The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Where Russian Tourists Will (And Won't) Go in 2015

By Delphine d'Amora

March 22, 2015



While more expensive destinations have seen their numbers from Russia drop, cheaper destinations such as Bulgaria and Montenegro and budget properties in Greece are faring better in early bookings.

In any ordinary year, the resort towns of Spain, Greece and Italy would be looking ahead to a rising tide of Russians tourists and their typically lavish holiday spending.

But this is no ordinary year. A steep drop in oil prices have sent the ruble tumbling against the dollar and euro, raising the cost of foreign travel and cutting Russians' real wages by nearly 10 percent compared to 2014, according to February data from state statistics service Rosstat.

Travel to Europe has been one of the first luxuries to go. But surprisingly, the resorts of Turkey and Egypt stand to see business from Russia rise this year, as formerly spendthrift Russians trade down and choose cheap package holidays.

Foreign Travel Falls

Tourism out of Russia has fallen between 50 and 70 percent this year, said Irina Tyurina, spokeswoman for the Russian Tourism Industry Union. The flow of tourists across borders has been further hit by an unofficial ban on security and law enforcement officers traveling abroad, which was largely responsible for bankrupting nearly 30 Russian tour operators last year.

The downturn is bad news for tourism destinations in Europe and beyond. Even countries that traditionally draw just a trickle of Russian tourists could suffer, as shops, bars, spas and restaurants count on Russians' disproportionately large holiday spending.

"[Russian tourists] order, or used to order, a lot of extra services, they spend a lot in shops, bars and restaurants. If they go to a spa, they order everything, and may go nearly every day," Tyurina said.

Research done before the crisis showed Russians spending an average of 170 euros ($183) a day while on holiday in Croatia, said Ivor Vucelic, director of product, purchase, IT and marketing at the Russian branch of leading European travel group TUI. This was more than three times the spending of German tourists, who averaged 50 euros ($54) a day.

Europe Feels the Pinch

Russia's crisis is expected to hit European destinations the hardest. The ruble has fallen nearly 25 percent against the euro since this time last year, sending the cost of travel to Europe soaring, while EU sanctions against Moscow have left some Russians with a sour taste in their mouths.

The impact is already visible. In January, total Russian spending on tax-free purchases abroad fell 43 percent in Spain, 54 percent in Greece and 56 percent in Italy compared to the same period in 2014, according to tax refund company Global Blue.

These numbers reflect both the falling number of Russian tourists and a decrease in spending among those who do travel. Tour operators have also seen Russians tightening their purse strings: Revenues per Russian passenger have fallen 27 percent to an average of $720-$730, according to TUI's sources, Vucelic said.

Among EU countries, Greece, Spain and Italy have the most to lose. Greece boasted nearly 1 million Russian tourists in the first nine months of 2014, followed by Spain with 883,000 and Italy with 635,000, according to Russia's Federal Tourism Agency. Germany, France and the Czech Republic were close behind.

While these more expensive destinations have seen their numbers from Russia drop, cheaper destinations such as Bulgaria and Montenegro and budget properties in Greece are faring better in early bookings, Vucelic said.

One unexpected bright spot has been an increasing willingness on the part of European embassies to grant multi-entry visas in an apparent attempt to encourage Russian tourism to the EU.

"It's a paradoxical situation. On the one hand, relations with Europe are bad, and on the other, European countries are urging Russian tourists to come because they are losing money," Tyurina of the Russian Tourism Industry Union said.

Classic Hotspots Stay Strong

Turkey and Egypt would appear to have the most to lose from an economic crisis in Russia. Turkey led among foreign destinations with more than 3 million Russian tourists in the first nine months of 2014, followed by Egypt with nearly 2 million tourists, according to the Federal Tourism Agency.

But in fact, these destinations are actually rising in popularity, with up to 15 percent more Russian tourists this year than in 2014, said Dmitry Gorin, vice president of the Association of Tour Operators of Russia.

The secret to their success is twofold. For one thing, Turkey and Egypt have gone to great lengths and worked closely with Russian tour operators in an effort to maintain the influx of tourists. The Turkish government, for instance, has proposed giving tour operators subsidies of $6,000 for each flight from Russia to resorts in Turkey, Gorin said.

At the same time, these traditional holiday favorites appear to be benefiting from the very same economizing that has turned Russian tourists away from Europe. Rather than risking an accumulation of last-minute expenses, Russian consumers are choosing all-inclusive holidays, with food, excursions and even ice cream for the children all included in the package price.

And when it comes to all-inclusive holidays, "Turkey and Egypt are the kings," TUI's Vucelic said.

Contact the author at d.damora@imedia.ru

Original url:
https://www.themoscowtimes.com/2015/03/22/where-russian-tourists-will-and-wont-go-in-2015-a45008