

# More hotel Guests in 2011.....

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Expecting good tourism growth in 2011 According to the ITB World Travel Trends Report 2010/2011 world tourism is recovering strongly in 2010 from the recession and is firmly back on the growth path. A new record figure for international trips will be set this year, while spending is recovering well from a heavy slump last year. In 2009, the tourism sector was heavily hit by the worldwide economic recession. The total number of outbound trips fell 4%, the number of outbound room nights declined 7% and the sector's outbound turnover dropped 9% as prices and rates tumbled, according to IPK figures. International tourism declined with a 4.2% fall to 880 million arrivals worldwide and a 5.7% drop in spending to \$852 billion (€611 billion), World Tourism Organization (UNWTO) statistics show. But the world tourism industry has proven its resilience with an unexpectedly strong comeback last year. The global tourism sector grew about 5% in 2010, according to IPK's World Travel Monitor. International travel spending levels are expected to be reported at slightly faster by 7% to €781 billion while the much larger domestic travel market will also grow well by some 4%, the latest World Travel Monitor trends for January-September 2010 show. Africa is also expected to show good growth rates. The world economy will grow 4.2% in 2011 and 4.7% in 2012, according to Germany's respected IFO Institute and emerging countries are expected to contribute about two thirds of this world economic growth this year. This is great news for African hotel groups as this continent is at the forefront of emerging economies. Prior to the publication of The ITB Travel Trends Report 2010/2011, African Sun was already optimistic about 2011. We have a sound strategy in place, great people on board, realistic growth plans and a solid cash management system. All of which we believe sets us up well to maximize the potential this year, and the report, is promising.

More hotel guests in 2011 but rates still under pressure The world's hotels and accommodation industry will see a good recovery this year in volume terms but not quite return to growth yet, the recent World Travel Monitor results showed. The key trend is that people are travelling again but taking shorter trips. Hotel prices are rising again as demand returns strongly but trends are very divergent around the world, according hospitality research company STR Global. Room yields (revenue per available room) are rising in Asia and improving in Europe after a sharp drop over the last two years. In Africa we are seeing an increased demand for business hotel rooms, but this is also being met with an increase in the number of properties being built to service the demand. While in many African cities, hotel guests are still paying premium rates for their rooms, the ability to charge 'top dollar' will come under pressure soon. Take for example the South African hotel industry. In both Johannesburg and Cape Town, many luxury properties have sat with occupancies below 15% giving guests an unprecedented opportunity to negotiate on price. As a business, hotel owners need to understand the balance between standards and operating costs. How to maintain one and manage the other so that the pressure on rates can be mitigated by the satisfaction created through a truly exceptional guest experience. At African Sun, great service coupled with great properties is key to our success and our 'how may I serve you' mantra the cornerstone of everything we do