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Spain Could Lose Up to EUR90 Bln if Tourism Doesn't Rebound in Summer

By Maria Martinez

Spain's economy could lose up to 90 billion euros (\$98 billion) if international tourism isn't allowed or European tourists are reluctant to travel over the entire summer, said Santiago Aguilar, president of the Spanish Association of Tourism Professionals.

Spanish tourism is especially dependent on European travelers. Visitors from the U.K. account for 15.3% of total tourist spending in Spain, followed by Germany with 11.9%, according to the latest data by the Spanish statistics office INE.

Travel restrictions to stop the spread of the coronavirus have caused both domestic and international travel to collapse in Spain, where tourism accounts 14.6% of the gross domestic product, according to the World Travel and Tourism Council.

Revenues in the tourism sector are zero and it remains unclear how long the situation will last, Mr. Aguilar said in an interview with Dow Jones.

The coronavirus pandemic has already caused major losses for Easter and the May 1 holiday weekend, two traditionally important holiday seasons in Spain, Mr. Aguilar said.

Even in the most optimistic scenario in which the summer tourist season could start under normal conditions at the beginning of June, the sector would suffer losses of EUR25 billion, Mr. Aguilar said, citing estimates from the Spanish tourism association Mesa del Turismo.

This estimate includes losses already taken from the cancellations of big events such as the Mobile World Congress in Barcelona, the traditional festival of Fallas in Valencia and the fair of Sevilla, as well as Easter celebrations.

Professionals in the tourism sector are extremely worried regarding whether containment measures could be extended into the summer, Mr. Aguilar said.

In a scenario in which tourism could only restart in mid-July, the economic losses for the sector would go up to EUR45 billion, the Spanish tourism association estimates.

"In this case, we expect a decline in the arrival of international tourists of 60% compared with the summer season in the previous year," Mr. Aguilar said.

Mr. Aguilar said between 65% and 70% of the revenues of the Spanish tourist sector are generated in the summer months.

"If the sector doesn't reactivate before the summer, many companies and professionals won't be able to recover from this blow," Mr. Aguilar said.

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