Russians Hit by Ruble Crisis Drop Swiss Playground for Holidays at Home

By Catherine Bosley and Kaenia Galouchko - Jan 13, 2015

Sergey Kyuregyan, a 35-year-old manager of a Moscow energy company, decided to forgo a European ski vacation this winter and travel to the Black Sea instead.

“I wanted to spend my vacation in Russia,” he said, explaining that in the past he'd gone to Switzerland, Austria and Italy. “I decided that I would go skiing in Sochi.”

The number of Russians staying in Swiss hotels declined in 2014 as the ruble plummeted and President Vladimir Putin’s government urged vacations at home. That’s being felt in the Alpine town of St. Moritz, location of the 1928 and 1948 Olympic games. Here, expensive cars ply the streets lined with boutiques such as Prada SpA (1913) and Hermes International. (RMS) Famous for its sunshine, annual polo-on-ice tournament and well-heeled clientele, the town, which is more upmarket than Davos, has recently proved a popular destination for wealthy Russians.

At the 126-room Kulm Hotel, which offered a dinner for Russian Orthodox Christmas Eve on Jan. 6 featuring an opera singer for 600 francs ($590) per person, bookings from Russians this winter are down by 8 percent to 10 percent.

“There’s not a waiting list as there was in years past,” Kulm CEO Heinz Hunkeler said, explaining that during the ski season Russians constitute about 13 percent of the clientele. “The ruble has a certain effect, but of course many of our clients have their money outside Russia. The nationalism phenomenon of Putin saying ‘stay in Russia’ shouldn’t be underestimated.”

Altered Environment

Energy manager Kyuregyan is one of those Russians, saying he chose not to travel abroad for “political reasons,” rather than for pecuniary considerations. “Skiing in Sochi wasn’t cheaper than in Europe but not more expensive either.”

Nearby, at the 5-star Carlton, which served as a home to the Greek royal family during World War I, “the current winter season has brought new challenges due to the altered political and economic environment” in Russia and surrounding countries, said Corinne Denzler, director of the Tschuggen Hotel Group that owns the hotel.

Since 2005, Russians have enjoyed an official 10-day holiday surrounding the Julian calendar’s
Christmas on Jan. 7. Between 2005 and 2013, the number of Russian tourists coming to Switzerland doubled.

Following Russia’s annexation of Crimea last year, the number of Russians arriving to stay in Swiss hotels dropped by a tenth between May and October.

Some Russians have chosen not to travel abroad after the European Union imposed a raft of sanctions. A 40 percent drop in the ruble against the euro last year has also pushed up the cost of foreign holidays and a raft of Russian travel agencies has foundered.

**Canceled Trip**

While Switzerland is a neutral country and hasn’t formally joined the EU’s sanctions, it has taken measures to hinder their circumvention. The [Swiss National Bank](http://www.bloomberg.com/news/print/2015-01-14/russia­crisis­touches­swiss­playground­of­wealthy­in­st­moritz.html) also has a minimum exchange rate of 1.20 per euro for the franc, meaning Russians feel the loss of purchasing power when in Switzerland.

“I canceled a trip to Europe during the holidays because of personal reasons and the tough financial situation only confirmed that my decision was correct,” said Moscow museum manager Dmitry Panov, 27. “I had planned to do a road-trip through Prague, Vienna and Budapest via Belarus and [Poland](http://www.bloomberg.com/news/print/2015-01-14/russia­crisis­touches­swiss­playground­of­wealthy­in­st­moritz.html).”

Even though Russians ranked only tenth among foreign visitors to Switzerland in 2013, they are among the more avid shoppers: They spent 230 francs per day, compared with an average among foreigners of 180 francs, according to data from the tourism board.

**Fewer Visitors**

In St. Moritz, which in the course of the 20th century counted Russian ballet dancer Vaslav Nijinsky and the Shah of [Iran](http://www.bloomberg.com/news/print/2015-01-14/russia­crisis­touches­swiss­playground­of­wealthy­in­st­moritz.html) among its famous guests, the local tourism board expects a decline in the number of Russian visitors this winter. Roberto Rivola, spokesman for the association, said it wasn’t possible to predict how big the decline would be.

Other countries have been similarly effected: Russians stayed away from the French Riviera this summer, while in Finland Russians crossing the border to shop are spending less.

It’s not all gloom and doom in St. Moritz. Atop the Corviglia ski area at 2,500 meters, [La Marmite restaurant](http://www.bloomberg.com/news/print/2015-01-14/russia­crisis­touches­swiss­playground­of­wealthy­in­st­moritz.html) is enjoying good demand. On the menu: Beef carpaccio with truffles and smoked salmon with caviar for 388 francs, or melted Brie with caviar for 225 francs.

“Both in terms of atmosphere and business, the situation is good,” owner Reto Mathis said. “The Russians are here -- I can’t see any evidence of a decline.”

Natalya Novikova, a 34-year-old company manager from Moscow who has come to St. Moritz for
the past six or seven years, said the ruble's collapse has kept some of her friends away this year and led others to settle for cheaper accommodation. Most in her circle came nonetheless, she said.

“We couldn’t imagine not coming -- whatever happens,” Novikova said, enjoying a coffee with her husband in the morning sun. “It’s one of our favorite places on earth.”

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