

Analyses

HolidayEuro

Winter 2009

» Purchasing Power of the Euro Abroad «

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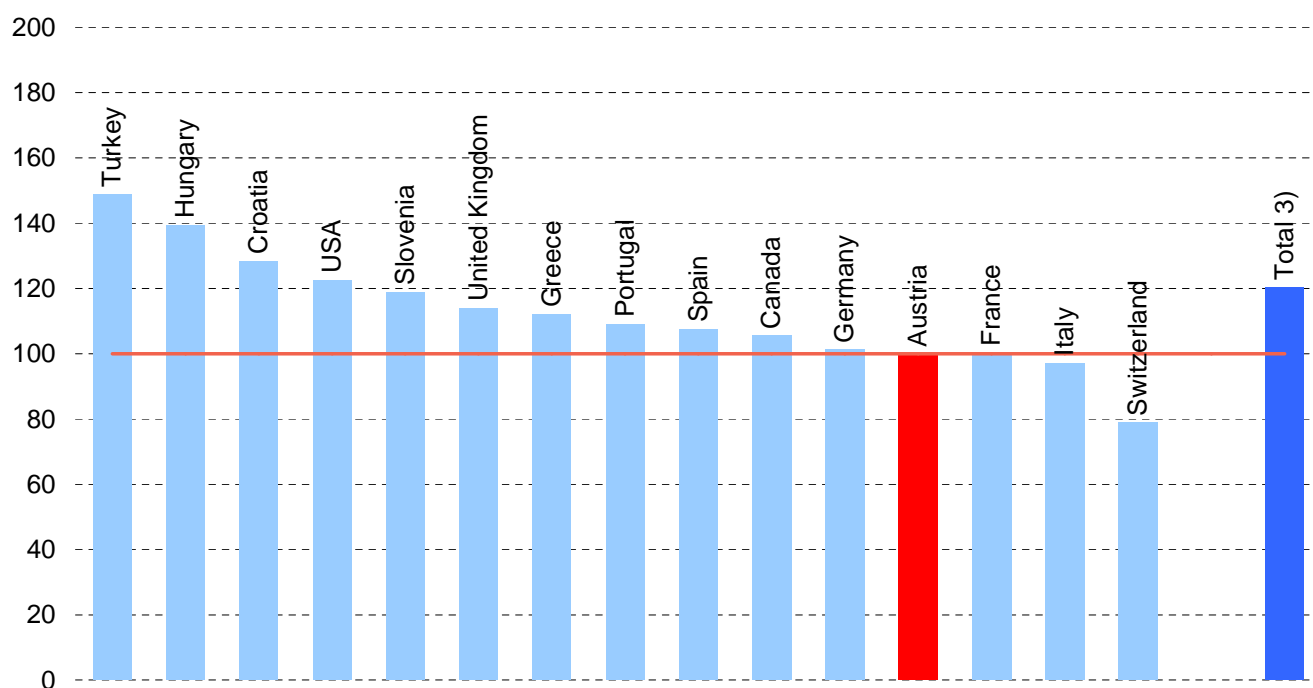
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HolidayEuro considerably more expensive in several overseas destinations

- Although the US dollar slightly increased again, the US and Asia are slightly cheaper this year over one year earlier
- England and Sweden are slightly more expensive again
- Several overseas destinations such as South Africa, Brazil and Australia have become considerably more expensive
- Turkey, Hungary are cheap again, Switzerland remains expensive

On holiday, EUR 100 are worth...



Source: OECD, Eurostat, Statistik Austria, Bank Austria Economics & Market Analysis Austria (own estimation), Dec. 2009

In detail

In summary the latest calculation show that the HolidayEuro has hardly changed at close European destinations this winter over one year earlier. The price development within the euro countries was not very different to the development in Austria; outside the euro zone, the price development and exchange rates have partially balanced out. In total, the value of the HolidayEuro is more or less the same in winter 2009 like in winter 2008. Overseas destinations show an average value of the HolidayEuro similar to the one last year, but the development was partially rather different depending on the respective region. Holidays in the US as well as in major parts of Asia this year is slightly cheaper than last year while holidays in South Africa, Brazil and Australia have become more expensive. Among the European regions which are less

popular, Sweden has become more expensive, Romania has become cheaper.

Only small differences can be registered for the top holiday destinations of Austrian citizens compared with winter 2008. Turkey and Hungary correspondingly are the cheapest in 2009 as well, followed by Croatia. Although the value of the US dollar rose in the past few years, the US is cheaper for winter holiday this year than last year and the HolidayEuro has a higher value of nearly 20% compared with Austria. Nothing has changed regarding Switzerland, which still is one of the most expensive destinations, as well as regarding Ireland, which continues to be expensive, too.

On holiday, EUR 100 are worth... Comparison of Purchasing Power *)

Destination	Popularity ¹⁾	June 09 EUR 100 are worth EUR ... in this country	June 08 EUR ... in this country	- more exp. + cheaper ²⁾ compared to previous year in %
Austria		100	100	
Italy	19%	97	97	0%
Croatia	13%	128	129	-1%
Germany	8%	101	101	0%
Greece	7%	112	113	-1%
Spain	7%	107	106	1%
Turkey	7%	149	149	0%
France	4%	100	100	0%
Hungary	3%	139	139	0%
Switzerland	2%	79	79	0%
United Kingdom	2%	114	118	-4%
Slovenia	2%	119	119	0%
USA	2%	122	113	8%
Portugal	1%	109	107	2%
Canada	0%	105	113	-7%
Total ³⁾	71%	120	120	0%

*) EU-25-countries excluding housing costs

¹⁾ Percentage of holidays abroad longer than 4 days taken by Austrians

²⁾ Compared to Austria

³⁾ Only the most important countries

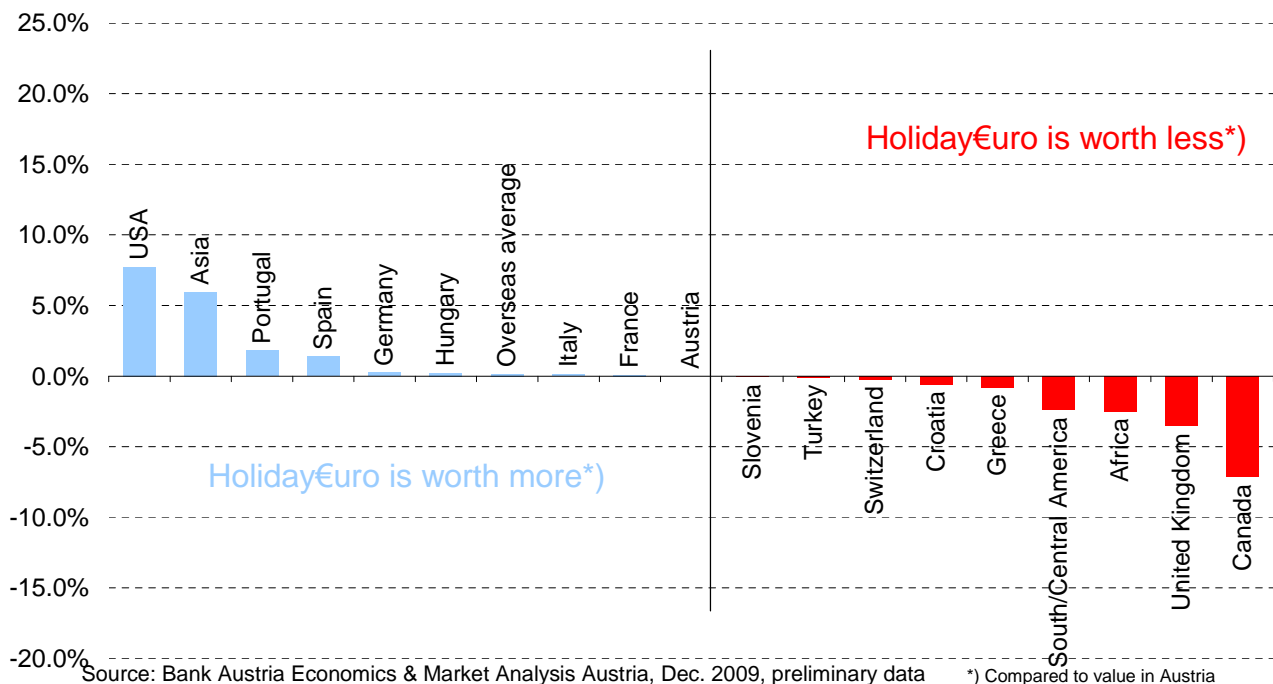
Source: OECD, Eurostat, Statistik Austria, Bank Austria Economics & Market Analysis Austria

The development among overseas destinations was very different by region compared with the previous year. South Africa and Brazil have become considerably more expensive; in addition, holidays in New Zealand and Australia largely are also significantly more expensive this year over one year earlier. The reason basically is the considerable revaluation towards the euro as well as the price development. The situation at the end of last year which was favourable from the holidaymaker's point of view because many countries registered strong devaluation as a result of the crisis has changed. Countries such as South Africa, Brazil as well as Australia and New Zealand have meanwhile registered revaluation again and have thus become more expensive. In contrast, holidays in Asia as well as in the US are on average around 6% cheaper this year than last year. This particularly applies to China and Hong

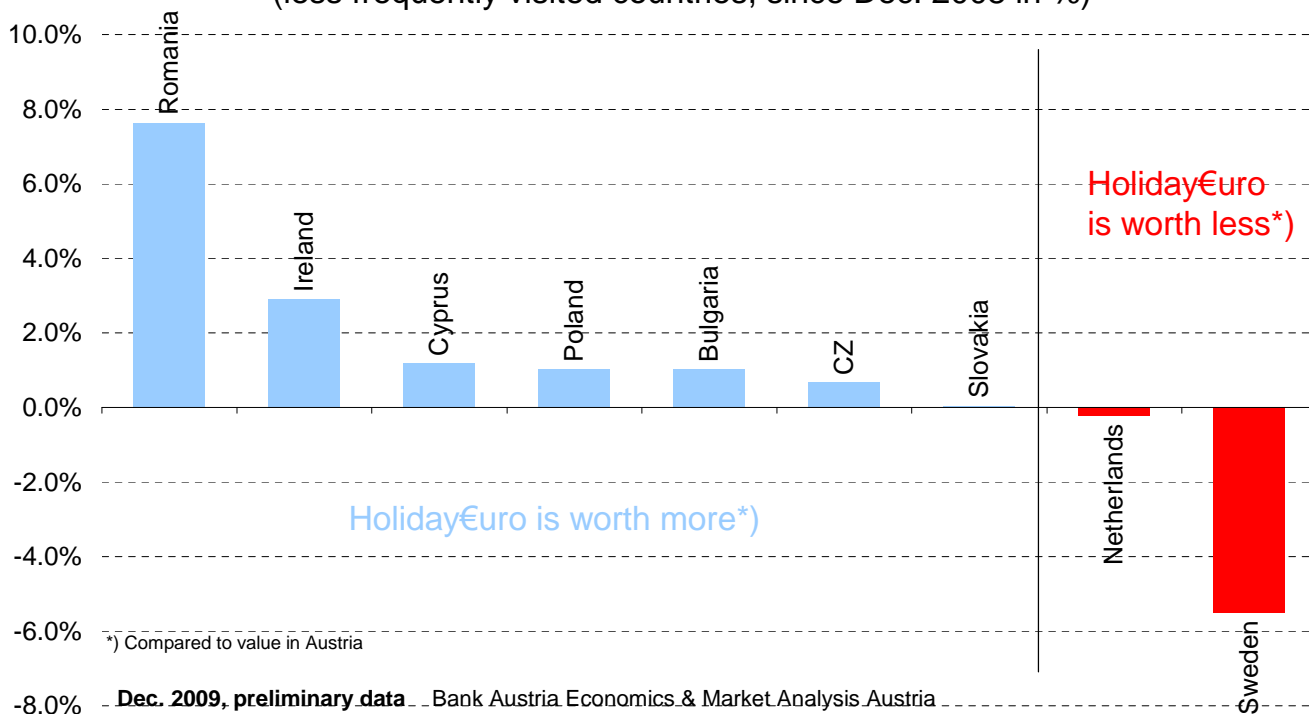
Kong and – to a limited extent – also to Japan. However, the HolidayEuro's value in Japan is considerably lower than at home although it slightly rose year-on-year.

Finally, we point out that the figures are average values and therefore, single regions (such as London as central region) might vary. The price level refers to the average of goods and services in the single countries; single products (particularly for tourists) might vary significantly. As a result, no value but only its change was given for long-distance destination. The fact that the price level in some holiday destinations is much lower than in Austria is moreover a result of Austria's high level of income. If Austria's price level was lower, the income level would be lower as well – we would often not be able to afford holidays.

Changes in the "HolidayEuro" (since Dec. 2008 in %)



Changes in the "HolidayEuro" (less frequently visited countries, since Dec. 2008 in %)



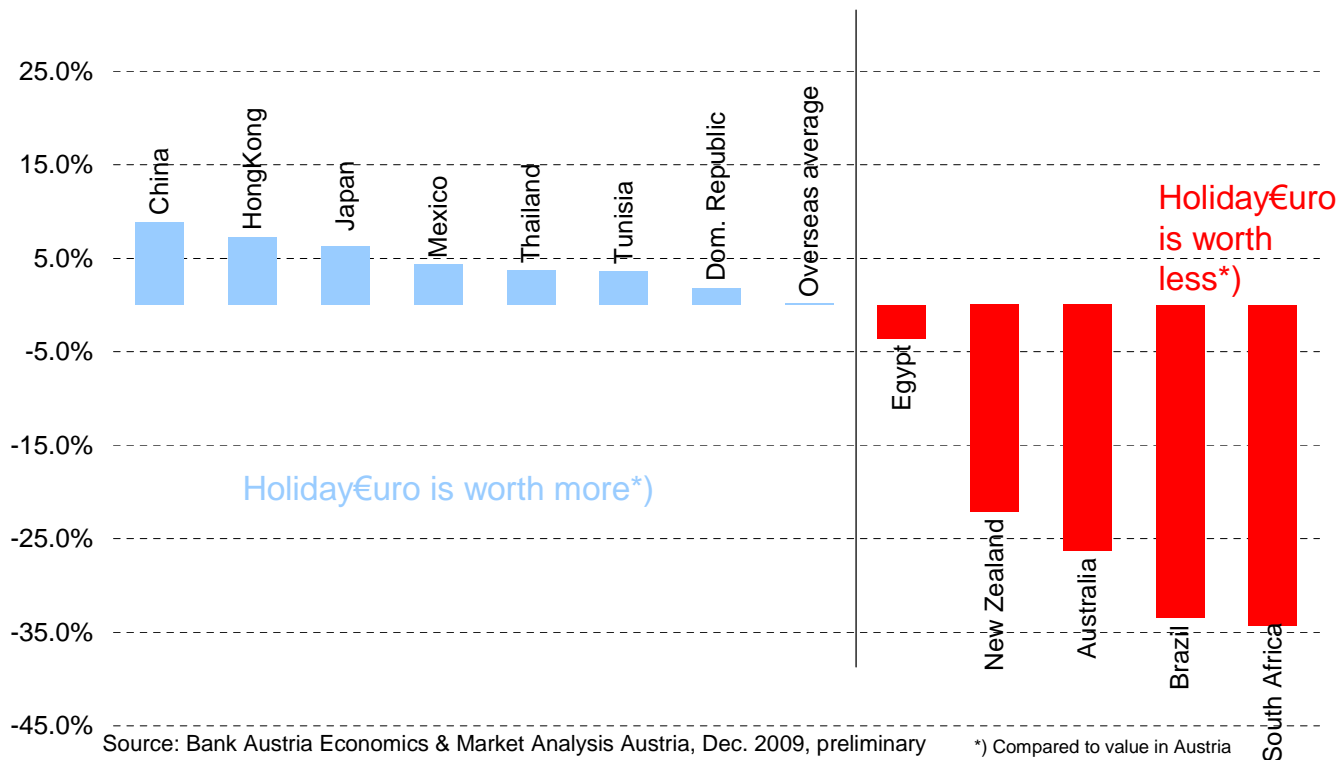
Changes in the "HolidayEuro"

(Dec. 2009 over Dec. 2008, in %)

USA	7.7%
Asia	6.0%
Portugal	1.8%
Spain	1.4%
Germany	0.2%
Hungary	0.2%
Overseas average	0.1%
Italy	0.1%
France	0.1%
Austria	0.0%
Slovenia	-0.1%
Turkey	-0.1%
Switzerland	-0.3%
Croatia	-0.6%
Greece	-0.8%
South/Central America	-2.4%
Africa	-2.5%
United Kingdom	-3.6%
Canada	-7.1%

Source: Bank Austria Economics & Market Analysis Austria

Changes in overseas "HolidayEuro" (since Dec. 2008 in %)



Changes in overseas "HolidayEuro"

(Dec 2009 over Dec 2008, in %)

China	9%
HongKong	7%
Japan	6%
Mexico	4%
Thailand	4%
Tunisia	4%
Dom. Republic	2%
Overseas average	0%
Egypt	-4%
New Zealand	-22%
Australia	-26%
Brazil	-33%
South Africa	-34%

Source: Bank Austria Economics & Market Analysis Austria

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