

# SPANISH TOURISM BENEFITS FROM TURKISH TENSIONS



Spanish tourism authorities are pleased by the current developments in the industry. The positive numbers are mainly associated with the refugee flows through Greece as well as Turkey's dubious policies.

The Spanish tourism industry is rejoicing over a new all-time record. According to data from the state statistical institute INE, 75.6 million holidaymakers visited Spain last year. **This represents an increase of 10.3 percent compared to 2015.**

However, Spain is primarily benefiting from others' problems. Greek tourism is suffering from high refugee numbers. In Turkey, the authoritarian course of President Erdogan is slowing down the industry in the country. Tunisia's and Egypt's persistent unstable situation also benefits the Spaniards.

Amid instability, the uptrend in Spain continued in January with 3.9 million guests (+10.7 percent). For 2017 as a whole, however, a smaller increase in guests is expected due to rising oil prices and lower economic growth in some countries.

## **Brits the Number One**

British holidaymakers are still the largest group boosting Spanish tourism. This year, 17.8 million Brits are expected on the Iberian Peninsula. The "Brexit" has thus shown little effect on travel.

In terms of regions, Barcelona and Catalonia, Mallorca, the Balearic Islands and the Canary Islands, attracted most visitors. The "green north" - Galicia, Asturias and Cantabria - is also becoming more and more attractive.

With a total of 125 billion euros, the Spanish tourism industry accounted for 11.2% of the country's GDP. The industry created over 80,000 new jobs, while foreign travelers altogether spent 77 billion euros.

## **Airbnb Affecting the Hotel Market**

On the other hand, the per capita expenditure is declining. This is partly due to the fact that more and more holidaymakers book private apartments on platforms such as Airbnb.

"This is unfair competition, the number of Airbnb accommodation in Madrid has doubled within a year from 10,000 to 20,000, and there are now 74, 000 beds on the platform," Gabriel Garcia, President of the Madrid Hotel Association, complained.

Gabriel Escarrer from the hotel group Sol Melia urges action against this. "The majority of these accommodations is offered without a license, the operators do not pay VAT," he says.

"A new tourism model is needed," representatives from Exceltur note. For decades, there has been the motto "sun, beach and sea", which has been bearing fruit, but "quantity is not the same quality",

Exceltur warns. The competition will not be fading forever, so it is necessary to lure luxury tourists.

A growing market in Spain is sports tourism, as shown by another study by INE. Nearly ten million people chose Spain to pursue their hobbies. This alone brings the government revenues of more than 560 million euros per year and secures more than 11,000 jobs.

### **Travel Agencies Not Optimistic on Turkey**

Meanwhile, holiday bookings to Turkey are low. Many travel agencies no longer believe in the reversal of the trend. This is shown by a survey of the tourism portal Gloobi.de among more than 800 travel agencies.

Only 24 % believe that the country will recover and political tensions will calm down. 14 % expect improvement, if there are no more attacks. Overall the expectations for a strong last-minute business are low. This is, according to the survey, mainly related to politics. 58 % of travel agencies surveyed expect only few short-term bookings. 25 percent do not believe in a strong short-term business because customers felt unsafe in Turkey.

**For example, three quarters of travel agencies surveyed currently do not actively sell trips to Turkey, only on demand.** 83 percent recorded a strong downturn in demand compared to the already weak year before. About 9 percent see a slight downgrade.

The diplomatic relations between German and Turkey are currently tense. Turkish Prime Erdogan personally accused Federal Chancellor Angela Merkel of “Nazi methods” in dealing with the election campaigns of Turkish politicians in Germany. **Due to the growing tensions, the Federal Foreign Office had changed its travel and security advice.**

“In the course of the election campaign, we must expect increased political tensions and protests, which can be also directed against Germany. In this case, German travelers in Turkey may also be affected.”

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