

ALGARVE TOURISM FAILS TO MEET SUMMER EXPECTATIONS



According to experts, inflation and high housing interest rates were the primary reasons for a sluggish July for Algarve tourism.

Hotels, restaurants, shops, and other travel industry stakeholders in the Algarve are disappointed with the performance of the industry in July. They hoped for sector growth, surpassing the record-breaking 2019 tourist year. **Unfortunately, the rise in living costs, inflation, and mortgage interest rates have affected the livelihoods of those who rely on tourism.**

Prices are too high for Portuguese pockets, fewer domestic travelers on the streets, and fewer Spanish visitors and other foreigners. Experts admit that previous months were much better.

The hospitality sector anticipates a busy August for Algarve tourism, although no official figures are available yet. Meanwhile, the tourism sector is revising its summer forecasts.

The president of the Association of Hotels and Tourist Enterprises of the Algarve (AHETA) admits that the summer of 2023 expectations will be disappointing.

Algarve tourism industry is crucial for the economy's recovery, as it is the primary source of revenue. However, the government should not view it solely as a way to generate income. The government needs to support entrepreneurs and families in the industry by reducing the tax burden. This is the opinion of the AHETA president, who firmly believes that the government needs to take a different approach toward tourism.

Experts note that there is also a lack of purchasing power in the main source markets. It has been observed that several low-cost airlines have successfully sold their tickets, but during boarding, a few flights have 5 to 10% of vacant seats. This could be due to passengers opting to forfeit their ticket money as they cannot afford the additional expenses for dining and accommodation.

However, experts have noted one positive aspect amidst the criticisms of Algarve tourism - the absence of queues. Previously, long queues were a common complaint, but now visitors can enjoy their experience without this inconvenience.

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