

# SPANISH TOURISM INDUSTRY IS QUITE VULNERABLE



and the rest were Spanish visitors.

The tourist season has already left its best months behind but it is still not showing signs of decline – at least for Spanish tourism industry. In October, according to official statistics, overnight stays totaled 30 million, 6.5% more than in the same month last year, with an average occupancy of 3.2 nights per person and a little over 9 million visitors. Of these, just over 5 million were foreign tourists

The contribution of Spanish tourism sector to the country's economic activity remains quite high. **In the first ten months of the year, total overnight stays rose by 7.3% over the same period last year.** Hotel occupancy in October, which is not exactly a summer month, reached nearly 60%, also higher than last year's figures.

There is full awareness in the sector that a part of this foreign tourism is borrowed because these are people who came to Spain in the face of the risks affecting some nearby markets, such as North African and even some European countries. To the extent that these risks decrease in the future, tourist inflows to Spain will probably suffer and decline.

Another distorting element that has affected tourist movements this year has been the impact of Brexit, Britain's decision to leave the EU, which has had an immediate effect on the value of the pound, which, not surprisingly, has fallen.

The truth is that the effect on the number of British tourists going to Spain has been much less than anticipated. The United Kingdom shares first place with Germany among the countries providing the highest number of overnight stays in the Spanish tourism industry, with 26.6% of the total in each case. The third place, but far behind, is taken by France with a little less than 8% of overnight stays and the Netherlands, the fourth highest supplier of tourists to Spanish hotels, accounts for around 4% of total overnight stays.

Therefore, what happens to British visitors is of vital importance to revenues for the Spanish tourism industry. Fortunately, the impact has been much less than feared, although on the horizon there is still fear that a growing distancing of the United Kingdom from Europe will lead to a falloff in inflows from Britain which, in some Spanish regions, especially the Canary Islands, has a very significant economic weight.

The crisis in British tourism to Spain, which is still fortunately unconfirmed, will have to become an incentive for the diversification of the Spanish tourism product, seeing that there are important countries (like the United States or China, with significant middle classes and, therefore, a high potential for tourists) that play a very marginal role in the Spanish tourism industry.

**The fact that the two most important markets, Britain and Germany, account for more than 52% of overnight stays, is a factor that makes the sector very vulnerable.** This year's influx of "borrowed" visitors from other source markets as a result of the risk of terrorism should not excuse the sector and the administration itself from boosting efforts to promote Spanish destinations in other countries with a high growth potential that are still playing too marginal a role in the Spanish tourism industry.

Date: 2016-11-28

Article link: <https://www.tourism-review.com/spanish-tourism-is-successful-and-vulnerable-news5212>