

SPANISH TOURISM CALLS FOR MORE AID



The coronavirus has torn Spanish tourism apart, setting it back to 1995 levels. The industry's contribution to Spain's GDP was 106 billion euros smaller in 2020 (about 69% of activity). A total of 728,000 workers (435,000 furloughed and 293,000 laid off) were affected by the crisis. For 2021, the industry's prospects are not optimistic, and tourism is expected to barely reach 55% of the revenue it recorded in 2019.

The Spanish tourism association EXCELTUR, released the latest data stating that the storm is still far from over. In an extensive report, **the organization highlights that tourism companies suffer the most from the impact of COVID-19: in 2020, travel agency sales plummeted 80%; leisure companies, 71.1%; hotels, 66.6%; airlines, 65.5% and car rental, 50.3%.**

Due to the pandemic, the industry has gone from contributing 12.4% in 2019 to only 4.3% of the GDP. It is the lowest figure ever, according to the association.

Looking ahead to 2021, EXCELTUR predicts a great "volatility" that will continue to weigh down Spanish tourism, with 85% of the industry still paralyzed in January. At first, 48 billion euros will be recovered compared to 2020, but the activity will still be 37.6% below the 154,487 million it registered in 2019. The goal of the association is to increase the economic activity, from the current 4.3% to 8.2%, hoping to reach the pre-pandemic levels by 2023.

EXCELTUR considers it essential to involve private health sector in the vaccination process and prioritize the vaccination of the risk groups as well as the workers in tourism. The organization also supports the approval of the digitized health protocols to promote international travel.

The Spanish tourism association has also called for a comprehensive rescue plan that includes direct aid close to 5,316 million euros for six months. José Luiz Zoreda, Executive Vice President of EXCELTUR, said that in 15 months of continuous decreases in turnover of more than 70% of companies, they have only been provisionally covered with the compensation through ERTes (the Spanish furlough scheme) and access to preferential financing with ICO guarantee. "These are temporary aids that become increasingly unaffordable financial burdens for the future," commented Zoreda.

Instead, Zoreda has called for non-refundable liquidity, flexible ERTes throughout the year, and to accelerate the vaccination campaigns in order to achieve immunity before the summer, maintaining the general support plans for large companies channeled through the Secretariat of State for Tourism, prioritizing tourism companies.

Among the 5,316 million euros requested: 2,008 would go to tourist accommodation, 1,498 million for 30% of the tourist buildings restorations, 1,020 million euros for sites of tourist interest, and 790 million for travel agencies, car rental and non-regulated tourist road transport. It will be difficult to fulfil these demands since the Government has been opposed to grant direct aid to companies in distress.

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