

Volcano update: NYC braced for \$250M loss as tourists remain grounded in Europe

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The chaos and crisis caused by the Icelandic volcano is about to hit New York -- hard.

City officials are bracing for the loss of \$250 million in tourism-related revenue as the ash clouds prevented nearly 12,000 European travelers from visiting New York over the weekend.

"The people we were expecting are not coming and not spending money at restaurants," said Marjan Inbar, a spokeswoman for the New York travel office NYC & Co.

"They're not shopping, not going to attractions," Inbar added.

The volcanic ash wafting over northern Europe is already costing the airline industry \$200 million a day and devastating overseas tourist attractions.

New York is about to feel that pain.

"Until this ... goes back to normal we can lose a lot of money," Inbar said.

International tourists make up only 20% of the visitors to New York, but account for 50% of tourism spending, city officials said.

The tourism agency estimates that for every 1,000 European visitors who cancel their trips, the city will lose out on \$1.5 million in spending on hotels, restaurants and museums.

"We can only hope that these people come back at a later stage," Inbar said.

While many hotels were reporting a surge in business from stranded visitors extending their stay in New York, they were also dealing with travelers who got stuck in Europe.

"There are a lot of cancellations but for every cancellation there is someone who needs to extend their room," said Eric Lauritsen of the Hotel Giraffe on Park Avenue South.

Still, insiders note that many of the thousands of stranded travelers are at the end of their vacations, and minding their pennies.

The city's tourism agency scrambled to line up low-cost activities and discounts at 30 hotels for the stranded.

"We've had people extending for up to a week because they just can't book a flight," said Nalini Sirjoo, director of guest experience at the Carlton Hotel on Madison Ave. ←

The massive worldwide delays left many travelers stuck in airport terminals - and not pumping cash into New York hotspots.

But there were a few financial bright spots: Some temporary New Yorkers settled into stylish accommodations.

"People are basically living here now, asking where they can buy some clothes for their kids and where they can go to do their own laundry," said Lia Leite of the Hotel Giraffe.