

SPANISH HOTELIERS FORECAST A FALL IN FOREIGN TOURIST ARRIVALS



The Spanish hotel association expects a slight dip in arrivals, but with a growth in revenues. Spanish Confederation of Hotels and Tourist Accommodations (CEHAT) announces that the Thomas Cook bankruptcy impact that threatened the winter season “has been softened”.

The German market slowdown, Brexit, and the Thomas Cook collapse have taken a toll on tourism, which is expected to end 2019 with a fall in foreign tourist arrivals for the first time since 2009, although with an increase in expenditure. This is the forecast of the Spanish hoteliers: **with only two months left to end the year, the 82.8 million arrivals recorded last year won't be reached, but the country will surpass the 89.856 million euros in expenditures.**

“We expect that in 2019, we will have closing numbers below 2018, but that is somewhat small, we do not know if it will be 500,000 or 100,000 less, but what we do know is that expenditure all the way to October has increased by 2.5%,” said Juan Molas, president of the CEHAT, during the presentation of the association’s winter forecasts. A rise in tourism receipts could make the industry reach the “magic number” of 180 billion euros of contribution to GDP.

If these forecasts come true, it would be the end of Spain’s consecutive records in foreign tourist arrivals. The last time something similar happened was in 2009, when 52.1 million tourists arrived, 8.8% less than in 2008, and at which point, foreign tourism started an upward trend that skyrocketed with the exit of competing destinations such as Turkey, Tunisia, and Egypt.

A few years ago, the recovery of these markets triggered an alarm in an industry accustomed to breaking one record after another. In 2018, the first signs of weakening were seen as summer ended without record highs for the first time since 2010. The summer period is a good way to measure the performance of the overall season; which back then did not close in negative, but with an increase of 1.1% compared to 2017, showing clear symptoms of a slowdown. In 2017, the growth rate was 8.9% and 10.3% in 2016.

The good performance of competing destinations added to the much-awaited Brexit deal and the economic slowdown in Europe, driven by the German engine, as well as other factors such as good weather in northern Europe, have caused that number of foreign tourists in Spain for July, August and September of this year to decrease by 0.7% over the same period of 2018. However, arrivals until September grew 1.25% (67.1 million). Currently, the industry is waiting for the data of the last three months of the year which will be decisive.

In this context, Spanish hoteliers expect stability for the winter season, all the way from November to March (Holy Week), following the Thomas Cook collapse in September which set off the alarms of a troubled industry, but according to Juan Molas, the blow “has been softened”. The tour operators Jet2 and TUI have reacted fast and have managed to cover many of the vacancies left by the British giant. According to CEHAT, demand is maintained so that, from Christmas onwards, the Canary Islands (the most affected region) will be guaranteed the same occupancy rates as in the previous years.

Meanwhile, the rest of Spain will continue to perform like last winter. According to the survey carried out by the hotel association and PwC, including CEHAT members, only 10% of hotels expect a larger offer this winter, while 79% expect rates similar to the previous year. However, 44% of hotel managers expect low profitability due to the fall in revenues caused by the growth in expenditure.

Date: 2019-11-18

Article link: <https://www.tourism-review.com/spanish-hoteliars-expect-decreased-arrivals-news11273>