

Analyses

HolidayEuro

Summer 2011

” Purchasing Power of the Euro Abroad “

May
2011

Overview

HolidayEuro in summer 2011 worth more than a year ago

- Strong euro boosts purchasing power on holiday
- Value of the HolidayEuro in overseas countries significantly higher than a year ago
- Turkey, Hungary and Croatia continue to lead the field of top holiday destinations
- In Switzerland, the HolidayEuro falls to historically low level

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Imprint
Published by UniCredit Bank Austria AG
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May 2011

In detail

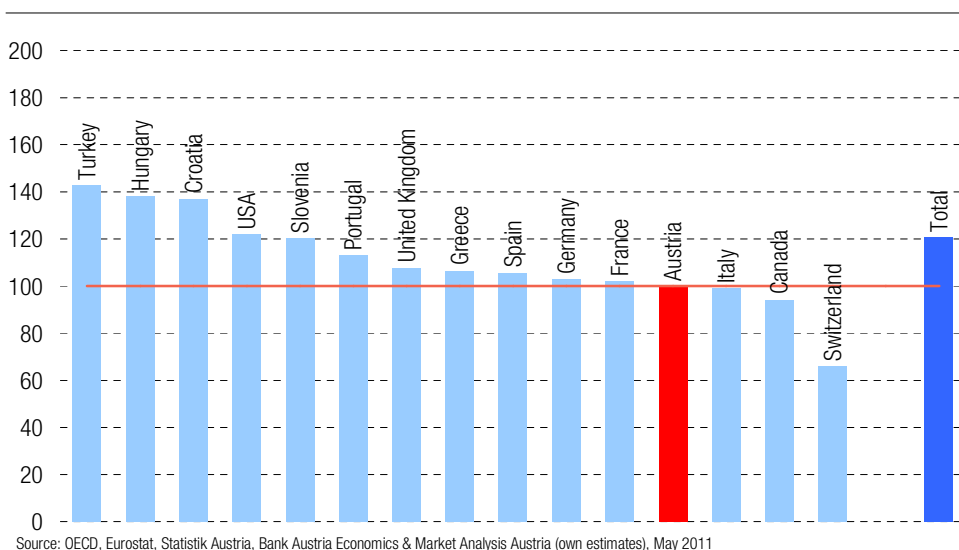
Although the euro has depreciated against the US dollar over the past few weeks, it is still stronger than in May 2010. This increases the average value of the HolidayEuro outside Austria. The stronger euro has even offset the effect of inflation, which in some countries is higher than in Austria. In average terms, the value of the HolidayEuro in summer 2011 exceeds the summer 2010 level by 2 per cent.

The fact that the euro is stronger than in the previous year is noticeable especially in overseas destinations. This year the value of the HolidayEuro in overseas countries is up by an average 6 per cent on a year ago. The increase was particularly strong in some parts of Africa and in Mexico while being less pronounced in South America and Asia. The significant rise in the value of the euro against the currencies of many overseas destinations more than offset the increase in prices, which was much stronger in some of these countries. In average terms, the value of the HolidayEuro in most overseas destinations in 2011 is therefore even higher above its value in Europe as a whole, and in Austria, than in past years.

Among the top holiday destinations for Austrians, the strongest increase in the value of the HolidayEuro compared with summer 2010 was seen in Turkey and the US, at about 12 per cent, while prices in these countries rose at rates that were barely higher than in Austria. Higher inflation in Greece, Spain and Portugal this year is having a negative impact for holidaymakers. But the difference of about 1 per cent is hardly noticeable. Nevertheless, the value of the HolidayEuro in these countries is converging to the level in Austria: in Greece and Spain it is only slightly higher – at about 108 and 107, respectively – than in Austria.

Although Germany, Italy and France recorded slightly lower price increases than Austria, this did not strengthen the HolidayEuro to any significant extent; in these countries it therefore more or less continues to match the level in Austria. In some countries, including Switzerland and Sweden, where inflation was lower than in Austria, this effect was more than offset by partly significant exchange rate movements. In Switzerland, for example, Austrians' HolidayEuro showed a particularly strong decline of 11 per cent, to a historically low level. Switzerland may be the country where the HolidayEuro of Austrian tourists has the lowest value this year.

On holiday, EUR 100 are worth



In less frequently visited holiday destinations in Europe, the HolidayEuro is considerably stronger in Romania, Bulgaria and Poland than in Austria. The value of the HolidayEuro is also higher in the Czech Republic and in Slovakia than in Austria, though again slightly down from the previous year's level. Among the countries monitored for this purpose, the strongest increase in the value of the HolidayEuro was seen in Mexico.

In conclusion, we would like to point out that these figures are average values that could differ for individual regions (such as the central region of London, for example). The price levels refer to the average price of goods and services in the various countries; the prices for individual products could differ substantially (especially for tourists). Therefore, the changes in value rather than the values themselves are listed for holiday destinations, including far-off destinations. Furthermore, the fact that the price levels are so much more affordable in some holiday destinations than in Austria is primarily due to the high income levels in Austria. If the price level were lower in Austria, the income level would also be lower – many of us would most likely not be able to afford a holiday.

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

Destination	Popularity ¹⁾	May-11	May-10	- more exp. + cheaper ²⁾ compared to previous year in %
		EUR 100 are worth EUR ... in this country		
Austria		100	100	
Italy	19%	99	98	1%
Croatia	13%	137	132	4%
Germany	8%	103	102	1%
Greece	7%	107	108	-1%
Spain	7%	106	107	-1%
Turkey	7%	143	125	12%
France	4%	102	101	1%
Hungary	3%	138	143	-4%
Switzerland	2%	66	73	-11%
United Kingdom	2%	108	107	1%
Slovenia	2%	120	118	2%
USA	2%	122	108	12%
Portugal	1%	113	114	-1%
Canada	0%	94	89	5%
Total ³⁾	71%	121	118	2%

*) EU-25 countries excluding housing costs

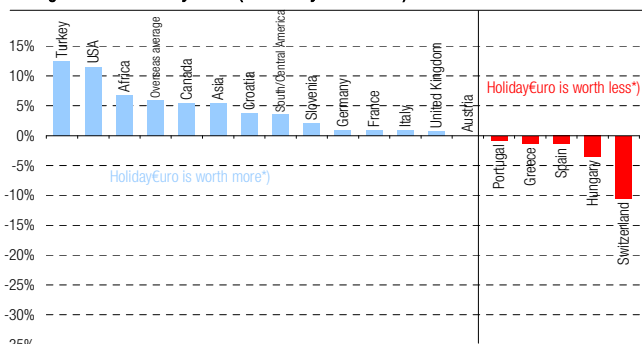
¹⁾ Percentage of holidays abroad longer than 4 days taken by Austrians

²⁾ Compared to Austria

³⁾ Only the most important countries

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

Changes in the "HolidayEuro" (since May 2010 in %)



Source: Bank Austria Economics & Market Analysis Austria, May 2011, preliminary data *) Compared to value in Austria

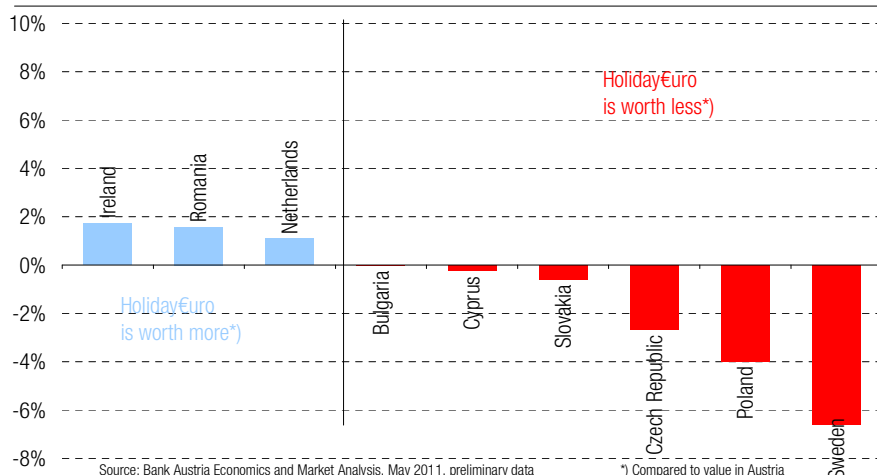
Changes in the "HolidayEuro"
(May 2011 over May 2010, in %)

Turkey	12.4%
USA	11.5%
Africa	6.8%
Overseas average	5.9%
Canada	5.4%
Asia	5.4%
Croatia	3.7%
South/Central America	3.5%
Slovenia	2.0%
Germany	0.9%
France	0.9%
Italy	0.8%
United Kingdom	0.7%
Austria	0.0%
Portugal	-0.8%
Greece	-1.3%
Spain	-1.4%
Hungary	-3.5%
Switzerland	-10.5%

Source: Bank Austria Economics & Market Analysis Austria

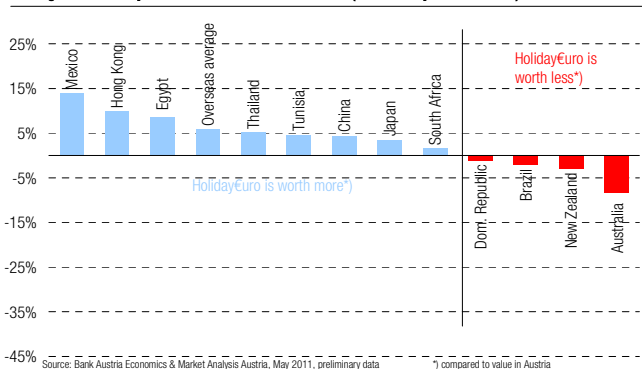
Changes in the "HolidayEuro"

(less frequently visited countries, since May 2010 in %)



Source: Bank Austria Economics and Market Analysis, May 2011, preliminary data *) Compared to value in Austria

Change of HolidayEuro in overseas countries (since May 2010 in %)



Source: Bank Austria Economics & Market Analysis Austria, May 2011, preliminary data *) compared to value in Austria

Changes in overseas "HolidayEuro"
(May 2011 over May 2010, in %)

Mexico	14%
Hong Kong	10%
Egypt	8%
Overseas average	6%
Thailand	5%
Tunisia	5%
China	4%
Japan	3%
South Africa	2%
Dom. Republic	-1%
Brazil	-2%
New Zealand	-3%
Australia	-8%

Source: Bank Austria Economics & Market Analysis Austria

On holiday, EUR 100 are worth

Comparison of Purchasing Power *)

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	EUR 100 are worth EUR ... in this country		
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Spain	106	107	-1%
Turkey	143	125	12%
France	102	101	1%
Hungary	138	143	-4%
Slovenia	120	118	2%
United Kingdom	108	107	1%
USA	122	108	12%
Switzerland	66	73	-11%
Portugal	113	114	-1%
Canada	94	89	5%
Czech Rep.	127	130	-3%
Ireland	90	88	2%
Sweden	90	96	-7%
Cyprus	109	109	0%
Romania	175	172	2%
Slovakia	118	119	-1%
Poland	162	169	-4%
Netherlands	103	102	1%
Bulgaria	157	157	0%
Asia	-	-	5%
Thailand	-	-	5%
Japan	-	-	3%
Hong Kong	-	-	10%
China	-	-	4%
Africa	-	-	7%
Egypt	-	-	8%
Tunisia	-	-	5%
South Africa	-	-	2%
South/Central America	-	-	3%
Mexico	-	-	14%
Dominican Republic	-	-	-1%
Brazil	-	-	-2%
Australia	-	-	-8%
New Zealand	-	-	-3%
Overseas average	-	-	6%
Total ¹⁾	121	118	2%

*) For EU countries without housing costs

¹⁾ only the most important countries

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

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