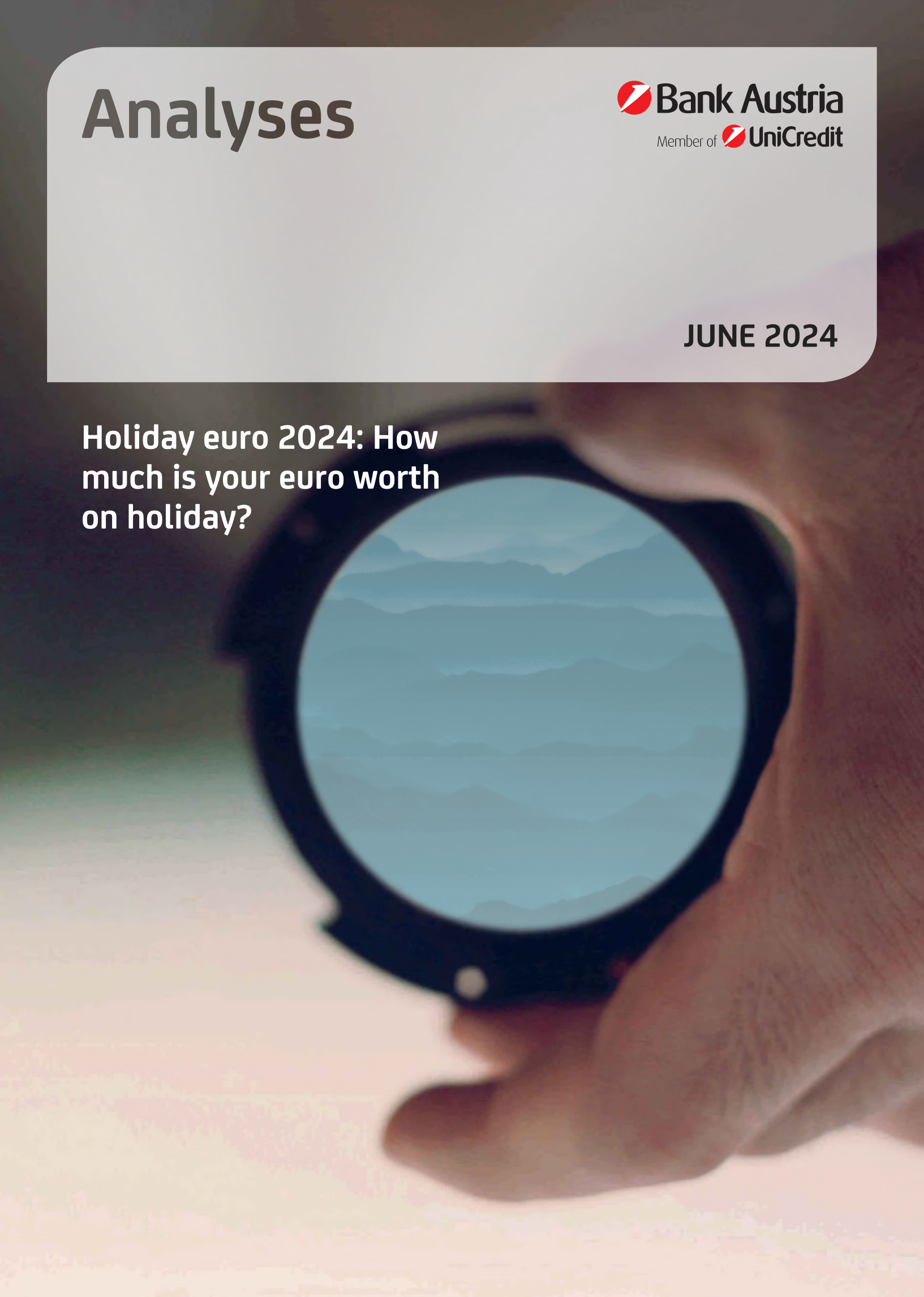


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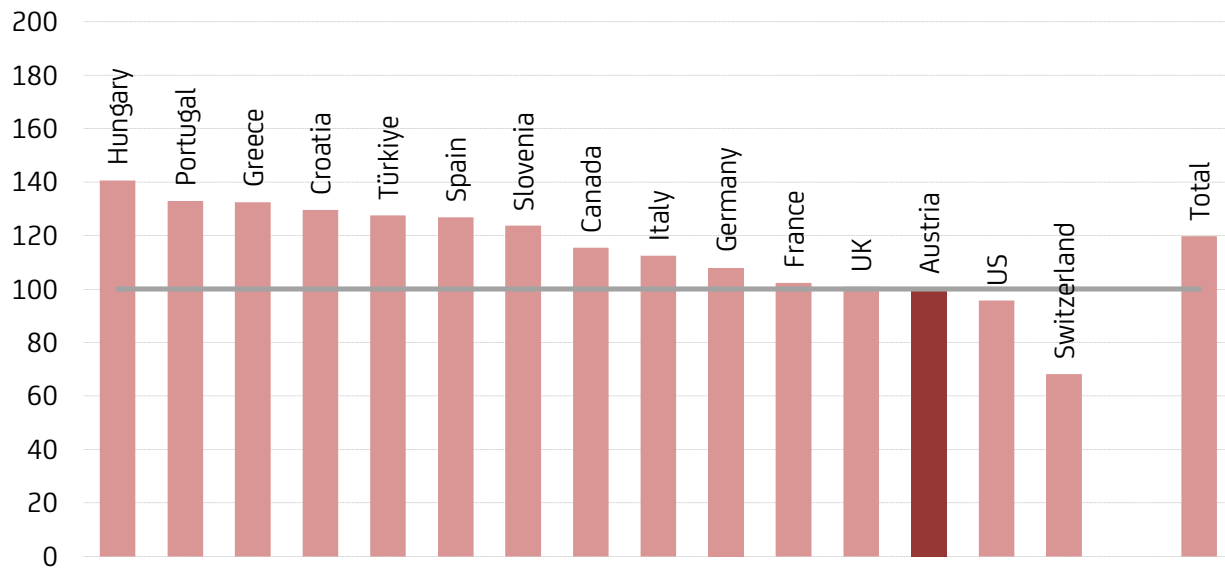
JUNE 2024

Holiday euro 2024: How much is your euro worth on holiday?



HOLIDAY EURO WORTH 20 PERCENT MORE ON AVERAGE IN 2024 THAN AT HOME

On holiday, EUR 100 are worth



Sources: UniCredit Research (own estimates), OECD, Eurostat, Statistik Austria, June 2024

- Austrians' holiday euro will be worth 20 per cent more on average in 2024 than in Austria. The purchasing power of the Austrian holiday euro is highest in Bulgaria and Romania. In general, holiday destinations in Southern and Eastern Europe, which are popular in summer, will also score lower prices than in Austria in 2024. Switzerland remains one of the most expensive holiday destinations.
- Compared to 2023, the higher inflation in some major European holiday destinations compared to Austria has led to an average loss in value of the Austrian holiday euro abroad of around 1.7 per cent.
- In general, the value of the Austrian holiday euro in European holiday destinations fell slightly in 2024 compared to 2023. In contrast, the appreciation of the euro has made holidays in Africa or Asia cheaper on average. However, the value of Austrians' holiday euros in the very popular holiday destination of Turkey has fallen significantly compared to 2023.
- The holiday euro describes the general development in the value of goods and services on a country average and not specifically for holiday regions or holiday shopping baskets. This may result in deviations in the actual local price levels compared to these results.

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as of June 2024

Holiday euro abroad will generally be worth around 2 per cent less in 2024 than in 2023 due to high inflation in some major European holiday destinations compared to Austria

Value of the holiday euro down in Europe compared to 2023, up overseas

The purchasing power of the euro, i.e. the holiday euro, has once again become an important indicator for summer holidays in 2024. In addition to considerations relating to the current geopolitical crises combined with high inflation and a sharp rise in energy prices, the value of the holiday euro plays an important role in deciding where to go on holiday. On average, the holiday euro abroad in 2024 is 20 per cent higher than its value at home, although it is generally worth around two per cent less than in 2023 due to high inflation in some major European holiday destinations compared to Austria.

In 2024, the holiday euro in the popular holiday destinations of Croatia, Turkey, Greece, Spain and Portugal will be worth around 30 per cent more than in Austria. However, compared to 2023, European destinations will tend to be slightly more expensive in 2024 in comparison to Austria, despite high domestic inflation, and overseas destinations will be significantly cheaper. In Turkey and Hungary, however, where the holiday euro was worth the most in the past, you get significantly less this year than last year due to high inflation, yet Hungary remains the country where the holiday euro is worth the most among the most popular holiday destinations.

Holidays in Hungary, Turkey and Croatia, as well as Greece, Spain and Portugal, are significantly cheaper than at home

Southern and Eastern European holiday destinations will also have lower price levels than in Austria in 2024

In Croatia, Turkey, Greece, Spain and Portugal, Austrian holidaymakers receive around 30 per cent more than in Austria. Especially in countries in the south of Europe, such as Greece and Spain, the value of the Austrian holiday euro has increased in recent years compared to regions such as Turkey, Croatia and Hungary, which were particularly cheap in the past", analyses Bruckbauer. "In holiday destinations that are particularly popular for city breaks, holidaymakers from Austria are likely to be faced with a similar price level to Austria for the first time again this year, for example in the United Kingdom, France and the USA, the difference has narrowed further compared to the previous year.

Even in Germany, the host country of the European Football Championship, which starts shortly, it is cheaper for the Austrian fans of our national team than in Austria: 100 euros are worth 108 euros in Germany, at least on average, perhaps not necessarily in and around the stadium. In many countries in Eastern and South-Eastern Europe, the holiday euro is still worth significantly more than in Austria, especially in Bulgaria, Romania and Poland, although the value in the latter two countries has fallen slightly compared to the previous year.

Chart 1: Change in the holiday euro

(Top 20 destinations, change since June 2023 in %)

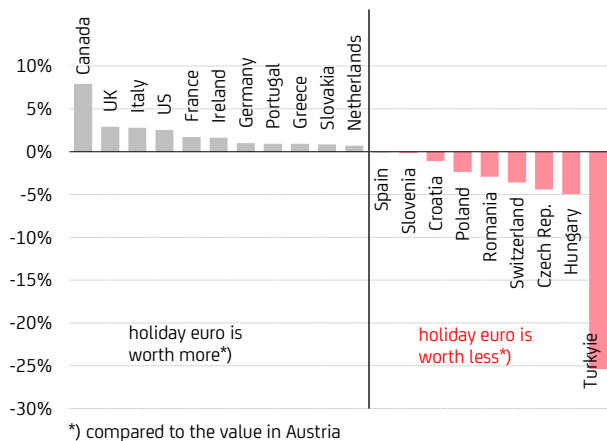


Chart 2: Change in the holiday euro

(Long-distance destinations, change since June 2023 in %)



Source: OeNB, Statistik Austria WIFO, UniCredit Research

Holiday euro gains in value on average due to appreciation of the euro overseas

Overseas 2024 on average around 11 per cent cheaper compared to 2023

Overseas, in addition to the different price trends, exchange rate trends also play a role when comparing the value of the holiday euro. Based on holiday behaviour, there was another significant increase in the holiday euro in overseas destinations, as in 2023. The stronger euro was solely responsible for this, with price increases in many of these countries exceeding those in Austria.

Appreciation of the Swiss franc against the euro makes holidays in expensive Switzerland even more expensive compared to 2023

Switzerland is the most expensive holiday destination

Despite persistently significantly lower inflation in Switzerland than in Austria, the recent rise of the Swiss franc against the euro has once again reduced the value of the holiday euro in Switzerland by around 4 per cent, meaning that Switzerland remains the most expensive holiday destination for Austrians among the popular holiday destinations. "Despite low inflation in recent years, the appreciation in Switzerland continues to ensure that the holiday euro there is only worth around two thirds of its value in Austria, which corresponds to its long-term average. Never before since value comparisons have been made has the holiday euro been worth more in Switzerland than in Austria.

Holiday euro describes the general trend in the value of goods and services on average across countries

Important note on significance

Finally, the economists at UniCredit Bank Austria point out that the calculation of the holiday euro is not an incentive to go on holiday abroad and that the value of the holiday euro should play a subordinate role compared to security aspects. They also point out that these are average values; individual regions (such as London as a central region or coastal regions) may differ. The price level refers to the average of goods and services in the individual countries; individual products (especially for tourists) can deviate significantly from this. For this reason, no value was given for the long-distance destinations, but only the change. In addition, the fact that the price level in some holiday destinations is so much more favourable than in Austria is primarily due to the high income level in Austria. If Austria's price level were lower, income levels would also be lower and holidays would be difficult to afford. Holiday behaviour before the pandemic, there was a decline in the holiday euro in overseas destinations. In addition to the weaker euro, higher price increases were also responsible for this.

Table 1: On holiday, EUR 100 are worth
(comparison of purchasing power*)

Destination	June 2024 EUR 100 are worth EUR ... in this country	June 2023	- more exp. + cheaper ¹⁾ compared to previous year in %
Austria	100	100	
Italy	130	131	-1,1%
Croatia	112	109	2,8%
Greece	132	131	0,9%
Germany	128	160	-25,4%
Spain	108	107	1,0%
Türkiye	127	127	-0,1%
France	96	93	2,5%
Hungary	102	101	1,7%
Slovenia	141	148	-4,9%
UK	101	98	2,9%
US	68	71	-3,6%
Switzerland	115	106	7,9%
Portugal	97	95	1,6%
Canada	104	103	0,7%
Czech Republic	166	170	-2,4%
Ireland	124	124	-0,2%
Sweden	133	132	0,9%
Cyprus	180	185	-2,9%
Romania	136	135	0,9%
Slovakia	125	130	-4,4%
Poland	140	139	1,2%
Netherlands	117	108	7,6%
Bulgaria	181	180	0,8%
Asia	-	-	7,7%
Thailand	-	-	9,0%
Japan	-	-	12,5%
Hong Kong	-	-	0,9%
China	-	-	5,4%
Africa	-	-	12,5%
Egypt	-	-	18,1%
Tunisia	-	-	-2,8%
South Africa	-	-	-4,4%
South/Central America	-	-	4,6%
Mexico	-	-	6,2%
Dominican Republic	-	-	3,0%
Brazil	-	-	6,3%
Australia	-	-	-0,7%
New Zealand	-	-	-0,2%
Overseas average	-	-	10,5%
Total²⁾	120	122	-1,7%

*) For EU countries without housing costs

1) Compared to Austria

2) Only the most important countries weighed by destinations

Sources: UniCredit Research, OECD, Eurostat, Statistik Austria

We invite you to visit the economic analyses on Bank Austria's website: www.bankaustria.at under "Direct access – Markets & Research - Analyses & Research" in the section "Economic Research Austria" or directly at <http://www.bankaustria.at/en/about-us-publications-economic-research-austria.jsp>.

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Imprint

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Published by:

UniCredit Bank Austria AG

1020 Vienna, Rothschildplatz 1,

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