

TOURISM INDUSTRY EXPECTS TO OVERCOME THE BARCELONA PROTESTS



As protests over the sentence of the Catalan independence leaders begin to calm down in the streets of Barcelona, the hospitality industry becomes hopeful and optimistic for the future of this sector. While cancellations and slowdown of reservations are a fact admitted by the Barcelona Hotel Association, some businesses reject the forecasts nearing the end of 2019 and reassure that it will be a good year. They describe what happened last week as a minor setback.

The protests and acts of violence that broke out between October 15 and 19 in the city center set an alarm for the tourism industry, whose main concern was that this would turn into **a similar or worse situation like at the end of 2017, when the independence referendum and the subsequent use of police force in polling places caused tourist arrivals to drop in the following months**. Then, tourism GDP fell by three tenths, with losses of 319 million euros. In just five months, 185,000 travelers stopped arriving in Catalonia, according to data from the Alliance for Excellency in Tourism (EXCELTUR). However, the data gathered show promising numbers.

2019 has been a good year for the tourism industry in Barcelona. In general, reservations have increased, somewhere 20% more than last year, and continue to grow despite protests. According to the recent data, the reservations have slowed down for a few days, but it has been somewhat expected.

Since protests and street rallies began, more cancellations were registered than usual. In particular, about 5% of October reservations were cancelled, when the average is about 3.5%.

According to the Spanish news agency EFE, the change in plans of tourists occurred as soon as the first images of violence and riots were seen in the media; and in the case of families, the main consumers of this type of accommodation and also those most sensitive to risk, reservations remain low throughout the rest of the year.

As for hotels, the Barcelona Hotel Association is reluctant to provide data but acknowledges that it has evidence of "some cancellations", as well as a dip in future occupancy, given that there are fewer check-ins than usual. When there is a conflict, reservations always slow down; but once it disappears, they usually recover quickly.

Business owners and entrepreneurs alike keep caution in order to avoid setting off the alarm in an industry that accounts for 15% of the city's GDP. Hotels in Barcelona have an annual turnover of 1.6 billion euros and represent 100,000 jobs, 40,000 of which are direct. Still, the drop in reservations has been noticeable, but the scenario is not critical.

Overall, reservations have increased 20% more than last year and continue to grow amidst protests. While it is true that occupancy forecasts have dropped for a few days, this slight decline has been somewhat expected. **In fact, reservations for 2020 have increased, and during the three days after the Catalan independence leaders' sentence was known, they rose 3% over the last year**. This shows that tourists still believe in Barcelona as a destination, and see the situation as something temporary.

As for the trade and tourism industry, the outlook is far less promising. The week of protests has caused losses between 30% and 40% of daily revenues for businesses, a figure that rises up to 50% when adding reparation and restoration costs, according to data from Barcelona Oberta, the Union of Trade and Tourism Axis of Barcelona. The trade association is still collecting data but has already reported an “important halt on commercial activity that has not been seen in Barcelona in the last 50 years”, not even after the 2017 Barcelona attacks, when the country experienced an unprecedented “uncertainty”.

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