SPAIN: THOUSANDS OF HOTELS AND TOURIST APARTMENTS CLOSED

Only 58% of hotels and tourist apartments registered by the INE remain open in Spain.

The latest data published by the Spanish National Institute of Statistics (INE) showed that 7,654 hotels and 61,139 tourist apartments are closed in Spain as of October. **The survey estimates that there are around 10,597 hotels and 85,015 tourist apartments open, just 58% of the establishments registered by October of this year.**

The total number of all hotels listed in the INE (open and closed) is 18,251 establishments, while the number of tourist apartments amounts to 146,154.

However, the INE only collects apartments registered in the corresponding tourism board of each autonomous community, and they are usually buildings managed by companies dedicated exclusively to the rental that also meet different requirements based on the level of professionalism as if they were hotels.

After a second-quarter with hardly any establishments open after the announcement of the health crisis, the travel and hospitality industry was finally able to slowly reactivate. In July, 110,258 tourist apartments and 12,068 hotels began to recover, a figure that increased in August to 123,738 and 13,008, respectively.

Closures after the Summer

However, in September, the figure fell again following new closures. The latest data from the INE says that 2,411 hotels and 38,723 apartments have closed again since August, a loss that is aggravated by the economic crisis that many businessmen currently face.

October was a key month: on the one hand, due to the extension of the Spanish furlough scheme (the so-called ERTEs) in the travel and hospitality industry. Many establishments closed in September this summer season and suspended their workforce again for the next months through ERTEs.

In addition, following the new outbreaks and restrictions in September, source markets such as the United Kingdom and Germany were once again hindered in tourist activity across several destinations where demand was still expected, like the Canary Islands, with its high season between November and March.

The final blow happened on October 26, with the announcement of a new state of emergency by the government. From that moment on, most autonomous communities prohibited the entry and exit of citizens at their borders. By November, the mandatory C-reactive protein test (CRP) to enter the country has had an impact on international arrivals.

In October, the number of foreign tourists went down by 86.6%. Only 1 million of international visitors were recorded arriving in Spain compared to 7.6 million that arrived a year earlier. The drop in tourism numbers resulted also in a drop in spending of 89.6%, which totaled 861.8 million euros compared to 8,360 million euros in the same month of 2019.

Far from 2019 Levels

In October, the tourism industry revised its forecasts for 2020 once again: losses of 106 billion euros are projected, returning to the levels of the 1990s. The data on open establishments is far from the figures seen last year. In summer 2019, a record performance was reached, surpassing 17,000 hotels and 161,000 open apartments.

In October 2019, there were about 15,500 hotels open, while this year the figure dropped to 10,600 (4,900 less in year-on-year terms). The same happened with tourist apartments, which went from 135,300 in 2019 to 85,000 this year (down by 50,300).

When studied by the number of rooms, the tourist apartment market had 339,048 rooms available as of October, 61.7% of the total. In the hotel industry, the figure reached 781,550, although it is only 42.1% of those on the INE registry.

Overnight stays in hotel establishments reached 5 million in October, showing an 83.3% decrease compared to 30.3 million in the same month of 2019. Overnight stays in tourist apartments fell by 78.1% in October in year-on-year rate.

The hotel industry and Spanish tourism as such is expected to recover during the next year. Nevertheless, according to OECD, Spain is the economy that will suffer the largest recession of all the countries of this organization, with a collapse of 11.6% of its GDP. Despite the fact that for 2021 there will be a rebound of 5% (the government expects 7.2%) and 4% the following year, the country still will not have recovered its wealth after a biennium. The OECD estimates that by the end of 2021 it will still lack about 6% of the wealth it had before the Covid.

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