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### **Tourists return but profit gap widens for hotels**

*Canary tourism is on an upturn, as reflected in recently released statistics that point to steadily increasing rates of hotel occupancy. The downside, however, is the constant increases in hotel overheads while price tariffs for guests remain much the same, or in some cases, cheaper than last year.*

This according to the latest findings of Spanish tourism organization Exceltur, published in its latest quarterly report and which flags up two factors: deterioration in some sectors of this region's accommodation offer and the seemingly unstoppable increase in new hotel beds.

Renewed interest on the part of the general public in hotel holidays is now a proven fact, according to the Exceltur survey, conducted among professionals in the sector.

It shows that just over 60% of hotels in the Canary Islands reported an increase in occupancy levels this year compared with the same period last year. But the general increase in guest numbers has not been sufficient to improve corresponding profit margins.

Only 19% of hotels surveyed in the second quarter of this year reported that profits were up. Almost 45% said they were the same as last year, while 36% claimed a profit loss.

Price wars, labour costs and increasing overheads were once again the reason given for poor results. Block bookings made up front at discounts with tour operators are a crucial factor in income not keeping pace with occupancy levels, though Exceltur claims that tendency has shown signs of picking up over the past two months.