



Media release, 22 March 2017

Media corner at www.swissdeluxe-hotels.com/de/media

Media conference, Wednesday 22 March 2017 at 10.00 a.m. at The Dolder Grand, Zurich

Swiss Deluxe Hotels with rising overnight stays and sales figures again

The 41 Swiss Deluxe Hotels recorded a total of 1,147,084 overnight stays in 2016, which is equivalent to growth of two percent¹.

Consolidated annual sales also increased by almost two percent to around CHF 1.45 billion².

After the Swiss home market, guests from the Middle East and the US form the largest foreign markets.

Zurich, 22 March 2017 – After two extremely difficult years, Swiss Deluxe Hotels once again recorded an increase in the number of overnight stays in 2016. The number of overnight stays rose by around two percent last year. Consolidated sales throughout the entire Group of 41 Swiss Deluxe Hotels – including all subsidiary establishments – came to around CHF 1.45 billion, which also represents slight growth of almost two percent compared with the previous year.

The exact number of registered overnight stays at the 41 Swiss Deluxe Hotels last year amounted to 1,147,084, which is equivalent to growth of two percent. By way of comparison, the overall market in the Swiss hotel industry declined by 0.3 percent. The strongest growth periods were the months of February, March, May, June, July, September and October. This shows among other things that the high season is increasingly shifting in the winter months. Following mild Decembers with little snowfall in both 2015 and 2016, many guests spent the Christmas season in the lowlands or at other holiday destinations and started the skiing season in February. Growth figures were recorded almost continuously from May to October, which is not least attributable to the Swiss home market that has been strong for years and also grew again in 2016.

Swiss market with solid growth

The Swiss market at Swiss Deluxe Hotels grew by 3.1% to over 330,000 overnight stays. This corresponds to an average market share of 30 percent, although this can vary greatly on a regional basis and from hotel to hotel. The Middle East region comprising the United Arab Emirates, Saudi Arabia, Qatar, Kuwait, Bahrain and Oman has now grown into the second largest market alongside the USA, with both accounting for a market share of around 12 percent. The development shows how quickly the core markets in the business can change. Germany, which for decades was the most important foreign market, today only accounts for seven percent of guests. Having said this, the German market did recover again slightly and ended its decline last year with growth of one percent.

The current growth markets are the USA and the UK with 5.2% and 4.1% growth respectively. Together with the strong domestic market in Switzerland and the growth from the Middle East, the very positive

¹ According to the new calculation basis, source: Swiss Federal Statistical Office

² Overall figures are partially based on extrapolations

development of these two traditional markets sufficed to more than offset the downward trends in the new markets.

New markets with declining growth figures

Russia, China and the rest of Asia are declining significantly. Both economic and political factors such as the fear of terror attacks in Europe are playing a role in these markets. The travel behaviour of an increasingly global clientèle responds extremely sensitively to exogenous factors. The Russian market declined for the third time in succession in 2016 after having displayed continuous growth between 2009 and 2013. This is explained among other things by the devaluation of the rouble against the Swiss franc and political unrest. This is felt by Swiss hoteliers particularly during the period of the Russian Christmas and New Year in early January and especially by Swiss Deluxe Hotels as Russian guests display a high five-star affinity. India is continuing to grow at a low level and Brazil has likewise sustained a considerable loss in its reputation as a growth market.

Market	Overnight stays 2016	Change %	Market share %
Switzerland	331'183	+3.1%	29%
Middle East	132'094	+7.8%	12%
USA	131'649	+5.2%	12%
UK	80'650	+4.1%	7%
Germany	79'597	+1.0%	7%
France	46 493	+0.3%	4%

Market	Overnight stays 2016	Change %	Market share %
Russia	41'915	-11.2%	3.5%
Asia	37'609	-16.1%	3.3%
China	27'866	-0.6%	2.5%
Italy	24'533	+3.2%	2.0%
India	16'746	+19.8%	1.5%
Brazil	13'402	-10.6%	1.2%

Figure: Main countries of origin of the guests of Swiss Deluxe Hotels in 2016, source: FSO



Siro Barino, Managing Director of Swiss Deluxe Hotels, says: "It is crucial for Swiss Deluxe Hotels to continue to invest in the development of new markets. We have an excellent product that is held in very high regard throughout the world. Together with our partner Switzerland Tourism, we will promote the exclusive and traditional values of the Swiss luxury hotel industry even more intensively and strengthen the level of trust in Switzerland as a safe travel destination."

Investments in quality and catering

The 41 Swiss Deluxe Hotels once again invested around CHF 350-400 million in their infrastructure in 2016. The Kulm Hotel St. Moritz opened the new Kulm Country Club in time for the World Ski Championships and many of the 41 hotels have refurbished rooms, suites and F&B outlets.

The opening of new or redesigned restaurants at the Swiss Deluxe Hotels reflects a lively development not only of the hotel industry but also of the diverse range of catering facilities. Examples here include the newly opened MiZUKi by Kakinuma at the Guarda Golf Hotel & Residences, the second "IGNIV by Andreas Caminada" restaurant at Badrutt's Palace Hotel in St. Moritz and the "Widder Garage" that has been set up as a temporary bar due to the closure of the Widder Bar for refurbishment and has since advanced to become the most fashionable club in Zurich.

Importance of Swiss Deluxe Hotels for Switzerland

Swiss Deluxe Hotels once again intensively dealt with the underlying economic conditions for the luxury hotel industry in Switzerland over the last year. Together with the umbrella association hotelleriesuisse (Swiss Hotel Association), Swiss Deluxe Hotels is following the key dossiers and their effects on the entrepreneurial scope for manoeuvre of the hotel industry. The following points serve to illustrate how important five-star hotels are for Switzerland and its economy.

- Swiss Deluxe Hotels provide an essential infrastructure for national and international government and business. The world traditionally convenes at our five-star hotels for international conferences, meetings and state visits. They therefore promote the Swiss brand and its reputation for offering the highest level of quality and service.
- Swiss Deluxe Hotels not only make their contribution to value creation by means of the 1.15 million or so overnight stays. The latter can be multiplied several times over if we take into account all the expenditure of hotel guests in Switzerland.
- The five-star hotels with their icons of the Swiss hotel industry are a business card and shape the image of the Swiss brand, not least through their daily provision of outstanding services. This way they anchor the Swiss quality concept for luxury hotels and exclusive hospitality.
- Careful implementation of the underlying political conditions is of major importance for the hotel industry in order to avoid restricting its scope for manoeuvre too much.

With this in mind, Swiss Deluxe Hotels supports the demands and aspirations of the umbrella association hotelleriesuisse in the economic debate such as

- Increasing labour market flexibility. Access to skilled labour needs to be simple and unbureaucratic.
- Comprehensively removing trade barriers in agriculture.
- Finally fixing the special VAT rate of 3.8% in law following 20 years as a temporary arrangement.
- Generally reducing the amount of regulation.
- Creating equal opportunities for new business models such as booking platforms and Airbnb.



Swiss Deluxe Hotels

The Swiss Deluxe Hotels association (SDH) was founded in 1934 and comprises 41 of the most renowned five-star hotels in Switzerland such as The Dolder Grand and the Baur au Lac in Zurich, the Victoria-Jungfrau Grand Hotel & Spa in Interlaken, the Gstaad Palace, the Beau-Rivage Palace in Lausanne, Badrutt's Palace Hotel and the Kulm Hotel in St. Moritz, the Castello del Sole in Ascona and the Grand Hotel Les Trois Rois in Basel. They all represent the renown of the Swiss luxury hotel industry that they have decisively shaped for almost two centuries. With a total of 4,500 rooms and suites and around 8,500 beds, the Group accounts for over 40% of Switzerland's five-star capacity. The SDH is therefore the most important association in this sector and has for decades assumed a leading role in the Swiss luxury hotel industry. The name "Swiss Deluxe Hotels" stands for exclusive quality and the highest standards. The personal service is unique: Over 5,700 employees ensure the well-being of a clientèle that is also accustomed to service luxury. Altogether the Group records around 1,147,000 overnight stays each year. Annual sales in 2016 came to around CHF 1.45 billion.

The figures are partly based on extrapolations of the entire Group of 41 Swiss Deluxe Hotels.

For further information, please contact:

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