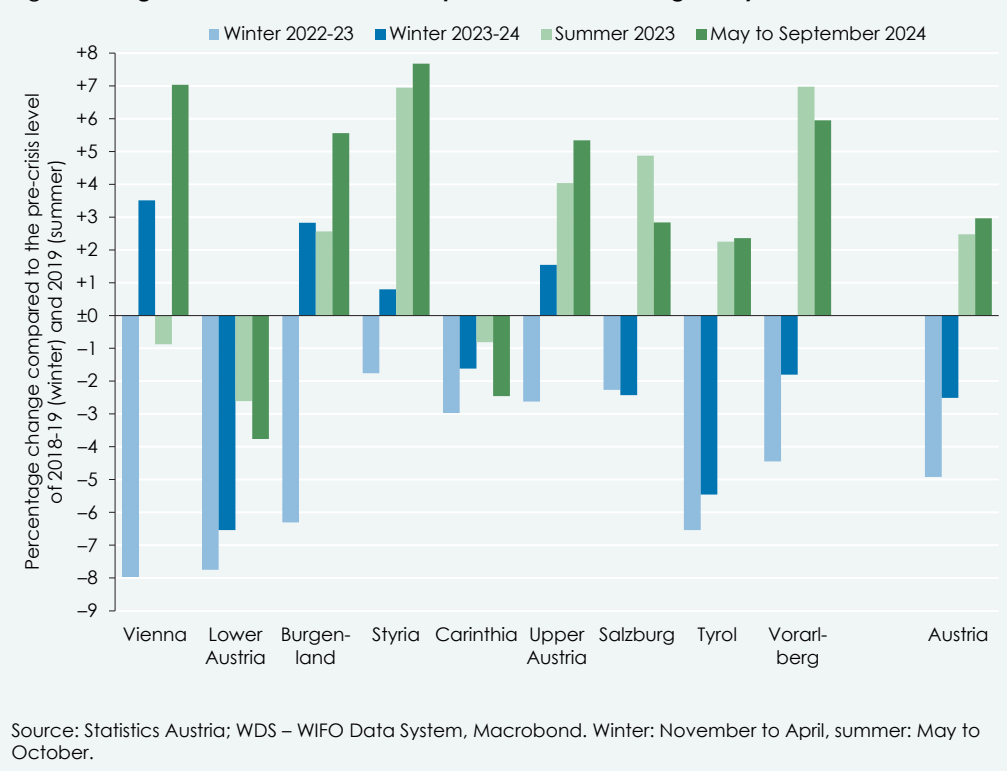
Regional demand trends in the first five summer months of 2024 were very mixed compared to the previous year: only four federal provinces achieved growth in overnight stays (Vienna +7.8 percent, Burgenland +2.7 percent, Styria +0.9 percent, Upper Austria +0.8 percent), with Vienna also setting a new absolute record. Excluding the federal capital, the number of overnight stays in Austria declined (-0.6 percent compared to the previous year). Demand in Salzburg and Lower Austria remained the most significantly below the previous year's figures at -1.0 percent, while Tyrol, Vorarlberg and Carinthia fell 0.3 to 1.2 percent short of the

The 2023-24 winter season brought growth for tourism, but the number of overnight stays did not quite reach the level of 2018-19 (-2.5 percent). In the 2024 summer season to date (May to September), on the other hand, 72.5 million overnight stays were achieved, a figure similar to that last seen in 1991 (72.2 million).

May to September 2023 level. In these five federal provinces, both domestic and foreign guests stayed overnight less frequently than in the first five summer months of 2023. Upper Austria and Styria were able to compensate for the decline in domestic travellers with increased demand from abroad, while Burgenland and Vienna achieved

growth in both market segments. Compared to the same period in 2019, only Lower Austria and Carinthia saw fewer overnight stays from May to September 2024 (-3.8 and -2.5 percent respectively), although the need to catch up has increased even further since summer 2023 (-2.6 and -0.8 percent respectively; entire season; Figure 9).

Figure 9: Regional and seasonal development of total overnight stays



Demand for commercial holiday dwellings rose sharply again in 2023 and also in 2024 to date. In the hotel industry, there has recently been a trend towards higher-quality accommodation.

3.2.3 Demand structure by accommodation type

All types of accommodation benefitted from the recovery of the Austrian tourism industry in 2023. The trend remained strong for commercial holiday dwellings (+19.4 percent year-on-year), as well as hotels in the budget and mid-range categories (2/1-star +15.5 percent, 3-star +10.0 percent), while 5/4-star establishments recorded below-average growth (+8.4 percent).

However, this changed in the 2023-24 winter season, in which the high-priced 5/4-star hotel industry performed better (+3.3 percent compared to 2022-23) than 3-star and 2/1-star establishments (-1.0 percent and +2.2 percent respectively). This trend reversal continued even more clearly in the (provisional) 2024 summer season, especially as the top category (5/4-star) was the only hotel segment to achieve year-on-year gains in overnight stays (+3.2 percent; 3-star -3.0 percent, 2/1-star -2.4 percent; Table 2).

The boom in commercial holiday dwellings appears to be continuing unabated: after almost a tenth more demand in winter 2023-24, guests also stayed in such accommodation 5.0 percent more often in the preliminary summer season 2024 than a year earlier. Regionally, demand for this accommodation type was only lower in Burgenland on average from May to September 2024 (-5.7 percent); in the other parts of the country, the dynamic was more favourable than the average for all accommodation types, with Vienna and Lower Austria standing out in particular with increases of 16.7 and 26.8 percent respectively. The simultaneous decline in overnight stays in private holiday dwellings (nationwide -2.2 percent) is also due to the legal restrictions on short-term rentals in Vienna (May to September 2024 -13.9 percent), which came into force on 1 July 2024.

3.2.4 Employment and unemployment in accommodation and food service activities

In times of rising unemployment and a persistently weak economy, particular attention is being paid to the labour market. In 2023, the number of salaried jobs in the core tourism sectors of accommodation and food service activities increased by 3.3 percent year-on-year, while the number of unemployed persons previously employed in this sector also rose significantly (+3.4 percent). A closer look reveals major regional differences that cannot always be reconciled with the trend in overnight stays: the strongest year-on-year increases in employment in 2023 were seen in Vienna (+6.4 percent), Tyrol (+5.5 percent) and Salzburg (+5.1 percent), while only Styria required fewer staff (-0.4 percent) despite rising overnight stays. The highest increases in unemployment in the core tourism sectors in 2023 were recorded in Burgenland (+11.0 percent), Upper Austria (+7.5 percent) and Styria (+6.4 percent). However, unemployment also rose at

an above-average rate of +4.9 percent in Vienna, which recorded the strongest growth in overnight stays and employment.

A trend reversal could already be observed on the tourism labour market in the 2023/24 winter season, which continued in summer 2024: on the one hand, employment growth weakened noticeably from +3.3 percent in the 2023 calendar year to +1.5 percent in winter 2023-24 and +0.7 percent in summer 2024 – despite a significant increase in summer overnight stays. On the other hand, the increase in unemployment in accommodation and food service activities accelerated from +3.4 percent on average in 2023 to +7.4 percent last winter and +10.2 percent in the 2024 summer season. This acceleration was observed in almost all federal provinces, albeit to varying degrees. The strongest increases were in Vienna and Upper Austria; only in Carinthia were there fewer jobseekers in tourism in winter 2023/24 than in the 2022-23 season.

In 2023, both employment and unemployment in accommodation and food service activities increased. Since the winter of 2023-24, however, a trend reversal has been recognisable: employment growth is slowing down considerably, while the number of unemployed continues to rise.

Table 2: **Regional and seasonal development of overnight stays by source market and type of accommodation**

	Vienna	Lower Austria	Burgenland	Styria	Carinthia	Upper Austria	Salzburg	Tyrol	Vorarlberg	Austria
	Percentage changes from previous year									
Winter season 2023-24										
Total	+ 12.5	+ 1.3	+ 9.8	+ 2.6	+ 1.4	+ 4.3	- 0.2	+ 1.2	+ 2.8	+ 2.5
From domestic tourists	+ 12.6	+ 0.3	+ 9.6	+ 1.6	- 2.3	+ 5.1	- 0.0	+ 2.5	- 0.6	+ 2.6
From foreign guests	+ 12.4	+ 3.6	+ 10.4	+ 3.7	+ 3.8	+ 3.1	- 0.2	+ 1.1	+ 3.1	+ 2.5
From Germany	+ 10.9	+ 5.5	+ 14.4	+ 0.7	+ 1.1	+ 3.2	+ 0.6	+ 1.2	+ 2.5	+ 1.8
Hotels and similar establishments	+ 10.3	+ 0.0	+ 8.9	+ 1.3	- 1.5	+ 4.4	- 0.7	+ 0.2	+ 1.7	+ 1.9
5/4-star	+ 12.9	+ 2.3	+ 10.9	+ 1.6	- 0.1	+ 8.0	- 0.5	+ 2.0	+ 0.4	+ 3.3
3-star	+ 4.1	- 1.9	+ 7.7	+ 0.5	- 2.5	+ 1.0	- 0.8	- 5.3	+ 4.6	- 1.0
2/1-star	+ 14.6	- 4.0	- 15.2	+ 2.9	- 11.2	- 4.0	- 1.9	+ 2.8	+ 2.0	+ 2.2
Commercial holiday dwellings	+ 38.8	+ 37.4	+ 6.6	+ 5.6	+ 17.4	- 3.5	+ 5.4	+ 7.8	+ 9.4	+ 9.4
Private holiday dwellings	+ 15.5	- 3.2	- 5.6	+ 0.9	+ 1.8	+ 6.1	- 2.8	- 0.9	- 0.4	- 0.6
Private accommodation	+ 8.0	- 8.5	+ 15.8	- 2.3	- 11.9	- 7.2	- 3.8	- 6.1	- 1.5	- 4.7
Campsites	- 14.3	+ 54.1	+ 32.7	+ 28.4	- 9.5	+ 69.9	+ 8.8	+ 11.1	+ 7.2	+ 12.2
Other accommodation	+ 0.7	+ 4.0	+ 11.0	+ 7.9	- 2.7	+ 5.5	- 3.5	+ 0.8	+ 6.9	+ 1.8
Provisional summer season 2024 (May to September)										
Total	+ 7.8	- 1.8	+ 2.7	+ 0.9	- 1.2	+ 0.8	- 1.8	- 0.3	- 0.8	+ 0.4
From domestic tourists	+ 4.8	- 1.2	+ 3.0	- 1.0	- 1.3	- 0.5	- 1.8	- 2.3	- 1.8	- 0.6
From foreign guests	+ 8.4	- 2.8	+ 2.1	+ 3.2	- 1.2	+ 2.3	- 1.8	- 0.1	- 0.6	+ 0.8
From Germany	+ 3.3	- 1.5	- 2.9	+ 3.3	- 2.5	+ 4.8	- 1.8	- 0.6	- 1.6	- 0.5
Hotels and similar establishments	+ 8.7	- 4.2	+ 3.5	- 0.5	- 2.5	+ 1.2	- 1.2	- 0.7	- 0.6	+ 0.6
5/4-star	+ 11.9	- 0.4	+ 5.2	+ 4.0	- 1.4	+ 4.9	+ 0.7	+ 1.7	+ 0.9	+ 3.2
3-star	+ 1.7	- 9.6	+ 3.8	- 4.7	- 2.4	- 1.6	- 1.9	- 5.6	- 3.2	- 3.0
2/1-star	+ 11.1	- 2.1	- 9.8	- 7.4	- 8.7	- 4.9	- 10.5	- 1.3	- 1.1	- 2.4
Commercial holiday dwellings	+ 16.7	+ 26.8	- 5.7	+ 5.7	+ 2.5	+ 6.5	+ 0.2	+ 4.9	+ 5.1	+ 5.0
Private holiday dwellings	- 13.9	- 1.3	+ 2.4	+ 4.2	- 0.4	+ 1.7	- 4.5	- 2.1	- 2.4	- 2.2
Private accommodation	- 18.9	- 8.4	- 4.4	- 6.6	- 3.6	- 2.0	- 3.2	- 8.0	- 5.6	- 6.1
Campsites	- 13.2	+ 4.5	+ 3.6	+ 5.9	+ 0.4	+ 0.4	- 3.5	+ 2.9	- 5.4	+ 1.0
Other accommodation	+ 1.7	+ 2.5	+ 3.5	- 0.9	- 7.2	- 1.6	- 3.4	- 5.3	- 0.9	- 1.9

Source: Statistics Austria; WDS – WIFO Data System, Macrobond.

Vienna, Burgenland, Upper Austria, Salzburg and Vorarlberg recorded rising employment with rising unemployment in NACE 2008 Section I (accommodation and food service activities) across both seasons; Lower Austria and Styria, on the other hand, lost jobs in both winter and summer, while the number of unemployed there rose continuously. The development of demand is only partially

reflected in the labour market: Lower Austria and Salzburg recorded lower overnight stays over the summer, which may have contributed to the rise in unemployment in these federal provinces; at the same time, however, employment in Salzburg also increased. However, unemployment also rose in Vienna and Burgenland – despite increases in overnight stays.

Table 3: **Key figures of the tourism labour market**

Employment and unemployment in accommodation and food services (NACE 2008, Section I)

	Calendar year 2023	Winter season 2023-24	Summer season 2024	Calendar year 2023	Winter season 2023-24	Summer season 2024
	Absolute values			Percentage changes from previous year		
Employed (number of jobs)						
Austria	224,711	222,792	230,008	+ 3.3	+ 1.5	+ 0.7
Vienna	50,721	50,468	53,415	+ 6.4	+ 3.5	+ 2.8
Lower Austria	24,234	23,100	25,156	+ 0.4	- 0.3	- 0.5
Burgenland	7,320	6,965	8,050	+ 0.8	+ 2.9	+ 2.6
Styria	25,406	24,391	25,833	- 0.4	- 2.2	- 0.9
Carinthia	14,541	12,320	16,218	+ 0.2	- 1.0	- 2.7
Upper Austria	22,068	21,240	23,446	+ 1.6	+ 1.9	+ 1.4
Salzburg	27,692	28,840	27,326	+ 5.1	+ 2.3	+ 1.6
Tyrol	40,794	42,857	39,139	+ 5.5	+ 2.3	- 0.3
Vorarlberg	11,935	12,612	11,425	+ 2.5	+ 0.2	+ 1.1
Unemployed (persons)						
Austria	30,319	34,450	30,902	+ 3.4	+ 7.4	+ 10.2
Vienna	10,635	11,890	11,569	+ 4.9	+ 11.2	+ 12.8
Lower Austria	3,322	3,854	3,348	- 0.2	+ 8.4	+ 9.9
Burgenland	734	870	682	+ 11.0	+ 4.8	+ 8.3
Styria	3,212	3,655	3,255	+ 6.4	+ 7.2	+ 10.6
Carinthia	2,836	3,381	2,298	- 3.4	- 2.5	+ 1.8
Upper Austria	2,314	2,651	2,456	+ 7.5	+ 11.1	+ 13.0
Salzburg	2,185	2,531	2,172	+ 4.1	+ 7.2	+ 9.1
Tyrol	3,789	4,151	3,769	+ 0.7	+ 2.4	+ 6.7
Vorarlberg	1,292	1,467	1,354	+ 4.6	+ 10.4	+ 11.3

Source: Public Employment Service Austria; Federation of Social Insurances; WDS – WIFO Data System, Macrobond.

4. Outlook

The outbreak of the COVID-19 pandemic ended the long phase of growth in the domestic tourism industry since the 2008-09 financial market and economic crisis – but only temporarily. Contrary to fears that the pandemic could dampen the desire to travel in the long term or – for example in the area of air travel – lead to persistent changes in tourism services that would make travelling more difficult and expensive, tourism recovered relatively quickly both worldwide and in Austria. The number of trips, guest arrivals and overnight stays in 2023 approached or already exceeded pre-crisis levels; only in terms of price-adjusted guest spending is the catch-up process in Austria likely to take significantly longer. This is a

burden for many tourism businesses, which are struggling with increased costs, particularly for energy, food and staff.

The current economic environment in Austria and especially in Germany, the most important market of origin, jeopardises the further growth of domestic tourism: the longest recessionary phase in the post-war period, unresolved structural upheavals and difficult international conditions (war and trouble spots in Europe, Asia and the Middle East, looming trade conflicts, uncertain energy supply, etc.) pose major challenges for Austria and Europe as a whole. Added to this is climate change, which will undoubtedly have a lasting impact on tourism, combined

with the increasingly urgent need for transformation towards a climate-neutral economy. In air travel in particular, a key area of international tourism, no viable solutions have yet been found to manage the transformation.

The Austrian tourism industry is also struggling with a deterioration in price competitiveness due to a positive inflation differential compared to other major tourism countries in Europe. This could lead domestic and foreign travellers to increasingly choose foreign destinations over Austria, especially in a difficult economic environment in which they could cut back on their holiday spending.

Even though tourism has proven to be resilient in the recent past, it remains to be seen how much the challenges outlined above will affect its future development. Forecasts are currently associated with even greater uncertainty than usual. For the domestic winter season 2024-25, WIFO expects a moderate increase in the number of overnight stays of just over 1 percent, with international demand likely to develop better than domestic demand. However, guest spending and thus revenue will remain significantly lower than in the years before the outbreak of the COVID-19 pandemic, adjusted for price.

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