

Ukraine Orders End to Euro 2012 Price Gouging

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KIEV — Ukrainian President Viktor Yanukovich has ordered his government to prevent hotels from charging exorbitant prices for fans attending the Euro 2012 football tournament.

Some hotels in the four cities hosting matches are charging up to 10 times their normal rates. In the city of Kharkiv, beds in a hostel are going for 250 euros (\$330) a night, according to the local organizing committee for the June 8 to July 1 tournament being shared with Poland.

Yanukovich called on his infrastructure and economy ministers on Friday to ensure that hotel prices are brought to "economically grounded" levels. He did not specify how the order would be enforced.

Officials of UEFA, the sport's European governing body, have said curbing hotel prices remains the biggest obstacle in organizing the tournament. Euro 2012 operations director Martin Kallen warned in February that very high prices in some hotels in Ukraine may give the country and the tournament a bad image.

Critics say price gouging will portray Ukraine as a greedy country and may hurt its tourism industry for years to come at a time when the government is trying to boost tourism to help the country's struggling economy.

"This suicidal, below-the-belt business practice is targeting people for whom Ukraine is 'somewhere in Russia,' that is, the kind of people you'd want to win over for a return visit," journalist Mark Rachkevych wrote in the English-language newspaper Kyiv Post. "It's beyond greed, it's lecherous."

Ukrainian officials recognize the problem.

"Poverty breeds greed," Infrastructure Minister Boris Kolesnikov said last month. "But we in the government will find ways of exerting influence on their business appetites."

It is unclear, however, how hotels will be forced to lower their prices in a free-market economy.

"From our end, we can only make recommendations. We cannot affect hotels' price policies," said Albina Krasnodemska, spokeswoman for the Euro 2012 organizing committee in Ukraine.

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