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Operator Cancels Summer Tours Due to Poor Demand

By The Moscow Times

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The low demand for summer vacations to Europe may leave Russian tour operators with grounded planes, a news report said Friday.

One of the oldest Russian tour operators, Ascent Travel, specializes in tours to Croatia and Montenegro but has canceled all its summer programs, causing about 16,000 of its clients who had already bought tours to the Balkan countries to adjust their vacation plans, Kommersant reported.

Yesterday, the company's management announced the suspension of all charter programs for the summer after announcing Wednesday that they had seen a 60 percent reduction. The tour operator has already refunded 4.5 million rubles ($138,700) to its clients with departure dates this weekend and it will have to refund at least 16 million more, the company's CEO Yevgeny Sudbin said.

He could not confirm the number of travelers, though according to the Russian Association of Tour Operators, Ascent Travel was able to fly 1,500-2,000 travelers every week, meaning the tour operator could have sold an estimated 16,000 summer season tours.

Sudbin said Ascent Travel had to cancel its charter programs in Croatia and Montenegro, its key summer destinations, because due to poor demand the company could not fill the quota of rooms that it reached in preliminary agreements with local hotel owners.

Industry experts attribute poor demand to a general decline of consumer activity.

Executive director of the Russian Association of Tour Operators Maya Lomidze says domestic tour operators have been cutting into charter programs.

Croatian tours have also been affected by the country's joining the EU. Since April, Russian tourists entering the country need to obtain either a Croatian or Schengen visa, which allows travel to many countries in Europe.

The demand for tours to Croatia dropped by at least 20 percent, forcing many tour operators to sell tours below cost, the report said. A week-long tour with lodging in a three-star hotel was offered in June for 400 euros ($525) per person, with airfare alone costing 250-300 euros.

A bad summer season may spell doom for Ascent Travel, founded in 1992. The Swiss tour operator Hotelplan bought a controlling stake in 2007 but sold it last year due to a loss of business. The company lost 9.7 million euros last year.

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