

# GOOD FORECASTS FOR THE SPANISH TOURISM SECTOR



The Spanish tourism sector expects recovery starting on Easter after the setback that the sixth wave has caused and the subsequent barrage of cancellations.

The path to recovery in the tourism sector is already underway, but much remains to be done. Specifically, the tourism GDP has recovered 57.2% of the pre-pandemic level in 2021, to 88,546 million euros, as confirmed by Exceltur's in the quarterly report "Tourism Perspectives". **This figure represents 36,039 million euros more than in 2020 and raises the weight of tourism in the GDP of the Spanish economy as a whole to 7.4%, compared to 5.5% of the tourist value in 2020.**

These data reflect a "hopeful trend in the Spanish tourism sector, although intermittent in its recovery, as we have seen in recent weeks", lamented the executive vice president of Exceltur, José Luis Zoreda.

The sixth wave generated by Omicron has meant, as of mid-November, "a sudden decrease of 10 percent in the sales of tourism companies, cutting off the recovery that had been taking place since May, which greatly complicates the first quarter of 2022 (GDP tourism goes from falling by -15.2% in October compared to the values of 2019, to -19.3% in November and -24.1% in December)", Zoreda warned.

As reflected in the data collected by Exceltur, the recovery of the sector in 2021 began late, specifically in May, due to the restrictions, but it gained a lot of ground in the summer, "although the month of December has clearly meant a closure due to the negative impact of the Omicron variant".

Tourism employment however increased by almost 20 points compared to 2020, reflecting the business commitment to "the incorporation of personnel to recover normality and the relevance of the furlough scheme to make it possible". In fact, as Zoreda has acknowledged, the 42.8% drop in tourism GDP contrasts with the average decline in tourism employment of 23.8% throughout 2021.

Within a revenue drop of -46.9% for Spanish tourism sector, travel agencies focused on offline channels (-56.6%), airlines, urban hotels (-42.8%) and activities of leisure in large cities (museums and monuments -61.4%) are the subsectors that suffered the most in 2021, while online distribution businesses, holiday hotels (-37.5%), car rental (-33.1 %) and outdoor leisure and in destinations with Spanish demand (golf courses -14.0% and ski resorts - 38.1%) weathered the year better.

As for the forecasts for 2022, Exceltur points to an optimistic scenario. In fact, the organization estimates that tourism **GDP will reach 135,461 million euros, which means 87.5% of the level of 2019 and recover 47,000 million euros more compared to 2021.** If this scenario is fulfilled, in 2022 the tourism sector will contribute 10.5% to the Spanish economy compared to 5.5% in 2020 and 7.4% of GDP estimated by Exceltur. "We are confident that 2022 will consolidate the tourist recovery in a year that will go from less to more, due to the complex first quarter derived from the

impact of the 6th wave (businessmen expect a drop of -33.2% in their sales), which will enable a remarkable recovery starting in April”, Zoreda said.

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