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**IMPACT OF COVID-19 ON THE HOSTELRY SECTOR IN
SPAIN AND THE UNITED KINGDOM; RELATIONSHIP
WITH DEPENDENT SECTORS**

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1. INTRODUCTION

Covid-19 emerged in Watan, China, in late 2019. It is a highly contagious respiratory disease among people with close contact. It is caused by a coronavirus known as SARS-CoV2 that develops symptoms such as fever, cough or respiratory distress. According to WHO (World health organization), in most cases hospital help is not needed, but for elderly or vulnerable people it can be very dangerous, reaching critical states that require intensive care.

Shortly after the outbreak in China, SARS-CoV-2 infection spread quickly all around the world causing devastating consequences. Any contact between people, creates an exposure to the virus.

The pandemic forced countries to take extreme measures to stop its expansion, such as closing borders and suspending commercial activities except primary ones, such as hospitals, supermarkets, pharmacies, etc. And of course, house confinement. This led to the total paralysis of the economy worldwide.

In Spain, on March 14, 2020, a state of alarm is declared, which will last until June and after that, each autonomous community declared a curfew and lockdown depending on the incidence of the disease in its inhabitants. The last curfew recorded in Spain and UK was in January 2022 due to the Omicron variant. In China, nowadays, they are still facing Omicron variant and they are having strict measures of control.

The hostelry sector is known as the combination of the catering industry that provides establishment and services dedicated to food and beverages and the hotel industry, that provides services for people to stay and use their establishment.

The coronavirus has devastatingly affected many economic sectors, including the hostelry industry, which we will focus on in this document. The hostelry industry is known as one of the most important sectors of the economy in Spain, with a 6.2% of GDP and employing more than 1.7 million people according to the WTO (world trade organization). During the pandemic, the hostelry industry had losses of 67,000 million euros, leaving 680,000 jobs empty. Currently, with the arrival of vaccines, the forecasts for the sector begin to rise and

improve, but experts from the Organization for Economic Cooperation and Development estimate that until 2025 it will not return to the figures prior to the pandemic.

The United Kingdom, in March 12, 2020, goes from a moderate incidence, to a high. Boris Johnson implements a home confinement with measures similar to those of Spain. The hospitality sector has undoubtedly been one of the most affected in the United Kingdom by the pandemic, reaching the edge of bankruptcy. To this misfortune, the United Kingdom's exit from the European Union, which is known as Brexit, in December 2020. English GDP fell by a total of 6% if we put together the pandemic and Brexit and create a strong unemployment rate. The vaccines also arrived in the Kingdom and improved the forecasts against the pandemic in the hospitality sector, but Brexit will continue to impact the country and its workers.

Key words: Hospitality sector, Economy, Spain and UK, COVID-19, confinement, lockdown, tourism, employment, restaurants, hotels.

2. EXECUTIVE SUMMARY

This paper shows the impact of COVID-19, a respiratory disease that has spread worldwide in 2019 and 2020, in a sector that has a great impact on the economy of both Spain and the United Kingdom, the hospitality sector, which is characterized by offering catering and lodging services to customers both from the country itself and abroad and is one of the largest generators of employment worldwide according to the WTO, in addition to contributing a considerable percentage to GDP both Spanish and English.

Moreover, it is going to be analyzed in this paper the sector's relationship with employees, customers and the economy of both countries, the main ideas and the importance of the sector in the economy. Also, how these areas have evolved in relation to the impacts of the pandemic and a comparison of the most relevant data from Spain and the United Kingdom according to the AEE (Spanish economy association) and the BEA (British economic Association).

To continue with, I have carried out an analysis of the impact of COVID-19 on the hostelry sector in both Spain and the United Kingdom according to the WHO (World health organization). I have divided the impact analysis into three parts that are known as confinement and state of alarm, de-escalation and vaccination. Also, the measures both sanitary and those imposed by governments to help the sector and minimize losses after the serious impact of the pandemic are exposed.

But not only the hostelry industry has suffered a great impact of the pandemic, so I have analyzed the relationship of the hostelry industry with two very dependent sectors that are known as air transport and tourism, making a description of their most important tasks and the new strategies in which they must focus as a recovery from this crisis and the new changes to which they must adapt to progress.

3. METHODOLOGY

In the present work, I have used two methodologies, a theoretical one in which I have carried out an analysis based on articles by experts from the working area to be analyzed with data from sources such as the ONS (Office for national statistics) or the UNWTO (World Tourism Organization) and economic articles that define analysis of the areas carried out in the hostelry sector.

As for the practical part, I have used data from sources such as INE (Instituto nacional de estadística in Spain) the ONS or the website Statista to expose and obtain reliable data and carry out the analysis of the impact of the pandemic both in Spain and in the United Kingdom to make a subsequent comparison.

4. DESCRIPTION OF THE IMPORTANCE OF THE HOSTELRY SECTOR IN THE ECONOMY

We call hostelry to the set of establishments to provide accommodation and food services to customers. It is composed by the hotel industry and the catering industry.

In September 2020 according to the Spanish tourism association, the Spanish hostelry industry was composed of 315 thousand establishments, 1.7 million workers, 130,841 million sales and contributed 6.46% of GDP, as for the UK, the hostelry sector contributed 3% of the total economic production of the United Kingdom and represented 6.9% of employment in the United Kingdom. In addition, 10.4% of world GDP is thanks to this sector. Hostelry is fundamental for the economic development of the countries and it has a great relationship with other economic sectors such as tourism or retail trade and many commercial companies would not develop their activities if it were not for this sector. Within the hostelry industry we can differentiate between catering services (bars, cafes, restaurants, pubs) and on the other hand accommodation services (motels, campgrounds, shelters or apartments).

Spain is considered the country with the most hospitality services in the world according the WTO. In 2020 it had 277,539 establishments, while England was a little further behind, with 223,046 establishments.

As for the catering industry, we have:

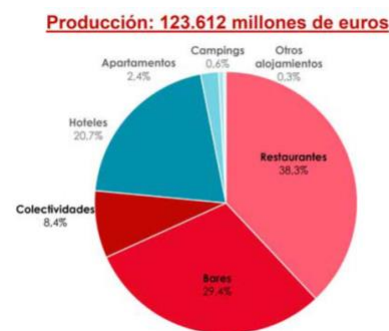
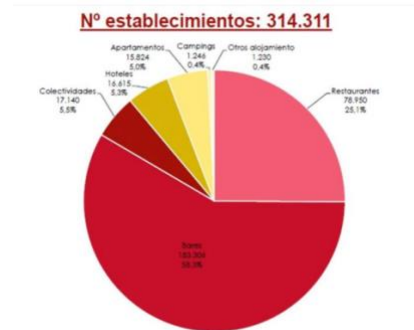
- English restaurants, bars and pubs, establishments that offer food and drink at the price to be consumed on the premises. They can have a bar, table services and all include a kitchen. They must comply with strict hygiene standards and recurrent random inspections.
- Catering services, in which specialized companies that provide food and services usually for events, this can follow a catalog or make it to measure. Usually, caterings do not have a physical place, since they provide the service to other people or companies. You can find catering for weddings, social, business or any event.

Beverage establishments include:

- wineries and bars, where a faster service is provided and does not include dining or kitchen service. They are consumed on the premises. The latter are less frequent.

As for the hotel industry, we can differentiate between many types. They usually have a ranking of 1 to 5 stars depending on the quality, being 1 the least and 5 the maximum. We can distinguish between:

- Hotels by geographical area, where urban hotels stand out, located in commercial areas or urban centers, are usually for business trips and short stays. Airport hotels, which generally have a lot of passenger traffic, are the hotels with the shortest stays and were designed to accommodate airline staff. Rural hotels are in nature, intended for people who want to enjoy nature. These usually have longer stays than the previous ones. Finally, the beach hotels, where the largest number of tourists are grouped and the stays are the longest. They can highlight family hotels, adults or with all services included.
- Motels: they are accommodations of passage, of transit.
- Campsites and tourist hostels: Campsites are known as temporary accommodation, they can be tents, caravans or items that are easy to transport. Hostels are short-stay shared establishments, usually located in tourist areas.



Graphic 1: Number of establishments and production in millions of euros in 2020 in the different areas of the hotel industry in units. Source: author's elaboration with data from statista (2020)

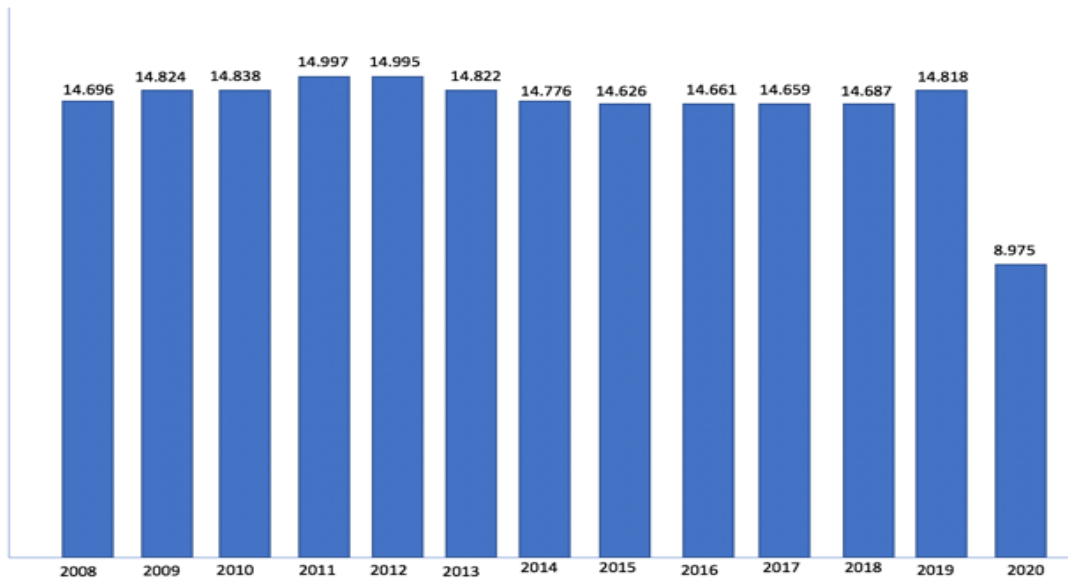
In these graphs we can get an idea of the number of establishments and the money that the hospitality sector gave before the pandemic in Spain. We can analyze that bars are the largest source of income in terms of catering industry.

4.1 IMPORTANCE OF HOSTELRY FOR THE ECONOMY

The hostelry industry was expected to generate a 10% increase in global GDP over the next 10 years according to the Economic Impact Report of the World Travel and Tourism Council. The hostelry industry is fundamental to the development of the economy, as people who make use of it spend their money in retail stores.

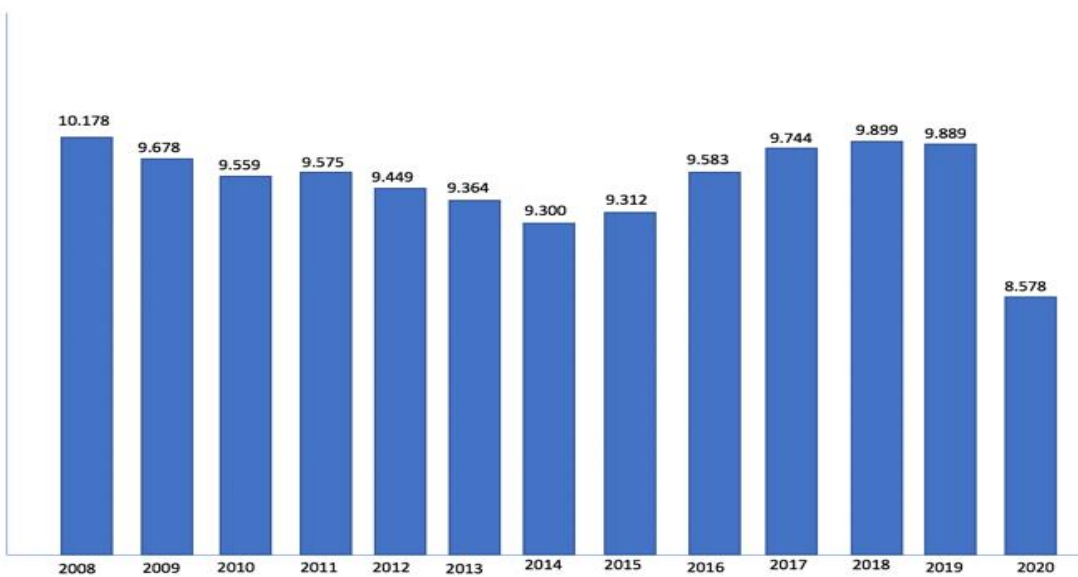
Hostelry and tourism are two very close sectors that depend on each other. Tourism is defined as the displacement of people to other parts of the world either for business or leisure reasons and contributes 11% of GDP in Spain according to the Spanish Tourism Association.

In Spain, the highest hostelry occupancy is in the Canary Islands while in the United Kingdom, London remains the city with the most hospitality services in the United Kingdom according to a study given by the British Hospitality Association. As for the pre-pandemic analysis, we can affirm according to the INE, that Spain was in second place before the arrival of international tourists, France being the first with 86.9 million in 2017 and in terms of income from international tourism, Spain also occupies the second place below the United States. The United Kingdom ranks fifth below Thailand.



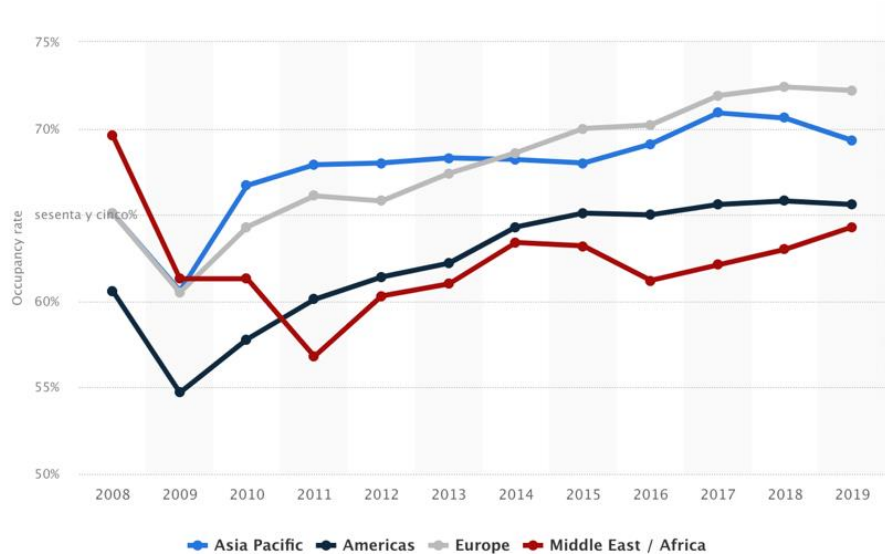
Graphic 2: Evolution of the annual average of hotel establishments in Spain from 2008 to 2020 in units. Source: author's elaboration with data from statista (2020)

In this graph we can see how in 2011 the best data on the evolution of establishments in Spain are recorded, reaching 14,997 establishments, while in 2020, due to the pandemic it remained at 8,975.



Graphic 3: Evolution of the annual average of hotel establishments in the United Kingdom from 2008 to 2020 in units. Source: author's elaboration with data from statista (2020)

As for the United Kingdom, it has a smaller number of hotel establishments but it is known for being the country with the best quality hotels worldwide according a survey of rating hotels in the UK. Its best data known by Statista is recorded in 2008 with 10. 178 establishments and their worst data due to the pandemic in 2020. In comparison with Spain, the number of establishments varies by almost 5,000 establishments in the best data of both countries.



Graphic 4: Hotel industry: Occupancy rate by region: author's elaboration with data from statista (2020)

In this graph we can see the evolution of the occupancy rate of tourists from Asia, America, Europe and Africa over the years from 2008 to 2019. The best data for Africa in 2008 are observed due to the financial crisis that mainly affected America. Then, we see progress from America, Europe and Asia but a fall from Africa in the years 2011-2012. In 2019, we see all regions exceeding 60% occupancy.

4.2 IMPORTANCE OF HOSPITALITY FOR CUSTOMERS

Hospitality and tourism depend to a large extent on the volume and dispersion of establishments and the ability to adapt to the customer. There can be both national and international tourists and adapting to the cultures and ways of customers is key to succeeding in the sector since the client, without a doubt, is the reason why the hospitality industry exists. For a client, having good accommodation and catering can be key when choosing their country selected. On the other hand, since June 2016, the United Kingdom left the European Union becoming independent. This act has impacts on business, travel and people according to the European Union. Free movement between Spain and the United Kingdom ended in December 2020 due to Brexit. The stays of clients both in the United Kingdom and in the rest of Europe are affected. The British cannot stay more than 90 days in a period of 180 days within the European Union according to the house of commons library. For Spain it means economic instability since they represent a quarter of the country's tourists. On the other hand, Europeans will be able to stay up to six months in the United Kingdom. Due to these circumstances, the countries are reaching bilateral agreements to help mainly Spain to try to fix the damages that the pandemic has brought in addition to the Brexit crisis.

4.3 IMPORTANCE OF HOSPITALITY FOR EMPLOYMENT

The hotel and catering industry represents 10% of employment worldwide with more than 313 jobs according to the WTO. The hospitality job depends on the size of the sector. The economic changes that create an impact on the sector will in turn create employment and all those people who depend on the hospitality industry since it is their source of income. The hospitality industry is a driver of the economy, by giving employment and salary, people tend to spend and favor consumption. Hospitality provides many opportunities to professionals and not only to those we know as customer-facing but also all the management and planning jobs that are behind each hotel, restaurant or bar. Employment in the hospitality industry can be conditioned by several factors such as social opportunities, such as high-level social facilities or a fair remuneration depending on each job, on the other hand, we can highlight the incentives both material and immaterial that are granted to the employee to highlight their

motivation and dedication for the work they do, employees attach importance to both moral and physical incentives according to the employee conditions in hostelry. Employee participation in decision-making is also considered an incentive. With decision making we highlight another factor such as responsibility and recognition of success.

Finally, teamwork is a factor that hospitality provides the opportunity to appreciate. Teamwork not only gives more motivation to the employee but also causes better personal relationships and group success.

The employment rate by country can be found by dividing the number of employed persons by the total number of inhabitants of the country of working age, all multiplied by one hundred.

5. THEORETICAL FRAMEWORK

The present work focuses on developing one of the activities that has been most impacted in the pandemic such as hostelry, a key sector that has managed to turn our country into the largest tourist power in the world on several occasions and that after the pandemic its loss data are the lowest that have been recorded in its history . The hostel industry is one of the economic engines of the world economy and in Spain and the United Kingdom it has broken turnover records for centuries and the forecasts prior to the pandemic were of pure economic growth according to WTO.

In March 2020 there was the largest stoppage in the sector and it lasted for hard months with the state of alarm and confinements which led the sector to lose those revenues of the last 4 years.

The provisions of the Bank of Spain are alarming, if the economy does not recover, it could fall by more than 15% in both Spain and the United Kingdom, since they are two of the countries that will fall the most if there is a resurgence of the pandemic according to the OECD (Organization for Economic Cooperation and Development).

To this day, questions continue to arise about what will happen to the profitability of both hotel and restaurant establishments with the different regulations and capacity that have been implemented in practically the whole world.

The hostel industry is very dependent on the country's economy and its variations, after COVID-19, it is estimated that in Spain and the United Kingdom, 50% of medium and small restaurants will not reopen their doors if the crisis lasts for a few more months according to the OECD. Also, it has been seen how the impact of the pandemic has been more bearable for establishments whose main activities were outdoors or in open spaces such as rural hotels or camping activities. Moreover, in terms of restoration, establishments have had to adapt to the changes and remodel the structures of their terraces to comply with the sanitary restrictions implemented in the pandemic and maximize their benefits. The decrease in human activity has been seen in the environment with aspects such as improved air quality or improvements in the natural environment.

Tourism has also been very affected since the relationship between the hotel industry and this sector is so dependent that the impacts on one will be considered in the other.

UNWTO, the World Tourism Organization, is working on a comprehensive vision for the development of tourism after this impact and activating necessary resources and international agreement for support between countries and a rapid recovery. Also, since 2015, UNWTO has chosen to introduce into its vision and leadership the Sustainable Development Goals to boost responsible tourism measures and promote tourism so that it becomes, as it was in the years prior to the pandemic, a global force for growth and economic development along with sustainability.

The environment of the hostelry industry is of high pressure on employees, they have long periods of work and need to satisfy the customer at all times. For this, an activity management is created that is fundamental for all establishments. The division of labor leads the management, employees must be attentive when doing their work and with a lot of load and pressure it is practically impossible. To do this, the work is divided into

different individual roles for a more individual and motivating approach to the employee according to the employee's conditions in the workplace. Also, there is a balance between authority and responsibility, employees must be clear about the authority of the team and have a responsibility to fulfill their tasks since, in the hospitality sector, the client is the engine of the activity, so you have to meet their needs with discipline and order. The command unit is key to the aspects we have just developed. The employee must know what work to carry out and have previous training for the proper functioning of the activity. Finally, one aspect to highlight is remuneration. There must be an employee compensation plan that is motivating and stimulating. In the hospitality industry, remuneration usually depends on the objectives that the employee meets when performing their work. Many objectives are met thanks to the employee's treatment of the client, being polite and efficient are two virtues that must be taken into account in the field of hospitality.

According to the OECD, after the COVID-19 pandemic, the employee of the hospitality sector has suffered serious moments. After the confinements, the establishments could not continue to maintain their income which led to the closure of premises, hotels, restaurants which leads to the dismissal or dismissal of many employees. The pandemic has taken away almost 600,000 jobs in the hospitality industry in Spain and 40% with dismissal and 60% with TLP (Temporary Labor force adjustment Plan).

The indicators for calculating the income of the hotel and restaurant industry work differently. On the one hand, for the hotel sector, we use measures such as the Average Daily Rate (ADR) that calculates the average income achieved for each room that is occupied. Revenue is measured by dividing total revenue for the period by the number of rooms occupied. This type of calculation helps you to know how the hotel sells its rooms but does not take into account the empty rooms which would not give a reliable and complete performance of the establishment. The ADR is usually compared in periods of time and contributes to the pricing of the following seasons, helps to know the new trends and maximize the benefits of the property.

On the other hand, we have the RevPAR (Revenue per Available Room) that is considered one of the most important ways of analyzing financial income to see the profit obtained in a period of time. It is known as income per available room that complements the ADR for the analysis of accommodation. It can be calculated as revenue (price x rooms sold)/ available rooms. Thanks to the calculation and analysis of this ratio, we can verify the success of sales on a hotel accommodation, but it is not possible to use these data for a comparison with other establishments. Everyone has their own data and analytics and comparing them would be inefficient. The form of income analysis is critical in maximizing the profits of the establishment and the data must meet a minimum RevPAR to obtain results. An orderly strategy must be applied and followed to meet these minimums. To know the minimum RevPAR of each establishment, the expenses generated by a hotel must be divided among the total number of rooms available to the establishment. If the result of the operation is less than RevPAR, profits will be obtained.

Finally, we can know the GOPPAR, (Gross Operation Profit Per Available Room) a ratio that allows us to know the gross operating profit per available habitación that evaluates both the income generated per room and the operating costs that have been carried out to generate that income. It's a more comprehensive way to get RevPAR. Your function to calculate it would be, $(\text{Income of the establishment} - \text{Expenses}) / \text{number of available rooms}$.

As for catering establishments, the ways of calculating benefits are simpler. The benefit is the subtraction of the total income of the establishment whether restaurant, bar, pub minus the total operating costs formed by the sum of salaries, rent, expenses of drinks and meals, etc). The profit margin is calculated with the profit division between total revenue multiplied by 100%.

The pandemic generated unimaginable decreases in the income ratios and data analysis of both catering and accommodation establishments, having to close a large part of the establishments due to the losses suffered and the restrictions according to data from Our World in Data.

Asia began with the total stoppage of its production since it was the first continent to be a victim of COVID-19, a short time later, that break spread through the supply chains to the rest of the world. All businesses that were not essential to human life had to stop their activities. We have talked about hospitality and tourism but in the theoretical framework of this project I would like to name another sector of activity that was very affected by the pandemic and that has a great relationship with the other sectors and is the aeronautical industry. With the pandemic, the closure of borders between countries became widespread and with it the movement of tourism and passengers, both national and international, which led to a strong crisis for this sector. The losses in 2020 reached 256 billion dollars among all airlines globally and has been reflected in 5 million jobs, within the aeronautical industry and also outside, with the stoppage of tourists.

Two-thirds of the global fleet was grounded in 2020, which has meant that the creation of new aircraft and infrastructure in the sector will not be used.

The total drop in aircraft delivery and creation suffered approximately 38% in the first quarter of 2020, while 75% in the second quarter.

Next, the impacts of the pandemic on the sector we are analyzing will be exposed.

6. IMPACT OF COVID-19 IN HOSPITALITY

6.1 LOCKDOWN AND ALARM STATE

The beginning of the hospitality according the history of hospitality in our countries, begins a long time ago, in the years 1000 to 500 A.C when merchants traveled in exchange for lodging to exchange goods.

They were also offered food services where you can see the beginning of the catering sector that is defined in the offer of place and food for the enjoyment of people.

In the coming centuries, the monasteries were the ones that promoted trade and their activities of exchange of products voluntarily protected by the state.

The turning point of the hotel industry occurred in the industrial revolution where means of transport were created which allowed the mobility of people from one place to another.

Since this was a privilege, hotels and restaurants of great economic level were created. Thus begins the modern hospitality industry.

After the creation of the railway, hotels for travelers emerged near stations as we can see today the hotels of airports or near places where you travel.

Around the year 1800, corporate-owned hotels were created, where the famous Ritz hotel chain stood out. In the twentieth century, the United States became known as the country with the largest hotel chains and large establishments. The United States followed a business model that began in Europe and spread to its country. The hotel and restaurant industry occupy one of the top positions in the national industry.

On March 14, 2022, after the expansion of the pandemic that began in Taiwan, Spain tests the state of alarm in order to stop this expansion of the virus and health crisis. The measures according to the governments of each country, were carried out to focus on restricting the free movement of people, the closure of leisure areas with both hotel and restaurant establishments, cancellation of activities that were not necessary and the home confinement of the entire population. This crisis had a great impact on companies that depend on people's leisure such as the sector we are analyzing that many had to resort to TLPs (Temporary Labor Force Adjustment Plan) measures and temporarily suspend the employment of their workers.

In Spain, on March 14 the confinement and state of alarm begins which will be extended up to 4 times ending on May 4. In this phase of the pandemic, all hotel and restaurant establishments remained closed to the public due to the home quarantine in which all the inhabitants of the country had to remain in their homes and not carry out leisure activities. At the beginning of the pandemic the chief executive said the following words: "The measures are drastic and will have consequences" (Pedro Sánchez, 2020) and so it was, the drastic measures to end the pandemic have left terrible consequences and led the country to one of its greatest health and economic crises.

The catering establishments closed completely on March 26, 2020 after the demands of the Spanish Confederation of Hotels and Tourist Accommodation which led to the number of

customers in the hospitality sector to 0, a historical minimum in the history of Spain. In terms of economic terms, figures such as ADR, ReVPAR and others that we have mentioned above, were non-existent according our world in data. These figures at zero, plus the TLPs of employees and the non-existent public, led to the closure of approximately 85,000 establishments. The affiliates to the Social Security in terms of the hospitality sector, reached 47,592 in the month of January and rising to 69,706 to the month of February, in March it rose to 199,240 affiliates less.

In the United Kingdom, the initial measures of the pandemic were similar to those of Spain, following a home confinement, which also lasted until June 2020, one month more than the Spanish. All businesses that were not completely essential to human life were closed and all people were to remain in their homes according the restrictions of their government.

In England there was also a large loss of income in the hospitality sector as they were one of the businesses forced to close to the public. The measures and restrictions have had a major impact on the sector's revenues. Persistent low incomes. And the falling fixed costs as well as the rise in debt are data that impact and worry alarmingly.

The 90% decrease in the sector's production occurred in April 2020, compared to the data for February of that same year. In June 2020, after the withdrawal of certain restrictions, some businesses began to recover. The United Kingdom created an Eat Out to Help Out plan, a measure applied by the government to help hotel and restaurant companies after the lockdown with the aim of helping establishments and people who worked in them by encouraging citizens to eat out. The government provided a 50% discount on non-alcoholic food and drinks by businesses and individuals from 3 to 31 August across the UK. From February 22 to March 7, 2021, 55% of the establishments had stopped their activity. One in five companies in the sector had little confidence that their businesses would survive the next 3 months. The number of workers in the sector fell by 147,000 employees from the 1.6 million jobs that the sector had given in 2020.

The UK is known for its famous Pubs. From 2019 to 2020, there was a 1.1% rise in UK pubs, but at the end of 2020, with the onset of the pandemic, there was a drastic change. Northern Ireland suffered within the United Kingdom a great fall in its hospitality sector, reaching minimum limits. 78% of establishments in the hospitality sector closed or paused their activity.

The confinement of the United Kingdom ended in June 2020 but in May they were already beginning to see how the restrictions were relaxed. They were allowed to go out to the street to perform physical exercise activities, time for children to go outside and walk pets. As of June 1, the home confinement was changed by a curfew that we can also see in Spain, where it was allowed to carry out activities throughout the day, and from twelve at night to six in the morning to stay in homes. To this was added great controls and fines for breaking the law. As for the catering establishments, gatherings of 6 people were allowed.

In the United Kingdom, the measures were stricter with the progress of the pandemic, since although they lifted their restrictions in November 2020 and in January 2021 they had to put strict measures back due to the path that the pandemic was taking. In the second lockdown, November 2020, citizens were again asked to stay in their homes and not to meet with people who were not in their family environment. Non-essential businesses were closed again leading to the loss of income from more establishments in the sector.

6.2 DE-ESCALATION

In Spain, on the 4th came the end of the state of alarm and the beginning of the de-escalation that consisted of removing rules imposed by the government on the pandemic and the country. The opening of catering establishments with home deliveries was granted since consumption inside and outside the premises was not allowed.

The de-escalation was carried out in different phases according the measures imposed by the government of each countries. To begin with, activity resumed in restaurants and hotels but with limited capacity, as long as it was outdoors. Later, they began to have a third of capacity in the premises the establishments of restoration with what could be consumed in them, shortly after it was extended to 50% of the premises with bar service in the bars. As for the

hotels, the capacity was reduced in rooms and with shifts to go to the common areas, establishing schedules and rules of each establishment. These restrictions helped to resume the activity of the sector to some extent but many establishments still did not see it profitable to open their doors and return to have their people since they had many losses of the previous months. In addition, the consumer's fear of entering places with many people or traveling to other countries, did not allow to quickly recover those expenses. Both foreign and domestic tourists suffered from strict mobility restrictions and implied measures of provisional closures.

After the end of the state of alarm in June 2021, the last phase of the de-escalation took place, which had mobility restrictions. Only 1,567 establishments were opened out of the 20,000 that Spain had, 94% less than in 2019. In hotel establishments, the figures rose by 602.70% when there was a 50% increase in capacity. The average income in the month of June was 13.16 euros, while last months the figures were 0 euros. The month of June represents a negative variation of 80% compared to June 2019.

As for the United Kingdom, according to the article in Jennifer Brown's *A history of lockdowns* (December 2022), most of its restrictions were lifted in July 2021, where most hospitality companies were allowed to resume their activity, but "safe COVID" rules were created where meetings of up to thirty people were allowed but it was recommended that they be from the same environment or relatives. These months, the hotel industry began to recover, managing to open most of the establishments in the country, but shortly after, in September of that same year, new restrictions were given due to the expansion of another variant of COVID-19.

In September, the meetings went from thirty to six people both indoors and outdoors of the premises, the mask was still mandatory. Certain normals were also imposed in bars and restaurants, they had to close their establishments between twelve o'clock at night and six in the morning, which greatly affected nightlife establishments as well as bars where the main activity used to be in those hours. Throughout the United Kingdom, restrictions were imposed on October 14 applied by the country's government (Boris Johnson, 2021) called the restrictions at three levels being the first, famous for its green color, less restrictive than the

next two, orange and red but all three under the previous restrictions of complying with the night schedules and gathering at most six people. At this time, most of the country was considered in the first level, with less restrictive restrictions.

In November 2020, the second lockdown for the United Kingdom arrived which lasted approximately until December 2020. At the time of the de-escalation of the second confinement of the country, more aggressive measures were imposed for the hospitality sector and most of the country was placed in second and third level. After the spread of COVID-19, the English government decided to create a fourth level, with restrictions equal to those of a quarantine. As for the restrictions, according to the data from the tables in the article of A history of lockdowns by Jennifer Brown (December 2022), they can be simplified into the following:

- The first, it is forbidden to socialize in larger groups of six people if it is not for a matter of close family, catering establishments and hotels must close at 10 pm.
- The second restriction, nominated with high level, is prohibited from visiting people with whom you do not live in your home of residence in indoor establishments, but catering and hospitality establishments, still have the obligation to close at 10 o'clock at night.
- The third restriction, nominated for very high level, is prohibited from joining with people who are not your cohabitants both indoor and outdoor and the closing time at 10 the catering establishments is maintained.
- The fourth and final restriction, as its name suggests is called, stay at home, is forbidden to leave the homes to the inhabitants of the city where s has imposed the level four of restriction, which was seen in the first confinement in practically the whole world. People were forbidden to join with others who are not cohabitants in the same house. If you did not comply with the law, you would have very high fines, restaurants were forced to close but could have food delivery or take away services. Hotels had to close and all businesses that were not essential to citizens.

6.3 PREVENTION AND RECOVERY MEASURES FOR THE SECTOR

The first recovery of the sector in both Spain and the United Kingdom, began to be seen in the summer of 2020, when the states saw and analyzed the situation and adapted a series of measures after withdrawing the quarantines so that the pandemic did not continue to expand.

Scientists were still working on the mass vaccine with the aim of vaccinating the entire population as soon as possible and ending the pandemic. Until then, governments had to impose measures to try to live as well as possible without the pandemic spreading.

Therefore, the period that we have analyzed above that is known as de-escalation began.

One of the improvements for the hotel industry was the de-escalation in international mobility restrictions since Spain and the United Kingdom were allowed to travel both inside and outside the country with the use of restrictions such as masks in public places either open or closed and minimum distances of 1.5 meters between people. Some small restrictions were imposed according to the government of each country to avoid crowds in public places such as restaurants or hotels and that workers strictly respected hygienic measures.

In terms of data, in Spain, the income of the hospitality sector in the month of July increased by 106.69% compared to the month of July 2020 but was still in losses of up to 30% compared to the same dates in the previous year. (INE, several years). Hotels suffered due to the fear of customers being in public places with more people with which they suffered losses of up to 80% in terms of foreign customers and 50% in terms of domestic customers, compared to the previous year. This data in terms of domestic travelers demonstrates the fear of people to leave the country and the support they wanted to give to this sector so affected within the economy.

In the month of August 2020, there were large international falls compared to 2019, since this year had been crowned as the best year in the hospitality sector. The data according to the INE (Nacional statistic college of Spain), reached a decrease of 23.20% in open establishments and up to 70% in lack of overnight stays. August 2020 helped the sector a

little, reaching a ReVPAR of 44.02 euros compared to July of the same year which closed with 33.25 euros according to data obtained from the INE of several years. Rural tourism, however, has been one of the most powerful these years since the restrictions recommend open and large places where crowds are not created and are outdoors. According to a 2020 Rural Getaway survey, rural hotels were undoubtedly the most sought-after option among the respondents and rural hotels increased their demand even before the pandemic.

In October 2020 until even mid-2021, both in Spain and the United Kingdom, the pandemic returns with other variants which means that governments have to put stricter restrictions even with territorial limitations which again completely cuts off the free mobility of travelers through the country and abroad. The hospitality sector is falling again. The ReVPAR data in these months are very low with a total of 33 euros counting September, October, November and December. The data for four months do not exceed those of August 2020.

As for the ERTES, the percentages in España even reached 80% of employees in the sector at the end of April 2020, being the sector with the highest percentage of LTPs in the country, then it went to 40% in December. Data according to the Ministry of Inclusion, Social Security and Migration of Spain (2020).

As for vaccination, according to the vaccination strategies of the Government of Spain of 2021, in December 2020, the first stage begins in Spain, where priority groups have the right to vaccination which are residents and personnel in care centers for the elderly such as residents and doctors and nurses or health personnel who are on the front line of help. Also, large non-institutionalized dependents. In February 2021, the second stage of vaccination arrives, which is described by vaccination to priority groups number two, where people over 80 years old, between 70 and 79 years old with very high risk conditions, people between 70 and 50 and workers with an essential social function are vaccinated. Finally, in June 2021, the first dose is used to the rest of the priority groups, people between 40 and 5 years old.

After a period of six months, a second dose of the COVID-19 vaccine was allowed to be administered, and currently, up to the third dose is being administered.

Vaccination allowed the end of many restrictions. Among them the displacements of both national and international travelers, increasing the income of the sector. The mask is still mandatory indoors but in April 2022, after two hard years of pandemic and a deep analysis of the government's situation, they will also be removed indoors. (Pedro Sánchez, April 2022).

As for the comparison of Spain and the United Kingdom we can see the following graphs of own elaboration with data obtained from Our World in Data, Statistics of Spain and UK 2022.

12 APRIL 2022 UK	TOTAL VACCINATION	% POPULATION
AT LEAST 1 DOSE	52.959.181	78,8%
COMPLETE VACC.	49.580.222	73,8%
BOOSTER DOSE	39.009.357	58%

Table 1; Vaccination against COVI-19 in the UK: author's elaboration with data from Our World in Data (2022)

12 APRIL 2022 SPAIN	TOTAL VACCINATION	% POPULATION
AT LEAST 1 DOSE	41.180.591	87%
COMPLETE VACC.	40.349.823	85,2%
BOOSTER DOSE	24.639.562	52%

Table 2; Vaccination against COVID-19 in Spain: author's elaboration with data from Our World in Data (2022)

We can see that the percentage of first dose and complete vaccination is higher in Spain than in the United Kingdom although the number of total inhabitants vaccinated due to the

population of each country is not so. As for the booster dose, the United Kingdom leads the percentages and the total number of inhabitants vaccinated.

After vaccination, a very wide range of possibilities for the recovery of the hospitality sector and the economy of the countries has been opened, although it is a long process, the figures are recovering little by little and it is expected that they will continue to progress over the years according to the interview with Javier Frutos, president of Mahos, who claims to have the hopes of the hotel industry set in September.

7. RELATIONSHIP OF HOSPITALITY WITH OTHER SECTORS

7.1 AVIATION SECTOR

Not only the hotel industry has been the sector that has suffered serious consequences on this crisis, the sectors of both air transport and tourism have been not only closely linked to the hotel industry and its consequences but also to serious impacts on their areas of work.

As for air transport, it is estimated that during the first eight months of 2020, the sector registered losses of up to 256 billion dollars and very strong impacts on both hospitality and tourism according to the information and data provided globally by the Economic Commission of America. The pandemic not only caused a huge crisis in the sector but also left unfinished numerous expansion plans of airports and projects that will have recovery in the very long term. The airline sector reached minimum levels in April 2020, due to the expansion of the pandemic and the total closure of virtually all the borders of the world.

The lack of mobility and the impact on economic activity led two-thirds of the world's fleet to be grounded due to the consequences of the pandemic according to the IATA, (International Air Transport Association). The companies ran out of financial resources to renew their fleets and continue with their common activities.

Aircraft delivery suffered up to a 40% drop at the beginning of the pandemic (2020) and up to 88% in the second quarter of 2020 in comparison with 2019 and according to the IATA,

when measures against the pandemic imposed by the governments of both Spain and the United Kingdom were reinforced.

On the other hand, there are aircraft that are still in production waiting for a buyer since the issue of the pandemic has impacted excessively on the production chains and has slowed down the methods of creation and sale of the planes. It is estimated that in 2020, the value of new aircraft has been able to fall by 35% and large aircraft by 50%. The large aeronautical industries have announced losses of up to 1.9 billion euros per semester. According to IATA, data 2020.

The specific challenges facing the sector are summarized in liquidity, operating expenses, debt and restructuring and finally, operational changes. As for liquidity, losses have been made in the sector globally that could exceed 71,000 million euros in 2020 and that until 2023, will not recover even returning to normal, according to a study of the impact of the pandemic on aviation by Grant Thornton in 2020. The sector's revenues in 2020 were reduced by up to 50% due to lockdowns, travel restrictions while 2021 and 2022 are seeing an improvement due to the lifting of sanitary restrictions. These losses made the treasury the first priority of aeronautical companies and those responsible for the management of their infrastructures. After vaccination and the control of the pandemic, the lifting of restrictions that help promote tourism is being seen more accurately, thus helping both the recovery of liquidity in both the hotel industry and the air transport sector.

Another point to highlight, as we have seen before, are the operating expenses, which were reflected in the staff cuts and the adjustments of templates with the TPLs. After the measures of progress and vaccination, it is trying to reactivate operations again and try to readjust templates with very well qualified personnel, with experience until the economic situation stabilizes.

As for the debt and restructuring of the sector, the accumulated debt is reflected in a fundamental part with fixed costs. In the U.S., a nearly 97% drop in ridership was reported, according to the Transportation Security Administration (TSA). The financial difficulty is

severe in some lessors and the debt held by lessors is between 70% and 80% on each aircraft. The long- and medium-term goal is to secure more financing and restructure debt by adapting global joint measures.

Finally, it is worth noting the operational changes in which the objective is to define the new normal, although less restrictive measures are already being implemented, there is still uncertainty about when the new normal will return in the sector. Since April 2021, companies began to have more activity adapting measures such as mask requirements and distancing between passengers. Some companies, after the impact of the pandemic on their management, will have to adopt new approaches and strategies in terms of their fleet and prices. The industry faces long progress goals and the strategies they use during this period of time until their full recovery will be fundamental to their activity and progress.

The relationship between the hotel industry and the air transport sector is very dependent due to the movement of tourists and the passage from one border to another. The drastic drop in passenger demand also puts in serious danger many jobs that depended on the sector, it can already be from the positions used in an aircraft as in its infrastructures and its growth projects that have been stopped due to the pandemic. After the vaccination measures imposed worldwide and the lifting of health restrictions, the sector is beginning to resume its activity and to design new strategies with different approaches compared to the years before the pandemic.

7.2 TOURISM

Tourism is one of the largest sectors in terms of a country's economy, contributing a necessary percentage to GDP. In Spain, tourism before the pandemic reflected up to 13% of the country's GDP while in 2020 it fell to 5.5%, being the lowest percentage in history according to data published by the Tourism Satellite Account of April 4, 2022.

Tourism is the sector that has the most relationship with the hotel industry since its activities depend on each other. The COVID-19 crisis has been a very hard impact for both

sectors, the most aggravated. For these sectors, the COVID-19 crisis has been up to three times greater than that of 2009 according to the UNWTO, World Tourism Organization.

The confinement of 2020 at a global level reduced the number of world tourists by 98% compared to 2019, which in many countries, which includes Spain, was one of the best years at the tourist level. Also, UNWTO reflects the 57% year-on-year decline in tourists in 2020, leading to a total of almost 310 million fewer travellers and a loss of up to \$320 billion of international and global tourism.

The responsibility of governments must be to protect companies that have suffered very large impacts in the pandemic and help them adapt strategies for the progress of their activity.

In the midst of the lockdown, UNWTO Secretary-General Zurab Pololikashvili said:

"Tourism must be restarted as soon as it is safe to do so as it puts the livelihoods of millions of people at risk." The measures to reduce the workforce in tourism companies have been very large and they have had to focus their priorities on other objectives such as financing the losses of premises and travel agencies in total closure so that they do not have to close definitively.

Tourism is slowly returning to normal after vaccination measures of the population with several doses. Even so, the mentality of people and travelers is still one of fear and concern of crowds and outings by close contact between unknown people. International and national tourism began in the second half of 2021 to start its activity again and currently continues to grow to recover the damages caused by the COVID-19 pandemic in the sector.

8. CONCLUSIONS

As a conclusion to this project, we can highlight the analysis of the impact of COVID-19, a highly contagious respiratory disease that has spread throughout the world, creating the greatest economic downtime in recent years in the hospitality sector, a sector that is

fundamental for the development of a country's economy due to its contribution to employment and gross domestic product (GDP). I have also been able to explain the characteristics of the hospitality business as well as the areas that compose it.

We have described the importance of the hospitality sector in the economy of two characteristic countries with similar impact on the sector, Spain and the United Kingdom, analyzing both the benefits of the sector and the strong consequences of the impact of the pandemic, since most of the hospitality establishments have had to be completely closed for several months with very serious losses that have affected the evolution of the country. We have also analyzed the impact of the hospitality industry on employment in a country, since it is one of the sectors that provides the most employment due to the diversity of work employed and the number of people needed to carry out its activity. The impact of the pandemic has produced numerous consequences on the workforces of the companies in the sector, counting TLPs and layoffs, the pandemic has affected 70% of the jobs in the sector according to a report by Adecco (2021). In addition, when it comes to the recovery of the sector, companies demand expert personnel to improve strategies and get out of the crisis as soon as possible, which leads many workers to become unemployed or have to wait until the situation improves to recover their jobs.

As for customers, they are the driving force of the sector, since the hospitality industry is based on both national and international tourism. Due to the health security measures imposed by the pandemic, we have not been able to see a good customer relationship with the sector, creating large losses and closures of establishments globally.

We have been able to analyze these losses using the most widely used income indicators, such as ADR (Average Daily Room) or ReVPAR (Revenue per available room), both of which reached historic lows globally in the first months of expansion. In May 2020, when governments began to be more flexible with the restrictions, the indicators began to rise slowly, the total recovery of the sector is estimated in 2023 according to the OECD.

On the other hand, we have been able to analyze in depth and chronologically the different scenarios of the pandemic in Spain and the United Kingdom, starting with the state of alarm

and confinement of the population where I have explained the strictest restrictions of the governments such as home confinement, border closures and the total closure of establishments in the hospitality sector. Moreover, you can see data from the sector in this stage of confinement that I have interpreted following articles and data from the INE (national statistics institute) and the UK government.

As for de-escalation and vaccination, I have analyzed the situation with updated and recent data extracted from WHO (World Health Organization) articles and Our world in data, in which we can observe a moderate lifting of restrictions and the beginning of free movement of people, as well as the end of border closures in Spain and the United Kingdom. It should be noted that the restrictions at this stage are not completely eliminated, but they allow the sector to moderately undertake its activity and focus its strategies in a different way than in the pre-pandemic years.

Regarding vaccination, I have made some tables looking at the current evolution of the UK and Spain, highlighting the population that has completed vaccination schedules or at least one vaccination. With the help of these tables, I have been able to make a comparison between both countries on the percentage of vaccination in their inhabitants.

The hospitality industry is one of the sectors that has suffered the most in recent years due to COVID-19, but other sectors such as air transport and tourism, which are very dependent on each other, have also been victims of this pandemic. Regarding air transport, we have been able to analyze, with the help of articles and ITA data, the impacts of this respiratory disease on the sector, highlighting losses of up to 40% in the first months of pandemic (March-April-May 2020) and up to 80% in the coming months (June-July-August 2020), compared to 2019. Also, the relationship of this sector with the hospitality industry has been analyzed, since the closure of establishments has a strong impact on the transit of people, which influences airlines and thus the airline industry, leaving many unused aircraft on the ground and creating stoppages in the manufacture of new aircraft, new projects and strategies in their infrastructures.

Likewise, we can also highlight the relationship of the hospitality sector with tourism, which has been greatly affected by the pandemic due to health restrictions for the safety of people. The closing of borders and confinement prohibited the free movement of tourists which led to losses in the economy globally, even reducing tourists by 98% in 2020 compared to 2019 according to the Tourism Satellite Account. Tourism is one of the most significant components of a country's GDP, so governments focus their strategies on helping and promoting it to recover the losses that have been generated in the sector in recent years.

To conclude this work, we can say that countries are focusing their strategies on new business visions in terms of hospitality to return to the new normal as soon as possible, therefore, according to a Spanish article on global trade, delivery and take away strategies are being implemented, two ways in which the restaurant sells its product to the customer without using its establishments, i.e., the restaurant is responsible for delivering the food or the customer himself picks up the food or drink in a particular place when the restaurants, as the fear of crowds in closed places is still present among people. Also, in hotel establishments, sanitary measures are being taken, such as the use of masks in public areas in closed places, to ensure the safety of customers and a faster recovery of the sector to return to the normality so desired by everyone.

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