THE DARKEST YEAR IN TOURISM HISTORY: 65M FEWER TOURISTS AND LOSSES OF EUR72 BILLION

The coronavirus pandemic tore apart Spanish tourism after the industry recorded all-time highs in 2019. In 2020, international arrivals fell by 77.3% compared to the previous year, which represents 19 million tourists over the 83.5 million who visited Spain in 2019.

Losing 65 million tourists in just ten months – since the lockdowns and restrictions began in March – brings the number of travelers to 1969 levels and has a deep economic impact on the six autonomous communities that account for the most international tourism activity (Catalonia, Balearic Islands, Canary Islands, Andalusia, Madrid and Valencian Community).

The Balearic Islands have been the most affected given its strong dependence on the German market (more than half of the tourists come from that country), the necessary entry by air to the island, its GDP contribution to the economy (it accounts for one of every three euros of wealth), and the strong seasonality of sun-and-beach destinations.

The high season lasts from May to September but **the health crisis in the Balearic Islands led to a border closure by the end of July, not only for Germans but for the entire domestic market as well.** If in 2019 the Balearic Islands welcomed 13.7 million foreign travelers, the number fell by 87.4%, down to 1.7 million, in 2020. From the UK, only 223,000 travelers arrived in 2020, a 93% drop compared to 3.7 million a year earlier.

Hotel giants in the archipelago, such as Meliá, Barceló, Riu and Iberostar had to keep many establishments closed due to lack of visitors, ending the high season with record-low occupancy levels, some even below than 40% despite their efforts of lowering prices in the hopes of recovering demand, something they had refused to do in the past.

Next is Catalonia, heavily impacted by the number of infections, the closure of air travel, and a total collapse of business tourism following the mass cancellations of events, conventions and fairs (the main source of income for the autonomous community in fall, winter and spring). It started with the cancellation of the Mobile World Congress in 2020, and from then every other event followed. Catalonia was the most visited autonomous region in 2019, with 19.3 million, but a year after, the number of international arrivals fell 80%, down to 3.87 million, although it still leads the ranking with 90,000 travelers more than the Canary Islands.

The magnitude can be seen by comparing the 19 million foreign tourists who arrived in Spain in 2020 to the almost same figure sent by a single market (United Kingdom) or those that visited a single destination (Catalonia) in 2019. The number of visitors from the UK plummeted 82% in 2020 compared to the previous year.

The lockdowns and restrictions imposed in the United Kingdom and Germany, the two largest markets of origin in the EU (both account for more than a third of international arrivals) and Spain's main source of revenue from tourism, have caused the French market to climb to the top for the first time in tourism history as the largest source of travelers to Spain, benefiting from a better health situation until the summer and the fact that trips can be made by car and not by train. In 2020, 3.8 million French travelers arrived in Spain, 20.4% of the total, followed by the United Kingdom (3.17 million) and Germany (2.41 million).

The record of arrivals in 2019 (83.5 million) was also accompanied by an all-time high in expenditure (91,912 million euros). However, the figure is misleading since it adds international receipts by travelers in their country of origin (the balance of payments, which ignores this, placed it at 71.2 billion euros). Despite this, the unprecedented drop in spending can't be argued, which collapsed by 78.5% and went from 91,912 to 19,740 million euros. The 72 billion euros loss was huge for the income of the large tourist destinations and had a direct impact on the job market, losing 350,000 jobs and put 410,000 workers on ERTEs (Spain's furlough scheme).

The outlook for 2021 is not rosy. The approval of two vaccines in Europe was a refreshing wave of optimism for a possible tourism recovery at medium-term in the largest markets and a reactivation of travel between autonomous communities. What is sure is that neither of these scenarios will be happening any time soon. The health crisis has worsened across Europe and there are already countries hinting at new lockdowns. The situation in Spain is not much better, with an average rate of infections of 900 cases per 100,000 inhabitants, which has led the autonomous regions to impose severe restrictions and prohibitions.

After the positive statements made by the Minister of Industry, Trade and Tourism, Reyes Maroto, on a possible reactivation of tourism by Easter, some regional presidents, like Valencian Ximo Puig, gave up that holiday period and said The Falles celebration could be next. Along these lines, the Navarrese president, María Chivite, also warned that **this year the festival of San Fermin festival would be cancelled again, projecting the recovery for the second half of the year.**

Meanwhile, businessmen have focused their efforts on accelerating the vaccination campaigns in Spain, requesting a large public-private agreement in order to achieve the increasingly difficult goal of having 70% of the Spanish population vaccinated before summer. As a slow and asymmetric recovery becomes more possible (destinations that depend on Spanish tourism will grow more), business groups such as EXCELTUR demand the approval of an urgent aid of 5.3 billion euros for tourism companies to avoid thousands of closures.

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