



HolidayEuro Summer 2017

Purchasing Power of the Euro Abroad

May 2017

ANALYSES

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Overview

On average the HolidayEuro is 18 percent higher outside of Austria than at home in 2017

- For the first time in 15 years, the HolidayEuro is worth less in the USA than in Austria
- Turkey, Hungary and Croatia remain the top destinations
- Brexit causes the euro's purchasing power in the United Kingdom to increase again after 2016
- Switzerland is still by far the most expensive destination, where 100 HolidayEuros only have the purchasing power of 62 euros
- In North Africa the HolidayEuro will buy a considerable 16 percent more than last year

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In detail

The value of the HolidayEuro for Austrians is on average 18 percent higher than its value at home as summer begins in 2017. Most significant, however, is the reverse trend we see in the USA – for the first time in 15 years, the euro has less purchasing power there than in Austria. In contrast, as a result of Brexit, the euro has even more purchasing power in the United Kingdom than it did last year. The cheapest holiday destination is Turkey, with Switzerland at the opposite end of the scale.

In general, however, not much has changed for the HolidayEuro when compared to summer 2016. In many of Austria’s favourite getaway destinations, prices increased similarly to those in Austria. Additionally, exchange rates remained largely relatively stable – and many popular holiday destinations are part of the eurozone anyway. In summer 2017, the HolidayEuro is unable to benefit from lower inflation than in Austria because in many countries, prices rose in a similar way to those in Austria over the last twelve months. However, there were some exceptions, such as Turkey and the United Kingdom, as well as some destinations in Africa, where the exchange rate notably led to an increase in the euro’s purchasing power abroad.

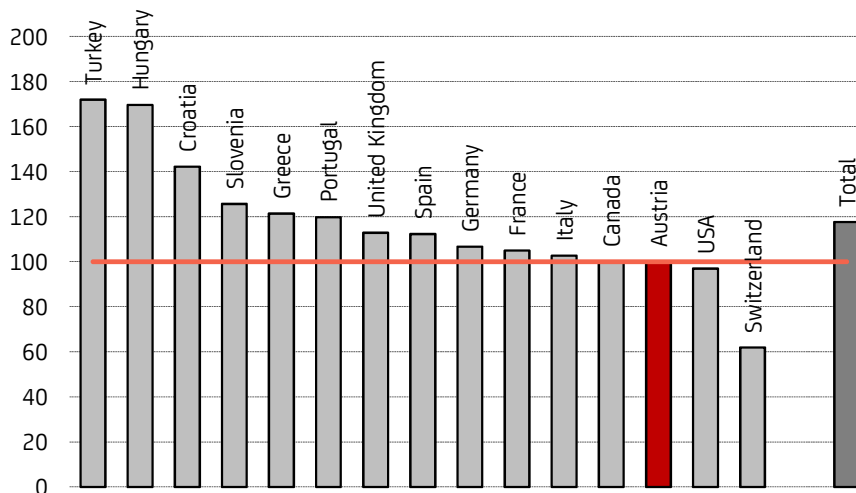
Holidays in Turkey are significantly cheaper

Among Austria’s favourite holiday destinations, Turkey, Hungary and Croatia currently offer the best value for your holiday spending money; in fact, the purchasing power of the HolidayEuro has risen even further in Turkey. Slovenia, Greece and Portugal also give more for the same expenses than Austria. Only the United Kingdom yielded unusual results due to the imminent Brexit process. Anyone spending their holidays in the UK this year can expect to find lower prices than in Austria. Prices in the United Kingdom have not increased significantly more than in Austria as a result of the currency devaluation; a holiday in London is now as cheap as it was in 2008 (relative to Austria). The HolidayEuro is also worth significantly more in many Eastern and Southern European countries than in Austria, especially in Bulgaria, Romania and Poland. In fact, the increase in Romania was slightly better than in the previous year.

Differing results overseas

Abroad, differences in how prices develop have a lesser effect on the purchasing power of the euro. Exchange rates are much more important in this context. For this reason, trends in overseas destinations are varied. The appreciation of the euro since summer 2016 has increased the value of the HolidayEuro for Austrian tourists in North Africa by a significant 16 percent on average compared to the previous year. In contrast, the HolidayEuro is worth less

On holiday, EUR 100 are worth



Sources: UniCredit Bank Austria Economics & Market Analysis Austria (own estimates), OECD, Eurostat, Statistics Austria, May 2017

Holidays in Switzerland are the most expensive

in America – that is to say, South, Central and North America, – than it was last year. For the first time in almost 15 years, the euro’s purchasing power in the USA is lower than at home. However, with a value of 97 euros, the HolidayEuro is only very slightly weaker than in Austria.

Switzerland remains the most expensive destination, where 100 HolidayEuros have the purchasing power of only 62 euros, the same as last year. As an alternative to both Switzerland and Austria, a holiday in Germany, France or Spain will offer more purchasing power – though it may not be particularly noticeable and may not be enough to justify the longer journey. Destinations that offer significantly less for your HolidayEuro than Austria include Ireland and Sweden.

In conclusion, we would like to point out that these are all average values; individual regions, such as London as a central region, may deviate. The price levels refer to the average for goods and services in the individual countries, so products designed specifically for tourists may differ significantly. For this reason, no value is given for long-haul destinations – only the change in value. Moreover, the fact that the price level in some holiday destinations is so much cheaper than in Austria is due predominantly to the high income levels in Austria. If Austria’s price levels were lower, the level of income would also be lower, meaning that holidays themselves would be difficult to afford.

On holiday, EUR 100 are worth

Comparison of Purchasing Power *)

Destination	May 2017 EUR 100 are worth EUR ... in this country	May 2016	- more exp. + cheaper ¹⁾ compared to previous year in %
Austria	100	100	
Italy	103	103	0%
Croatia	142	142	0%
Germany	107	107	0%
Spain	112	113	-1%
Turkey	172	162	6%
Greece	121	121	0%
France	105	104	1%
United Kingdom	113	105	7%
Hungary	170	172	-1%
Switzerland	62	62	0%
Slovenia	126	126	0%
USA	97	101	-4%
Portugal	120	119	1%
Canada	100	98	2%
Total²⁾	118	118	0%

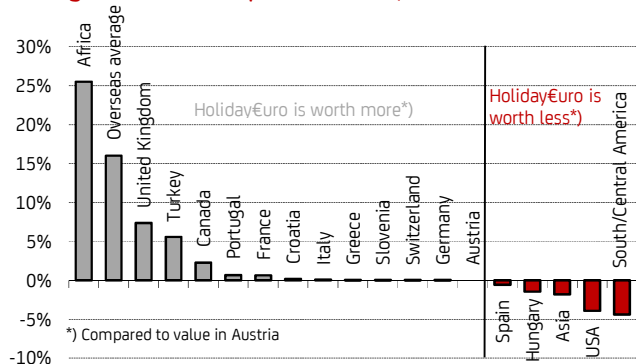
*) EU-25 countries excluding housing costs

¹⁾ Compared to Austria

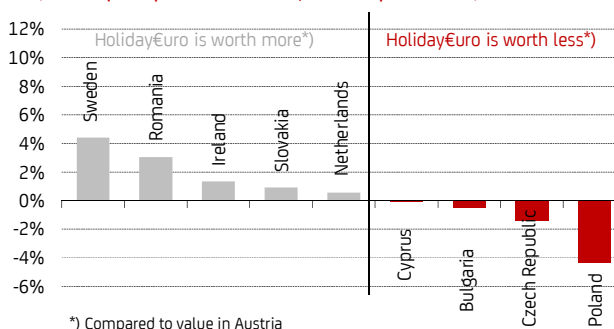
²⁾ Only the most important countries weighted by destinations

Sources: UniCredit Bank Austria Economics & Market Analysis Austria, OECD, Eurostat, Statistics Austria

Changes in the "HolidayEuro" (since May 2016 in %)



Changes in the "HolidayEuro" (less frequently visited countries, since May 2016 in %)



Sources: UniCredit Bank Austria Economics & Market Analysis Austria, May 2017, preliminary data

Changes in the "HolidayEuro" (May 2017 over May 2016)

Africa	25.5%
Overseas average	16.0%
United Kingdom	7.4%
Turkey	5.6%
Canada	2.3%
Portugal	0.7%
France	0.6%
Croatia	0.2%
Italy	0.1%
Greece	0.1%
Slovenia	0.0%
Switzerland	0.0%
Germany	0.0%
Austria	0.0%
Spain	-0.5%
Hungary	-1.4%
Asia	-1.8%
USA	-3.9%
South/Central America	-4.4%

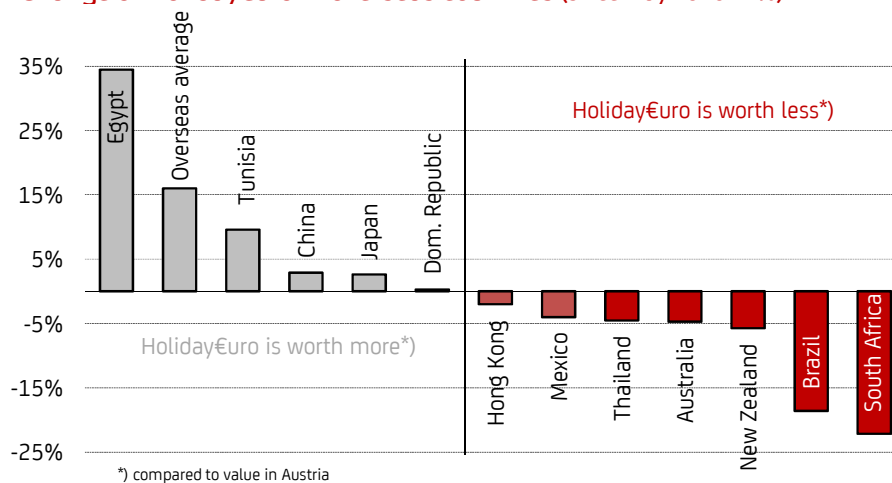
Source: UniCredit Bank Austria Economics & Market Analysis Austria

Changes in overseas "HolidayEuro" (May 2017 over May 2016)

Egypt	34%
Overseas average	16%
Tunisia	10%
China	3%
Japan	3%
Dominican Republic	0%
Hong Kong	-2%
Mexico	-4%
Thailand	-5%
Australia	-5%
New Zealand	-6%
Brazil	-19%
South Africa	-22%

Source: UniCredit Bank Austria Economics & Market Analysis Austria

Change of HolidayEuro in overseas countries (since May 2016 in %)



Source: UniCredit Bank Austria Economics & Market Analysis Austria

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

Destination	May 2017 EUR 100 are worth EUR ... in this country	May 2016	- more exp. + cheaper ¹⁾ compared to previous year in %
Austria	100	100	
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France	105	104	1%
United Kingdom	113	105	7%
Hungary	170	172	-1%
Switzerland	62	62	0%
Slovenia	126	126	0%
USA	97	101	-4%
Portugal	120	119	1%
Ireland	89	88	1%
Netherlands	101	100	1%
Poland	161	168	-4%
Romania	186	180	3%
Slovakia	141	140	1%
Czech Republic	157	159	-1%
Cyprus	115	115	0%
Sweden	90	86	4%
Canada	100	98	2%
Bulgaria	179	180	-1%
Asia	-	-	-2%
Thailand	-	-	-5%
Japan	-	-	3%
Hong Kong	-	-	-2%
China	-	-	3%
Africa	-	-	26%
Egypt	-	-	34%
Tunisia	-	-	10%
South Africa	-	-	-22%
South/Central America	-	-	-4%
Mexico	-	-	-4%
Dominican Republic	-	-	0%
Brazil	-	-	-19%
Australia	-	-	-5%
New Zealand	-	-	-6%
Overseas average	-	-	16%
Total²⁾	118	118	0%

*) For EU countries without housing costs

¹⁾ Compared to Austria

²⁾ Only the most important countries weighted by destinations

Sources: UniCredit Bank Austria & Market Analysis Austria, OECD, Eurostat, Statistik Austria

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