

# CANARY ISLANDS: ECONOMY DEPENDENT ON TOURISM IS BACK TO 1962 LEVELS



The Canary Islands, the autonomous Spanish community most economically dependent on tourism, waits anxiously in the hopes that the mass vaccination campaigns will allow tourism to resume as soon as possible. The COVID-19 pandemic has brought its economy to 1962 levels, and the Canary Islands government has already said that the current situation, even after a successful vaccination that now seems to have accelerated, does not look good.

In 2020, the islands virtually had no tourism; and not many visitors are expected for this summer season either, although the indicators show some light at the end of this dark tunnel.

## **The Canary Islands government expects just over 5 million international tourists for 2021.**

If the forecast comes true, it would be a significant year-on-year increase compared to the 3.8 million reported in 2020, although the destination would still be far behind pre-pandemic levels. In global figures for 2019, the islands surpassed 13 million foreign travelers, even when accounting for the fact that it experienced an annual decline of 4.4%.

The hope lies in domestic tourism to at least partially offset the collapse of international tourism. In 2020, despite the health emergency and all the travel restrictions, 4.2 million nationals visited the Canary Islands, which accounted for a 35% decrease compared to 6.5 million in 2019. It was a much softer fall than the 71.2% drop in foreign tourists.

This summer, the season in which tourism is set to officially resume, the government of the Canary Islands expects to reach up to 70% of the activity compared to 2019, as long as there are no new setbacks and the vaccination process goes well, especially in UK and Germany. As 2021 continues, the forecasts suggest a greater demand, with the last months expecting to perform at 80% of pre-pandemic levels. After many bumps in the road, businesses believe that activity will finally recover at the end of 2021.

**Last year, Spain's tourism industry lost more than 106 billion euros in revenue.** For such a large industry, this means going back to performance levels of 1995.

According to EXCELTUR, the non-profit association that brings together the leading Spanish companies in the industry, 2021 will be a year of "transition". The association estimates that the first "signs" of reactivation will begin between June and July.

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