

Plataforma Pymes calls for reactivating tourism as the main tool for economic recovery

29 de mayo de 2020 - According to the Banco de España Press Release issued on 29 May: "The evolution of the tourism balance, which became 0.8 mm compared to 3 mm in the same month of the previous year, with a year-on-year drop of 63% of income, has led to the need for financing being registered in a month of March for the first time since 2012."

From the point of view of Plataforma Pymes, the reactivation of tourism is a fundamental tool for Spain to start its economic recovery. Given the importance and effects of this sector on our Gross Domestic Product (GDP), it is essential to establish planning that will help companies linked to this sector to work more easily and quickly.

Spain is still in its de-escalate phase and most autonomous communities are well past the stages established by the Government. Moreover, adequate control of the pandemic has led the Executive to set a new date for the international opening of our ports and airports. Next July 1st.

This should be our deadline. We must start dealing with our historical purchasing markets on the dates when their citizens will be able to visit the autonomous communities of our country. The month of June must serve us as a campaign to attract tourism if we want the Spanish economy to recover properly and we should not come to a rescue with conditions from Europe.

Tourism (both national and international) is a fundamental element in our economy, representing 15% of the activity in Spain, with a weight of more than 12% in the national GDP and 40% in regions such as the Balearic Islands. This dependence and strength was what helped us in 2012 to prevent Spain from being rescued. Without a clear commitment to this industry, the State is going straight to the rescue with very harmful conditions for our economy and our well-being state. National tourism is not a sufficient source of income to sustain and recover an industry that is ready to receive 83.7 million visitors, according to the I.N.E's (National Institute of Statistics) figures for 2019.

But just because national tourism is not enough does not mean that it should not be encouraged. Both France and Italy are promoting domestic tourism consumption campaigns. Demand policies for subsidies or reductions in airline taxes would also give a powerful incentive to our own inhabitants to consume the national tourism product. At this point it is also important to introduce a demand that was made at the beginning of this crisis and which consists of creating "tourist coupons" as is already done in Italy and in which subsidies are given in the amounts of 500 euros to families, 300 euros to a couple and 150 euros to a single person.

Providing public and health security is essential if we are to become an attractive country for international markets. In the short term we see the need to establish the plan recommended by the World Health Organization (WHO), "Testing, Tracking and Tracing". A major outlay that could be financed through the European Stability Mechanism (ESM) funds that would be ours, close to 20 billion. But this is a program that would help keep the epidemic under control and prevent a resurgence.

At the same time as health security is being pursued, there is also a need to give flexibility to companies directly linked to tourism and even to the complementary offer. The Short-Time Works Allowance is a useful tool, but we need to modify it and make it more flexible. Adapt it to business

needs. Listen to the sector and its needs. We are detecting that, in regions more dependent on the tourism sector, such as the Balearic Islands or the Canary Islands, the new modality of Short-Time Works Allowance Force Majeure Partial is not offering the desired economic recovery results. For this reason, from Plataforma Pymes, we consider it essential to create a new variant called Touristic Short-Time Works Allowance. Through dialogue with the sector and predisposition it is possible to create this tool that ensures the future of business and work, takes more into account the needs of the sector and has a longer duration. We believe that from June 2020 to Easter 2021 would be appropriate.

Promoting a reduction in the Value Added Tax (VAT) more closely linked to the tourism sector is another measure that we believe would boost business recovery. Currently at 10 per cent, we believe it would be positive to reduce it to 5 per cent or 7 per cent. This would benefit more liquidity for companies and also make them more attractive to the international tourist.

Ensuring air connectivity to our main visiting countries

Ensuring air connectivity to our main tourist destinations should be one of our Government's main objectives. Ensuring that international airlines maintain or even increase the number of routes to our Autonomous Communities is a challenge that must be worked on immediately.

Demonstrating that Spain is a safe country to travel to and promoting among airlines the benefits of operating in our country's Autonomous Communities can serve as a tool for recovery.

It is not only a matter of convincing the main tourist sending countries to visit Spain, but it is equally important to dialogue with private entities so that they bet on our market.