

## Transformation of Accommodation and Foodservice Facilities in Bratislava after 1989

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### 1. Introduction

Tourism, which was considered a marginal sector of the Slovak economy before 1989 with only 0.4 % share of the GDP, later started to have a more important position within the national economy. The share of this sector in the GDP grew to 3.6 % in 1996. Development of tourism is one of the most perspective sectors of the economy. This can be best documented by the rapid growth of income or by creation of new workplaces. Foreign currency income from active tourism in Slovakia was 213 million USD in 1992, compared to 586 million USD achieved in 1994 and 673 million USD in 1996 (Michník, Novacká, Sniščák 1996; Ševčík 1997).

The Slovak Republic has attractive natural conditions and numerous cultural and historical sites. Strong material and technical bases of tourism will have to be built if the country intends to become a favourite tourist destination. These requirements relate especially to the need for services of good quality and sufficient variability. Accommodation and foodservice facilities belong to the most important part of active tourism facilities. This part of the tourism industry could not avoid an important transformation after 1989.

We cannot find any extensively elaborated literature concerning tourism in the case of an individual city. This is particularly true when looking for experiences concerning transitional countries in East Central Europe. Pearce (1996) pointed out that the structure of tourism in urban areas remains a comparatively neglected area of research, with little attempt at systematic study. Some of the latest developments in London's tourist industry were investigated by Bull (1997). In Bratislava's case, we can mention Mišúnová (1996), whose work is focused on visitors received at Bratislava's historical sites. The transformation of tourism and related services in a post-socialist city offers a perspective field of research.

The city of Bratislava has a very important position in tourism of the Slovak Republic. Its advantages relate to its excellent geographical position (triangle Vienna – Budapest – Bratislava, the Danube location, with close relation to the four states) and transport accessibility. As the capital, Bratislava is the seat of central government, foreign embassies and various state agencies. Headquarters of leading corporations in industry

and banking and the largest concentration of business services are located here. Commercial fairs and other exhibitions are a permanent part of city life. Bratislava is the centre of Slovak cultural, academic, and intellectual life. The city has developed the best quality of services required for tourism in the country. In this paper we attempt to outline basic trends in the transformation of accommodation and foodservice facilities after 1989.

## 2. Basic Transformation Processes in Accommodation and Food Services

Privatisation has been one of the most typical features of the economic transformation in the Slovak economy since 1989. The majority of enterprises controlled by the former Ministry of Commerce and Tourism were privatised within the processes of the so-called "small" and "big" privatisation. Only one hotel – Hotel Kyjev – was privatised during the first wave of "big – voucher" privatisation in Bratislava. The majority of accommodation facilities in Bratislava were privatised later by direct sales to selected owners through the Fund of National Property. For example, one of the city's best hotels, Devín, has been owned by the company Yield Bratislava since 1996. The Hotel Carlton, with one of the longest hotel traditions in the city, has been closed for a longer time. This is due to planned reconstruction; the hotel is owned by the Belgian company Tractebel Engineering International. The former Hotel Palac, with a very good city centre location, was transformed into a bank branch (the owner is VÚB bank). Foodservice outlets were privatised primarily by auction sales within the process of small privatisation. Some older restaurants did not avoid transformation to new functions, primarily to administrative spaces (the former restaurant Zelený dom (Green House) functions as space for the leading saving bank Slovenská Sporiteľňa; the restaurant Velké Srdce was converted to the Slovak Credit Bank). A great number of small private facilities emerged, many of them in new or reconstructed spaces (e. g. one of the most traditional is Café Mayer on the Main Square). There is no one accommodation or foodservice facility fully in state or communal ownership. There are three large hotels with important state involvement (respectively, they are controlled by a company with majority ownership by the state): Hotel Kyjev, Hotel Bratislava and Hotel Fórum.

The organisational structure of the hotel network also changed within the processes of privatisation. The widespread socialist hotel network "Interhotels" (slov. Interhotely) was abolished in 1991–92. The majority of accommodation facilities in Bratislava are autonomous units now and only a few of them belong to the Slovak or international hotel chains. The Hotel Sorea is part of the largest existing Slovak hotel chain Sorea (recreation facilities of trade unions built during the previous regime). The Hotel Forum is the only hotel in Slovakia which is a member of the hotel network Inter-Continental Hotel & Resorts, which is centred in London. The Hotel Danube is a member of the Meydan Hotels network, which is controlled from Paris. The new hotel Holiday Inn that opened in 1996 is a member of the Holiday Inn hotel chain.

Legislation in the field of accommodation and foodservices has become one of the influential transformation tools, especially through the classification of facilities. This classification has been changed several times since 1989, with an aim to set quality

standards closer to those of developed countries. Accommodation facilities are now classified according to the Ministry of Economy Guidelines (Vyhláška Ministerstva Hospodárstva č. 125/1995 Z. z. z 20. marca 1995). Compared to the previous classification from 1991, this classification, for instance, contains the following changes:

- new categories of hotel type were introduced – transit hotel, mountain hotel \* to \*\*\*;
- increased requirements on minimal space standards in almost all types of accommodation facilities and in all categories,
- increased requirements on quality and assortment of services available in all types of accommodation facilities, etc.

For some accommodation facilities in Bratislava, this meant a shift to a lower category as a consequence. For instance, while there were six four-star hotels in Bratislava in 1995, in 1996 there were only two hotels of this category: Hotel Forum and Hotel Danube (Statistical Office of Slovak Republic, 1996). Even the newly opened Hotel Holiday Inn is in a lower category due to insufficient space standards (its construction started before 1989). It also meant particular extra costs in order to maintain status in an obtained category (e.g. the Hotel Nivy had to change beds in rooms for bigger ones to fulfil new standards). Hotels of the highest category are still missing in Bratislava in spite of some signs of dynamic development in the hotel sector (potentially the Hotel Carlton will be in the highest category after extensive reconstruction).

Classification of foodservices was also updated in 1995 with many changes compared to the previous legislation, including the following:

- there are not specified groups for some categories (bistro, day bar, pub, self-service, etc.)
- new types of foodservice outlets were introduced – billiard club, libresso
- some space and hygienic standards concerning particular categories were changed.

The network of various fast-food service outlets developed very quickly after 1990 in Bratislava. The number of various buffets with several other "fast food" restaurants expanded quickly (e. g. modernised Ravijoma in the city centre). Foodservice facilities of different international, mainly American chains, have started to emerge there. Two new McDonald's restaurants were opened in 1996 (one in the City Centre and the second in the city district Lamac, close to the highway going west). One new Pizza Hut outlet was opened in the city centre in 1997. These facilities are remarkable in the fact that they are foodservice outlets with the highest number of employees and with the highest capacity in Bratislava. In two McDonald's restaurants with a capacity of 400 seats, 120 employees work; in a Pizza Hut outlet with a capacity of 200 seats, 140 employees work.

The Chick'n'Chips outlet of the new Slovak chain competitor (with an English name) was opened in 1997 (until then this company had only one another outlet in Žilina). Another typical sign of the foodservice facilities network transformation in Bratislava after 1989 has been rapid growth in the number of pizzerias (25) and Chinese restaurants (6). Surprisingly, typical Slovak restaurants with Slovak cuisine and specialities and with stylish interior designs are almost missing from this growth. Two exceptions can be mentioned: Slovak Restaurant (in the city centre on Hviezdoslav Square) and Koliba Slovakia (in an unattractive locality in Mlynská dolina).

### 3. Development of Accommodation and Foodservice Facilities in Bratislava after 1989

The number of accommodation facilities started to grow quickly after 1989. The relatively stable number of 18–19 facilities before 1989 increased almost four times by 1994, when 63 entrepreneurial units were registered as active in this field in Bratislava. This number stabilised after that year. There were only 59 accommodation facilities in 1996 (Fig. 1). There were no newly established facilities until June 30, 1997, according to the Statistical Office data. Besides new construction of facilities, new hotels were established by conversion/rebuilding of older, so-called “worker’s hotels” that earlier served workers temporary working in Bratislava (now the Hotel Turist and Hotel Nivy), and by completion of previously-started hotel construction (Holiday Inn). We can say that primarily facilities with smaller capacities were introduced into service after 1989. The number of beds increased two-fold from 1989 to 1994; there were 3980 in 1989, compared to 7697 in 1994. There were 7564 beds in accommodation facilities in Bratislava in 1996 (Fig. 1). The number of accommodated visitors (in 1989 it was 448,936 visitors and in 1996, 479,287 visitors) and the duration of their overnight stays (1.9 nights per accommodated visitor) did not change significantly. Accommodation facilities’ bed occupancy rate decreased in relation to this development from 70.9% (1989) to only 35% in 1996 (Table 1).

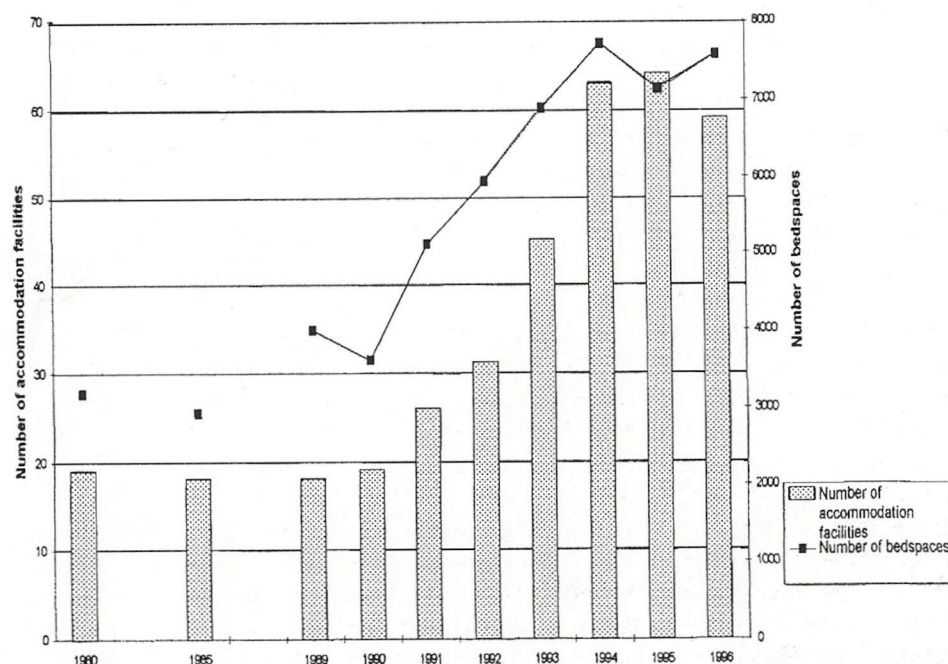


Figure 1. Number and capacity of accommodation facilities in Bratislava

Table 1. Performances of accommodation facilities in Bratislava

Year	1989	1990	1991	1992	1993	1994*	1995	1996*
Number of visitors	449,183	384,417	317,303	298,037	336,208	394,510	388,396	479,287
of which were foreigners (%)	50.30	52.22	50.05	51.81	63.46	58.92	58.69	54.04
Number of overnight stays	835,856	690,726	506,362	652,393	837,577	864,709	702,107	917,629
Average number of overnight stays	1.9	1.8	1.6	2.2	2.5	2.2	1.8	1.9
Bed occupancy in %	70.9	59.9	31.6	40.7	36.7	34.0	33.9	35.0
Receipts from accommodation (in thous. Kčs/Sk)	130,854	222,049	292,777	.	540,142	595,016	520,299	664,829

\* – including small entrepreneurs  
receipts are not known for 1992

Source: Štatistická ročenka hlavného mesta SR Bratislava 1993, 1996  
Bulletin 1997 KS ŠÚ SR

Financial aspects of accommodations were strongly influenced during the transition era. Average prices per night in non-seasonal facilities were between 100 to 200 Kčs (Czechoslovak crowns) until 1989. In 1996, domestic visitors paid 725 Slovak crowns (Sk) and foreign visitors paid 1043 Sk per night on average in Bratislava (prices are very diversified, ranging from 300 Sk to 6000 Sk per double room). The prices are lower in seasonal facilities, but their number and role is diminishing in Bratislava. This is confirmed by the decreased income from accommodation that appeared even after a five- to six-fold jump in prices. Income in Bratislava’s seasonal accommodation facilities was 2.5 to 3.5 million Kčs per year before 1989, while in 1995 and 1996 this income did not reach 2 million Sk. Income of non-seasonal facilities has grown proportionally. Income in these facilities was about 100 million Kčs until 1989 and then it rose to 633 million Sk in 1996 in Bratislava, due to the long-term stable number of guests and especially the above-mentioned growth in prices.

The structure of guests in accommodation facilities changed after 1989. Domestic guests prevailed slightly over foreign guests before 1989. Foreign guests did not comprise even half of accommodated visitors in those times (between 40 to 45 %). This rate reversed after 1989, with foreign guests taking prevalence. This is partially a reaction to the dissolution of the “iron curtain” that substantially opened space for potential foreign western visitors in Bratislava (Table 1). We have to stress that although foreign guests comprise only 55 % of all guests, they were the source of 80% of the total income coming from accommodation in Bratislava in 1996. This is the result of different pricing of domestic and foreign visitors in the majority of accommodation facilities. Another

important factor is that foreign visitors prefer accommodation in facilities with higher standards. From the total number of 479,287 guests accommodated in Bratislava, 259,003 were foreigners (54.04 %, 1996). The highest number of visitors came from Poland, the Czech Republic and Germany.

There were 605 restaurants and other catering facilities with 38,184 seats in Bratislava in 1989. It is very hard to estimate the number and capacity of foodservice facilities at present. 1540 foodservice companies were registered as active in all categories of catering services in Bratislava up to June 30, 1997 (according to the organisational statistics of the Regional Statistical Office of the Slovak Republic in Bratislava).

#### 4. Spatial Distribution of Accommodation and Foodservice Facilities in Bratislava

Spatial distribution of accommodation and foodservice facilities in Bratislava is not homogenous. They are concentrated particularly in the city centre, the most attractive part of the city in relation to tourism and other services. Among Bratislava's 17 city quarters, two-thirds of all accommodation facilities are located in the city quarters Staré Mesto (Old Town) and Ružinov. Almost all of the more comfortable facilities of a higher quality standard are located in these two city quarters. Two four-star hotels are located in Staré Mesto and the now-closed Hotel Carlton is also located there. The Hotel Holiday Inn is located in the city quarter Ružinov. Nevertheless, new accommodation facilities were also built in the city quarters Petržalka and Nové Mesto after 1989. Very limited accommodation facilities are located in the western part of Bratislava.

Half of all foodservice facilities in Bratislava are concentrated in the central part of Bratislava – in the city quarters Staré Mesto and Ružinov. This is a reaction to the main concentration of tourist and business activities in this part of Bratislava. One different concentration of foodservice facilities emerged in Bratislava that is not comparable to the distribution of accommodation facilities. About one-fifth of all of Bratislava's foodservice facilities are located in the city quarter Petržalka, the most populated city quarter. They are more dependent on local customers than on tourists. The most luxurious, expensive restaurants (Mária Terézia, Arkadia, Budapest, Pressbourg), similarly to the best hotels, are located in the city centre quarter Staré Mesto.

#### 5. Conclusion

There is no other city comparable to Bratislava in regard to its position in accommodation services in Slovakia. Available data document the strengthening of its position within the country after 1989. Only one-tenth of the total bed capacity in the Slovak Republic is located in Bratislava. However, accommodation facilities in the city accommodate one-fourth of all guests and moreover, almost one-third of all foreign guests in Slovakia. Local facilities earn almost one-half of all income from accommodation services in Slovakia.

When thinking about transformation in accommodation and food services, we have to mention the fact that almost all facilities were privatised. State ownership is very limited and selective (only in some of the largest hotels). Accommodation facilities run

mostly as autonomous units, with only a few cases of membership within global hotel chains. New accommodation facilities introduced into service after 1989 have had, on average, lower capacity.

Transformation processes have led to a much larger role for foreign guests in Bratislava's accommodation services. Importance of domestic guests has decreased. Rising bed space capacity but an almost stable number of visitors led to a 35 % occupancy rate in accommodation. This is a very low rate compared to the 82 % achieved in one of the biggest centres of urban tourism (London) in 1995 (Bull 1997). The large rise in the number of foodservice facilities is accompanied by narrow involvement of foreign or domestic chain outlets (e. g. compared to the metropolises of neighbouring states in transition – Budapest, Prague). The strong concentration of facilities in the city centre as the centre of tourism and business may be observed. The relation of tourists and business travellers is in question in the case of accommodation services, as it concerns relations between tourism and local consumption in the case of catering services.

Legislation concerning classification of all facilities has had an important role in transformation and modernisation in the accommodation and catering sector. Its introduction induced strong pressure on positive changes and stable standards regarding the quality and scope of services.

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TRANSFORMÁCIA UBYTOVACÍCH A STRAVOVACÍCH ZARIADENÍ V BRATISLAVE  
PO ROKU 1989

#### Résumé

Bratislava je najvýznamnejším regiónom cestovného ruchu Slovenska a jej postavenie sa po roku 1989 ešte zosilnelo. Ubytuje sa tu totiž 1/4 hostí na Slovensku a takmer 1/3 zahraničných hostí, aj keď sa tu nachádza iba zhruba 1/10 lôžok Slovenska. Ubytovacie zariadenia v Bratislave získavajú takmer polovicu príjmov za ubytovanie na Slovensku.

Typickým znakom transformácie ubytovacích a stravovacích zariadení po roku 1989 bola rozsiahla privatizácia. V súčasnosti len v 3 spoločnostiach má majoritný podiel štát (Hotel Kyjev a.s., Hotel Bratislava a.s. a Hotel Fórum s.r.o.). Po rozpade siete Interhotelov väčšina ubytovacích zariadení je samostatných, len niektoré sú súčasťou rôznych slovenských (napr. Sorea) alebo zahraničných (napr. Fórum, Holiday Inn) hotelových sietí. Zmenila sa štruktúra stravovacích zariadení. Objavili sa nové „fastfood“ reštaurácie slovenských (Chick 'n' Chips) a zahraničných (Mc Donald, Pizza Hut) sietí, zvýšil sa počet pizzerií a čínskych reštaurácií. S cieľom priblíženia sa kvalitatívne vyšším štandardom vyspelých krajín sa po roku 1989 niekoľkokrát upravovala kategorizácia ubytovacích a stravovacích zariadení.

Vzrástol počet ubytovacích a stravovacích zariadení. Pribudli hlavne ubytovacie zariadenia s nižšou kapacitou. Využitie lôžkovej kapacity ubytovacích zariadení sa znížilo na polovičnú hodnotu (z 70,9 % na 35 %). Poklesol význam domáceho cestovného ruchu. V ubytovacích zariadeniach, hlavne v troj- a štvorhviezdičkových hoteloch, prevládajú zahraniční hostia.