



# HolidayEuro Summer 2018

## Purchasing Power of the Euro Abroad

June 2018

**ANALYSES**

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## Overview

### **HolidayEuro 2018 worth on average 20 percent more than at home**

- Overseas destinations tend to be more expensive this year, with the exception of South and Central America
- Turkey, Hungary and Croatia remain at the top of the best destinations
- The HolidayEuro is worth as much in the United Kingdom and the United States as at home
- Switzerland is a little less expensive this year, but still 100 HolidayEuros are worth only 74 euros
- In comparison to the previous year, Turkey and Brazil have become significantly cheaper

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#### **Imprint**

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## In detail

The value of the HolidayEuro for Austrians in the summer of 2018 is on average 20 percent higher abroad than in Austria. European destinations tend to be slightly cheaper in 2018, but overseas, on average, is a bit more expensive. In Turkey, where the HolidayEuro was the most valuable asset in the past, you will receive more than twice as much as in Austria this year due to the strong devaluation.

In a general perspective, however, compared to the summer of 2017, the HolidayEuro has not moved much, because in many important holiday countries of Austrians, the price increase was similar to Austria and also the exchange rates remained relatively stable, or many popular holiday countries are part of the eurozone anyway. In the summer of 2018, the HolidayEuro cannot benefit from lower inflation than in Austria, because prices in many countries have increased in the last twelve months, much like in Austria. In addition to Turkey, where the HolidayEuro is worth about 19 percent more than in 2017, the HolidayEuro still benefited from a devaluation in Hungary and Sweden.

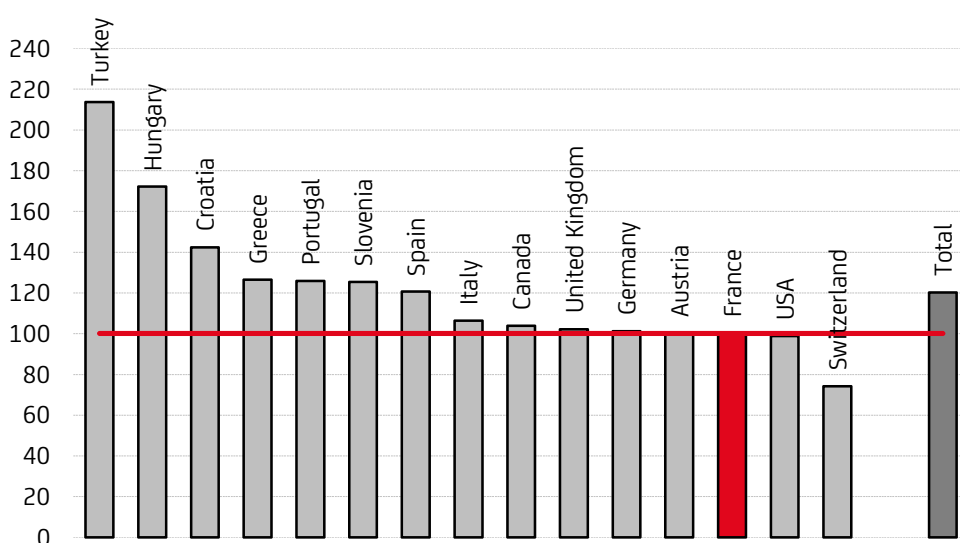
Holidays in Turkey, Hungary and Croatia continue to be much cheaper than at home

Among the most important holiday destinations of the Austrians, one can still get the most for their HolidayEuro in Turkey, Hungary and Croatia. Among the most popular holiday destinations, a vacationer from Austria can also expect a greater value for his HolidayEuro in Slovenia, Greece, Portugal and Spain. In holiday destinations, which are particularly popular for city vacations, vacationers from Austria are likely to face a similar price level like back home this year, such as in Italy, the United Kingdom, Germany, France and the USA. In many countries in Eastern and South-eastern Europe, the HolidayEuro continues to be worth much more than in Austria, especially in Bulgaria, Romania and Poland.

Overseas 2018 average has become more expensive

Overseas, the different price development hardly plays a role in the comparison of values for the HolidayEuro, here the development of the exchange rate is more important. Therefore, overseas shows a differentiated picture. Unlike in 2017, in 2018 the euro has so far not followed a uniform appreciation trend, the value of the HolidayEuro in Asia and Africa has dropped this year, but it has risen in America. The increase in value of the HolidayEuro in America ranges from half a percent in Mexico to more than 2 percent in the USA and up to 15 percent in Brazil. In Asia, on the other hand, in 2018 the HolidayEuro was valued slightly lower and in Africa, with an average of 7 percent, decreased its value even further.

### On holiday, EUR 100 are worth



Source: UniCredit Bank Austria Economics & Market Analysis Austria (own estimate), OECD, Eurostat, Statistik Austria, June 2018

The HolidayEuro continues to be of little value in Switzerland, but noticeably more than in 2017

The HolidayEuro is worth significantly more this year in Switzerland than in the previous year. With a value of 74 euros, Switzerland remains, despite a 7 percent devaluation, one of the most expensive holiday destinations for vacationers from Austria. With the devaluation last year, the HolidayEuro in Switzerland again achieved a noticeably higher value, which is around three quarters of the value in Austria and thus corresponds to its long-term average. Never before, since there have been value comparisons, has the HolidayEuro been worth more in Switzerland than in Austria. The devaluation of the Swedish Krona in the last twelve months marks the value of the HolidayEuro in Sweden at 93 euros, although not quite as much value as in Austria, but it is near the 100 euro mark for the first time in eight years.

Finally, we point out that these are average values, individual regions (such as London as a central region) may deviate from it. The price level refers to the average of goods and services in the individual countries, individual products (especially for tourists) may differ significantly. Therefore, even for the long-distance destinations no value, but only the change was indicated. In addition, the fact that the price level is so much cheaper in some holiday destinations than in Austria is mainly due to the high income level in Austria. If Austria's price level were lower, income levels would be lower and holidays hard to afford.

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

Destination	June 2018 EUR 100 are worth EUR ... in this country	June 2017	- more exp. + cheaper <sup>1)</sup> compared to previous year in %
Austria	100	100	
Italy	106	105	1%
Croatia	142	142	0%
Germany	101	101	0%
Spain	121	121	0%
Turkey	214	172	19%
Greece	126	124	2%
France	100	100	0%
United Kingdom	102	103	-1%
Hungary	172	165	4%
Switzerland	74	69	7%
Slovenia	125	126	0%
USA	99	97	2%
Portugal	126	125	1%
Canada	104	100	4%
<b>Total<sup>2)</sup></b>	<b>120</b>	<b>118</b>	<b>2%</b>

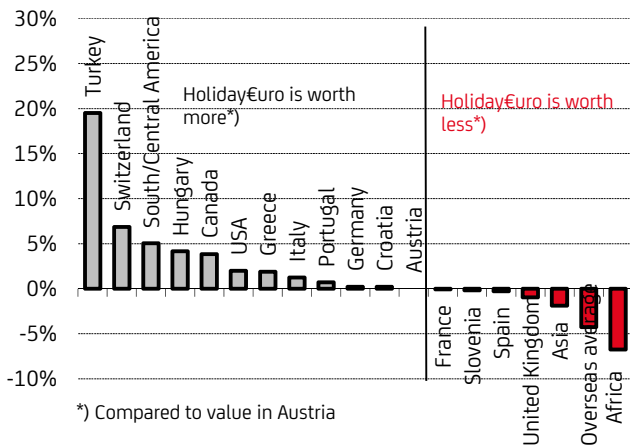
\*) EU-25 countries excluding housing costs

<sup>1)</sup> Compared to Austria

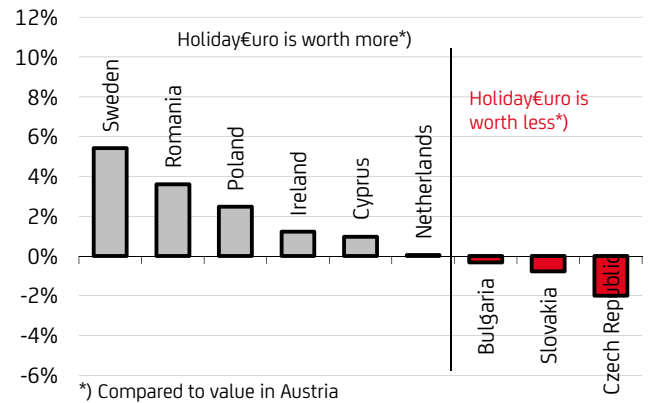
<sup>2)</sup> Only the most important countries weighted by destinations

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

**Changes in the "HolidayEuro"**  
(since June 2017 in %)



**Changes in the "HolidayEuro"**  
(less frequently visited countries, since June 2017 in %)



Source: UniCredit Bank Austria Economics & Market Analysis Austria, June 2018, preliminary data

**Changes in the "HolidayEuro"**  
(June 2018 over June 2017)

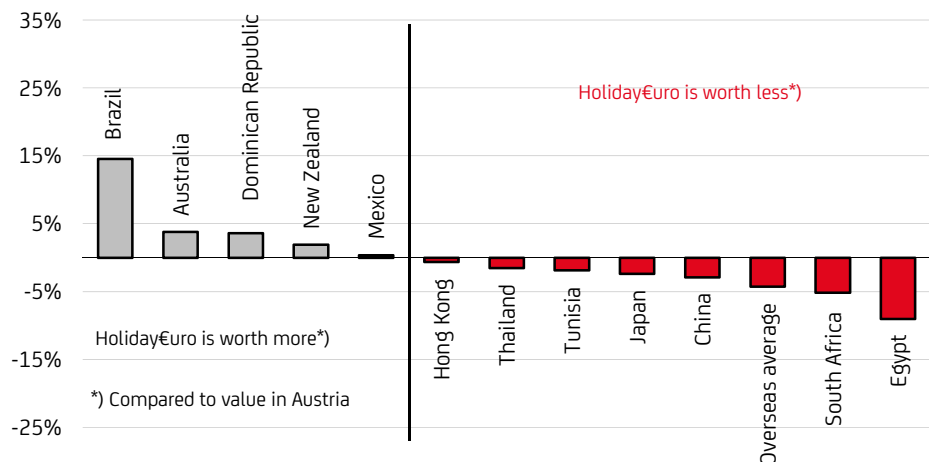
Turkey	19.5%
Switzerland	6.9%
South/Central America	5.0%
Hungary	4.2%
Canada	3.8%
USA	2.0%
Greece	1.9%
Italy	1.2%
Portugal	0.7%
Germany	0.2%
Croatia	0.2%
Austria	0.0%
France	-0.1%
Slovenia	-0.2%
Spain	-0.3%
United Kingdom	-1.0%
Asia	-1.9%
Overseas average	-4.3%
Africa	-6.8%

**Changes in overseas "HolidayEuro"**  
(June 2018 over June 2017)

Brazil	15%
Australia	4%
Dominican Republic	4%
New Zealand	2%
Mexico	0%
Hong Kong	-1%
Thailand	-2%
Tunisia	-2%
Japan	-2%
China	-3%
Overseas average	-4%
South Africa	-5%
Egypt	-9%

Source: UniCredit Bank Austria Economics & Market Analysis Austria

**Change of "HolidayEuro" in overseas countries**  
(since June 2017 in %)



Source: UniCredit Bank Austria Economics & Market Analysis Austria, June 2018, preliminary data

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

Destination	June 2018 EUR 100 are worth EUR ... in this country	June 2017	- more exp. + cheaper <sup>1)</sup> compared to previous year in %
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Slovenia	125	126	0%
USA	99	97	2%
Portugal	126	125	1%
Ireland	92	90	1%
Netherlands	99	99	0%
Poland	157	153	2%
Romania	187	180	4%
Slovakia	140	141	-1%
Czech Republic	155	158	-2%
Cyprus	117	116	1%
Sweden	93	88	5%
Canada	104	100	4%
Bulgaria	179	180	0%
Asia	-	-	-2%
Thailand	-	-	-2%
Japan	-	-	-2%
Hong Kong	-	-	-1%
China	-	-	-3%
Africa	-	-	-7%
Egypt	-	-	-9%
Tunisia	-	-	-2%
South Africa	-	-	-5%
South/Central America	-	-	5%
Mexico	-	-	0%
Dominican Republic	-	-	4%
Brazil	-	-	15%
Australia	-	-	4%
New Zealand	-	-	2%
Overseas average	-	-	-4%
<b>Total<sup>2)</sup></b>	<b>120</b>	<b>118</b>	<b>2%</b>

\*) For EU countries without housing costs

<sup>1)</sup> Compared to Austria

<sup>2)</sup> Only the most important countries weighted by destinations

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

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