

# TOURISM IN SPAIN: POLITICAL UNCERTAINTY HARMS THE INDUSTRY



Last year, tourism in Spain broke all records and everything suggested that 2016 will follow the same trend. However, the current political uncertainty harms the sector. The absence of a proper government has had an impact on tourism numbers, especially regarding the domestic travelers.

Political uncertainty encompassed the country last December when the inconclusive elections delivered a fragmented parliament without a workable majority. After six months of a caretaker government, the country is holding new elections on June 26. However, the impact on domestic tourism is quite visible.

Only 49% of Spaniards will go on holiday in 2016, a percentage that is 11 points lower than in November last year, according to an Ipsos study commissioned by Europ Assistance.

President of the Business Federation of Regional Associations of Spanish Travel Agencies (FETAVE), César Gutiérrez, said that although this is still not reflected in bookings, the data recorded so far show a slowdown in the sector: **"Right now, things are slowing down when compared to last year's favorable numbers."**

In 2015, tourism in Spain grew by double digits because of the decline during the crisis. "Growth right now is higher than in 2015, but it is not the rate like last year. At this point in time it can be said that uncertainty is taking its toll on tourism," Gutiérrez noted.

The fall-off in planned vacations this year compared to last year is due mainly to "the decline in purchasing power," according to the Europ Assistance report.

"Advance bookings, which increasingly represent a smaller percentage of the total, have still not seen an upturn, but long weekends and weekend getaways have risen," said Gutiérrez. FETAVE's president also believes that "if the elections were to be held a few weeks later the summer season would be jeopardized."

## Foreigners to Save the Season

Spain, France and Italy are the three most attractive destinations for European holidaymakers, with 19%, 21% and 24%, respectively. The appeal of Spain to foreigners is crucial for the tourism sector in order to minimize the effect of the fall in domestic demand, according to Gutiérrez.

Travel agencies have declared that the number of foreigners visiting Spain will continue to break records, but domestic consumption, which accounts for around 50% of the sector, will decline this year.

"International tourism will save the season, but it will be difficult to equal the last year's rate," lamented Gutiérrez, who also noted the importance of the elections: "It is not enough for the elections to be held; we must also see who is going to govern".

## Increase in Spending

Political uncertainty may be affecting domestic tourism in Spain but those who choose to pack their bags will spend on average some 521 euros this summer, according to a LetsBonus study.

The Europ Assistance report also indicates that **the average budget for Europeans has increased slightly, and for Spain, in particular, it will be 10% higher than in 2015.**

According to LetsBonus, most people prefer coastal destinations for a week, with the Balearic Islands being their favorite. In fact, nearly half of Spaniards (48%) claim that they plan to travel to the Spanish coast during their summer vacation.

Regarding the timing of the trip, the best month by far is August, followed by July and September and most people will travel for at least a week. The most booked type of a trip is the flight + hotel package, followed by hotel only.

Nearly six out of every ten Spaniards consider summer the best time of the year to travel both within and outside of Spain, followed by long weekends (35%). The study revealed only a small percentage of people who choose Easter as their favorite time for vacation (5%).

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