The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Ukraine Crisis Hurts Russian Tour Operators

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May 06, 2014



Tourists gathering at Moscow's Red Square, a sight that may become rarer as international tensions escalate.

The crisis in Ukraine has led skittish U.S. and European tourists to rethink their holiday plans, leading to a wave of cancellations and drop in sales for Russia's tour operators, the Russian Union of Travel Industry, or RATA, reported Monday.

About 10 to 15 percent of tour operators bookings have been cancelled, according to the industry's report. The bulk of the cancellations come from European countries and the U.S. However, the situation in Europe is quite diverse, as, for example, some Polish tourists are calling off their trips, while tours booked by Italians are not being cancelled.

According to the data collected by RATA, some tourists from the U.S. and Europe are refraining from traveling to Russia for ideological reasons, as they believe Moscow is involved in ongoing conflict in Ukraine. Others are afraid for their safety in Russia.

"Tour operators say in Europe the main cancellations come from Germany and Britain," said Yury Borzykin, vice president of RATA. He said some people are simply misled by the media coverage of Russia and are afraid of nonexistent threats. He predicted that in June or July the number of tourists would return to normal.

"We cannot speak of a significant fall right now, the trend is set, however, it will not have a deep effect on the economy of the tourism sector," Borzykin added. He said that the overall tourism statistics for 2014 may be even higher then in 2013, as the figures could be boosted by the tourists who came to the Olympic Games in Sochi.

Other analysts are also optimistic. "The decline is a temporary trend, which will be over in a couple of months," said Vadim Prasov, vice president of the Federation for Restaurateurs and Hoteliers. He added that the Russian tourism market was small and has the potential to grow. Domestic tourism may also expand, he added.

Russian agencies working with tourists from Southeast Asia have not witnessed a decline in sales. "We are working mainly with Malaysia, Indonesia and other Asian states and there have been no cancellations so far," said Alexandra Zakharentsova, internal manager at Asta Travel Group. RATA vice president Borzykin also confirmed that tour operators are noticing a growing number of Asian tourists, especially from China.

Official data show that Russia hosts about 2 million tourists annually, while the number of foreigners coming to the country for nontourist purposes is about nine times higher.

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Original url:
https://www.themoscowtimes.com/2014/05/06/ukraine-crisis-hurts-russian-tour-operators-a35144