

SPANISH HOTELS EXPECT HALF OF THE REVENUES OF 2019 DESPITE THE COVID PASSPORT



The EU Digital COVID Certificate, better known as the 'Covid passport', is the only hope for tourism after a year and a half of restrictions due to the pandemic. However, the measure will not be enough to return to the levels before the coronavirus. Despite the improvement in the health crisis and the slight rebound in the Spanish hospitality industry, hotel chains still expect just 50% of turnover registered in the summer of 2019.

Tour operators and airlines won't return to pre-crisis levels until 2023 as well. In some divisions, such as international flights, the recovery forecast is extended until 2024. **At the moment, as the summer season approaches, the industry has high expectations for domestic tourism.**

Javier Gándara, president of the Spanish airline association ALA, which represents 60 airlines that account for 85% of the air traffic in the country, said that he hoped that in two years the industry will have recovered, adding that the plan is to take one step at a time.

"First, a recovery of domestic flights amid the promotion of trips by family and friends; then the inter-European connections and, lastly, international and long-haul routes," said the president of ALA.

UK Hinders Recovery

The recovery process is slow. During the months of lockdown, at the beginning of 2020, only 5% of air traffic was achieved (only cargo flights with medical supplies and flights for repatriated Spanish citizens were allowed), and in April 2021 traffic rose to 17%, which shows that the industry is still struggling.

For the experts, an important part of the problem is the government of the United Kingdom, which has decided to include Spain in its 'Do Not Travel' list despite the huge drop in the number of coronavirus cases. According to them, Spain could have reached between 75% and 80% of air traffic.

Domestic Tourism Is Not Enough for Hotels

Spanish hoteliers agree that the rebound in the domestic market would not be enough to help the crisis. "80% of international tourism arrives in Spain by plane, and we depend largely on foreign tourists, even if there is a strong rebound in domestic tourism," said Amancio López, president of Hotusa Group.

According to industry forecasts, only 30% to 35% of hotel occupancy will be reached. In Spain, foreign tourists account for 65% to 70% of the total overnight stays.

"June is a key month because everyone is planning for the holidays. Despite the fact that there will be greater national and European mobility, our forecasts point to the business volume being only 50% compared to that of the summer of 2019," said Vicente Fenollar, executive president of Ávoris and CFO of Barceló Group.

The Recovery Depends on the Vaccines

“When the recovery begins, it will be as fast and disruptive as the crisis that the Covid caused,” explained Xavier Trias, partner responsible for technology consulting and tourism at EY.

Mr. Trias added: “Unlike other industries, tourism does not have any technological challenges ahead. We just have to speed up the processes: the faster the vaccination campaign is, the faster the recovery will be. The only challenge is that this recovery has to be uniform and coordinated”. The Covid passport nevertheless is expected to help attract more travelers to the country.

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