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Russia's Last-Minute Travel Industry Implodes Amid Economic Woes

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Russian travel agents are axing last-minute holiday deals amid the country's ongoing financial crisis.

Last-minute breaks were once a mainstay of the Russian travel industry, accounting for between 15 and 20 percent of the market in 2014. Now, its market share has dropped to around 4 percent, the Kommersant newspaper reported Thursday.

Instead of lowering prices for holiday makers who are willing to book just days before they fly, companies are hiking prices by up to 40 percent.

Maya Lomidze, executive director of the Association of Russian Tour Operators, told Kommersant that ongoing turmoil in once popular tourist destinations such as Egypt had impacted profit margins.

While travel agents received a commission of up to 30 percent for every last-minute deal

they sold to Egypt in 2014, that share has since fallen to no more than 13 percent.

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Russia's unstable economy also made travel operators more risk-adverse, Kommersant reported.

Many Russian travel agents said that they were now unwilling to make large block-bookings of hotel rooms and travel tickets if they were not sure that they could be sold.

Russia's budget travel sector has suffered repeated blows over the past two years. Air travel between Russia and Egypt was suspended in November 2015 after an Airbus A321 was downed by a terrorist attack over Egypt's Sinai Peninsula while en route to St. Petersburg.

The popular tourist haven of Turkey also suffered amid political upheaval between Moscow and Ankara. Russian authorities banned the sale of package tours to Turkey in November 2015 after a Russian warplane was shot down by the Turkish military. The sanctions were eventually lifted in July 2016, when Turkish President Recep Erdogan apologized for the incident and offered to pay compensation.

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