

Tourism

Sector Report

S2 2024

Sustainable growth: the challenge of Spain's tourism sector

Spain's tourism sector will continue to grow rapidly in 2024-2025

Tourist loyalty and climate change

How has international tourist demand changed since the pandemic

Snapshot of the catering sector in Spain: from bars to Michelin stars



SECTOR REPORT **Tourism Second Semester 2024**

The *Sector Report* is a publication produced by CaixaBank Research

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S2 2024



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«One's destination is never a place, but a new way of seeing things.»

HENRY MILLER



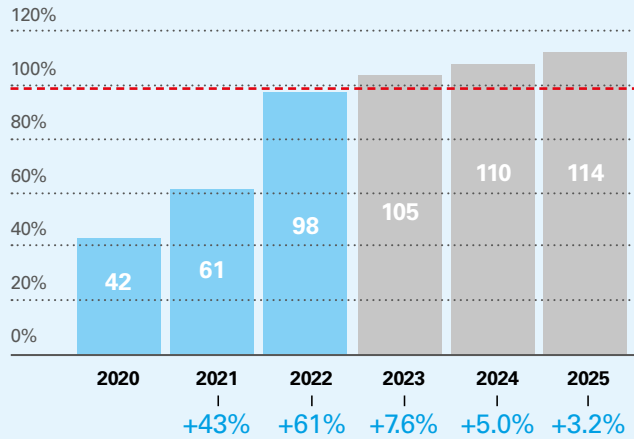
Tourism

CAIXABANK RESEARCH FORECASTS FOR SPAIN'S TOURISM SECTOR IN 2024-2025



REAL TOURISM GDP

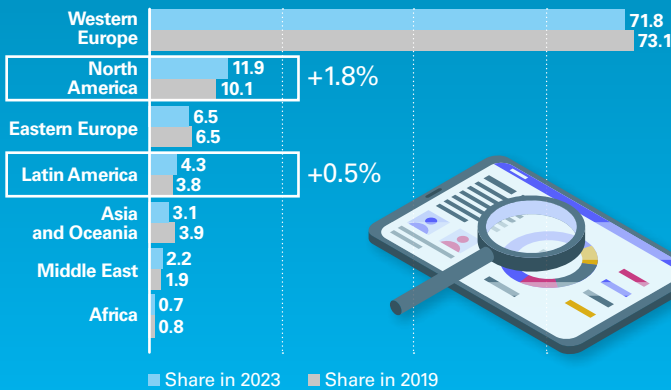
Index (100 = 2019)



Strong growth in 2024-2025

- + The tourism sector has kicked off 2024 with very good figures
- + Recovery in the euro area
- + Geopolitical stability in Spain
- = Stability of domestic tourism
- Recovery of competing destinations
- Paris Olympic Games

HOW HAS THE STRUCTURE OF TOURISM DEMAND CHANGED BETWEEN 2019 AND 2023?



Real-Time Economics

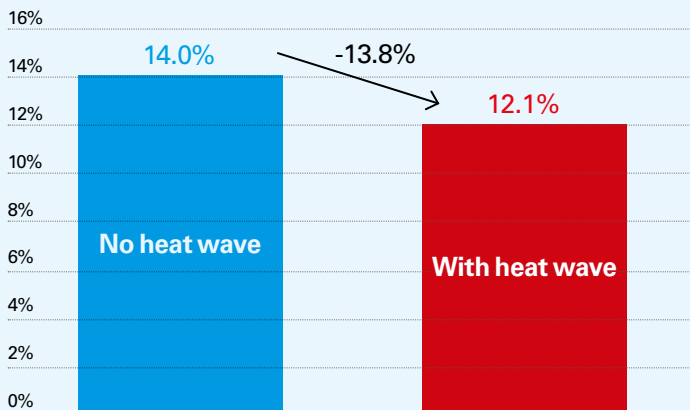
European tourism remains the most important, although its share has dwindled slightly since 2019.

American tourism has grown the most.

Asian and Eastern European tourism has seen its share of international tourism demand decline.

TOURIST LOYALTY AND CLIMATE CHANGE

Probability that a tourist will return to Spain if they experience an extreme heat wave



Tourists who experienced a heat wave during their visit to Spain in the summer of 2022 are less likely to have returned in the summer of 2023.

The British and Americans are the least likely to make a repeat visit to Spain after experiencing extreme temperatures.

Note: «No heat wave» and «With heat wave» indicates that the deviation of the average temperature experienced during the summer visit in 2022 relative to the historical average temperature (between 1961 and 1990) on the same dates and at the same location was less than or greater than 8°C.

Source: CaixaBank Research, based on internal data on payments made with foreign cards on CaixaBank POS terminals.

Executive summary

The challenge of growing sustainably

Spain's tourism sector has kicked off 2024 with excellent figures in terms of visitor arrivals, spending and activity. This is the best start to a year since records on these indicators began. In addition, this buoyancy is occurring in the wake of 2023, which already saw records in the sector broken. In the first quarter of 2024, 24 million foreign tourists arrived in our country, some 3 million more than in the same period of 2023. Moreover, spending by international tourists grew by 22.6% year-on-year, making a significant positive contribution to the Spanish economy's foreign balance.

These excellent figures reflect the strength and competitiveness of Spain's tourism sector, which we should recall ranks second among all tourist destination according to the ranking produced by the World Economic Forum, behind only the US and ahead of the likes of Japan and France. All the indicators suggest that this positive trend will continue in 2024 and 2025. **Here at CaixaBank Research, we forecast that tourism GDP will grow by around 5% in 2024 (twice the rate expected for the economy as a whole) and by 3.2% in 2025.** This rapid expected growth is thanks to the recovery of European households' purchasing power in a context of falling inflation, the recovery of the European economy and the perception of greater security offered by our country in a context of high geopolitical instability in the eastern Mediterranean.

This forecast reflects a slight slowdown in the sector in the coming quarters compared to the rapid growth of the first quarter, given the presence of certain factors that will tend to moderate the rate of progress, such as the gradual recovery of other competing destinations, the impact of the Olympics in Paris this summer and our expectation that domestic tourism will experience weaker growth due to the increase in foreign travel by residents in Spain.

The exceptional recovery of tourism in the aftermath of the pandemic has also highlighted the need to continue improving the management of tourism flows in order to minimise the negative impacts they can generate, including on the local housing market, pressure on basic

public services and the occupation of public spaces, among others. It is desirable that both the government and the industry itself continue to work to ensure that the sector's growth **can be sustainable, both socially and environmentally.**

In the second article of this report, we continue to investigate the effects that the heat waves of the last two summers have had on international tourism in Spain. This is a highly innovative analysis produced using data on payments made with foreign cards on CaixaBank POS terminals and climate data from Copernicus. The main conclusion of the analysis is **that tourists who suffered a heat wave in the summer of 2022 were less likely to return to Spain the following summer.** In particular, exposure to extreme heat waves (more than 8 degrees Celsius above the historical average) results in a reduced propensity to return, especially among the British and Americans. This result highlights the importance of promoting innovation and investment in infrastructure in order to guarantee tourists' comfort in more extreme climate scenarios.

In the third article, we analyse the **pattern of spending by international tourists, broken down by place of origin, based on indicators from the CaixaBank Research Real-time Economics portal.** This analysis reveals that European tourism is still the most important, although it has lost some of its share compared to 2019, and that tourism from the American continent has grown the most. In contrast, Asian and Eastern European tourism has seen its share of international tourism demand decline.

In the last article, we present a **snapshot of the catering sector in Spain.** This sector is currently enjoying a boom in terms of employment and turnover, largely thanks to the full recovery of the tourism sector. Despite having a high percentage of very small companies with low levels of productivity and turnover, the sector has significant strengths which must be acknowledged, such as its international recognition and prestige and its important cohesive role in society due to its presence in practically all Spanish municipalities.



Current situation and future outlook

Spain's tourism sector will continue to grow rapidly in 2024-2025

After an exceptional 2023 for tourism in Spain, with record levels of international arrivals, spending, overnight stays and domestic tourism, the figures for 2024 are exceeding expectations and marking the best start to the year in the sector's history. CaixaBank Research forecasts that tourism GDP will grow by 5% in 2024 (more than double the rate expected for the economy as a whole), with over 90 million visits by international tourists. This rapid expected growth is thanks to the recovery of European households' purchasing power in a context of falling inflation, the economic recovery in Europe and the perception of greater security that our country conveys relative to other competing destinations. Domestic tourism will remain at historically high levels, although it will grow at more modest rates compared to international tourism, as we expect to see a revival of Spaniards travelling abroad. The success of the sector should not be to the detriment of continuing to improve the management of tourism flows in order to mitigate the negative impacts they can generate and to move towards a less seasonal and more sustainable tourism model.

The best start to the year in the recent history of Spain's tourism sector

After growing by a significant 2.5% in 2023, in a context of weak growth in the major European economies, Spain's economy has once again exceeded expectations in the opening months of 2024. In Q1 2024, GDP grew by 0.7% quarter-on-quarter, driven by a revival of investment and a new increase in exports of tourism services (+19.0% quarter-on-quarter). This good performance in the tourism sector is also reflected in the increased surplus of the tourism services balance, which in March 2024 reached 4.2% of GDP, compared to 3.7% the previous year (12-month cumulative balance). This improvement, of 0.5 pps of GDP, means that tourism exports are responsible for more than half of the improvement in Spain's current account balance over the last year.¹

¹ Spain's current account recorded a surplus of 2.6% of GDP in March 2024, compared to 1.6% in the previous year (12-month cumulative balance).

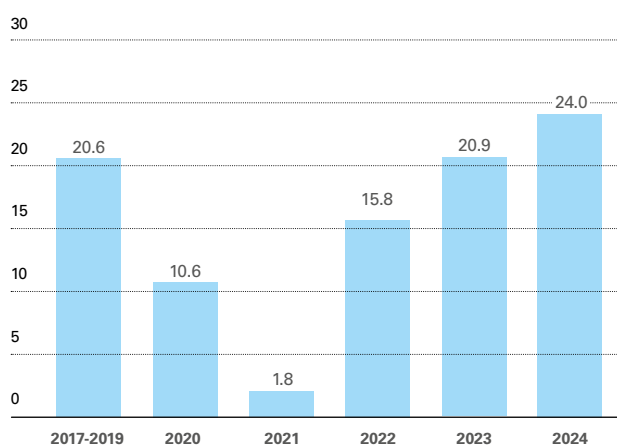
Spain's tourism sector registers its best first quarter in recent history

There is no doubt that part of the reason behind the current buoyancy of Spain's economy is the strength of the tourism sector. Following the sector's excellent performance over the past year, all the tourism activity indicators have accelerated in the first four months of 2024 (exceeding the records of the same period in 2023), suggesting that it will enjoy strong growth in 2024. According to our estimates, tourism GDP accounted for 0.9 pps of the Spain's annual GDP growth of 2.5% in 2023. The new forecasts for 2024 anticipate that the sector will contribute around 0.6 pps to the expected growth rate of 2.4%. Tourism GDP will thus account for 13.0% of total GDP.

International tourism marks the best start to the year in history...

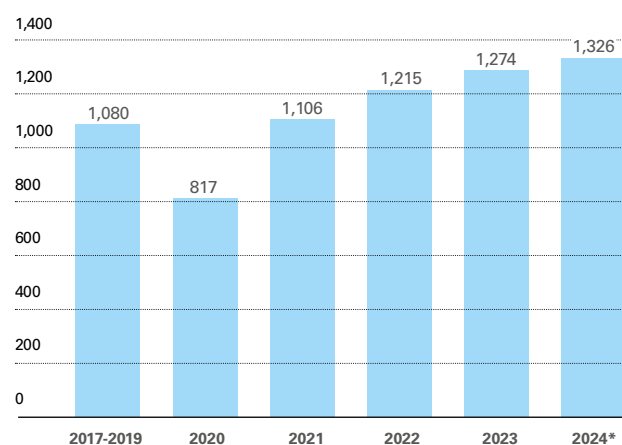
International tourist arrivals

Cumulative data for January-April. Millions of tourists



Average expenditure of international tourists

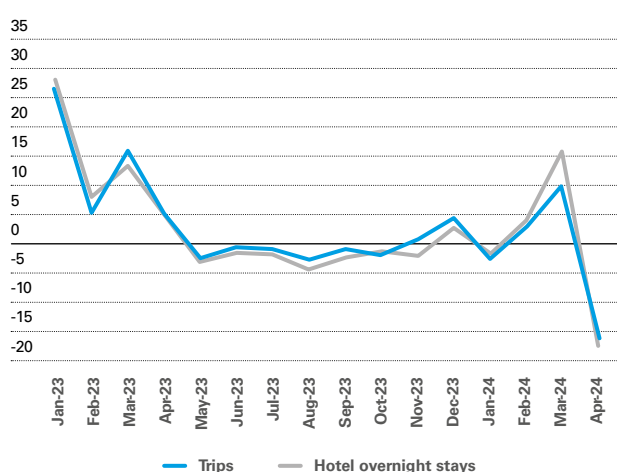
Euros per tourist



... while domestic tourism begins to show the first signs of moderation

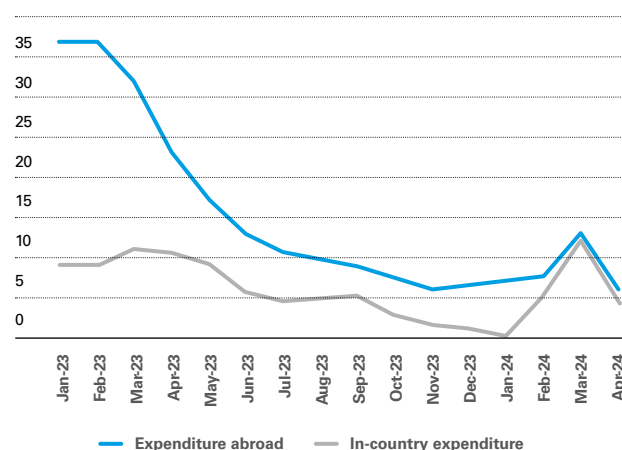
Domestic tourism indicators

Year-on-year change (%)



CaixaBank Consumption Indicator. Tourist expenditure by residents

Year-on-year change (%)



Note: (*) The figure for 2024 corresponds to the average expenditure in January-April.

Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE) and the Real-Time Economics portal.



Tourism



Up until April, 24 million international tourists arrived in our country, marking the best start to the year in the available series: in just a few months, 3 million more foreign tourists have visited us than in the same period in 2023 (a year-on-year growth rate of 14.8%). The average expenditure per person exceeded 1,300 euros (average from January to April). This is some 245 euros above the pre-pandemic average and represents a 19% increase over 2019 figures, although this is mostly due to a price effect rather than a greater propensity among tourists to spend in real terms (tourism inflation has accumulated 21% growth since 2019).

On the other hand, **the domestic tourism indicators maintained a good tone and remained at high levels**, although the combined balance of the first four months of the year reflects fewer trips taken (-2.2% year-on-year in January-April), fewer overnight stays (-1.1%) and a moderation in tourism spending in the country (+5.4% year-on-year on average, according to the indicator from the CaixaBank Research Real-Time Economics portal).

This buoyancy is also reflected in the labour market, which also broke records in 2023 with 3 million registered workers in the branches of activity that are characteristic of the tourism sector (in 2019, they employed around 2.7 million people). In the first four months of 2024, tourism employment grew by 4.2% year-on-year (average from January to April), with the most buoyant segments of the market being air transport (11%) and travel agencies (7.8%), while sea transport was the least buoyant (1.8%).

Up until April, 24 million international tourists arrived in our country, marking the best start to the year in the available series

The profitability of Spain's hotel sector skyrockets with the strength of demand

Spain's hotel sector is also enjoying an exceptional moment: between January and April, there were 87 million overnight stays (+7% year-on-year and the best ever start to the year for the sector). Overnight stays by international tourists far exceeded pre-pandemic records (+12.0% in the first four months of the year compared to the same period in 2019). Overnight stays by residents are 1.1% below 2023 levels, although they remain very close to their historical highs.

Despite the strength of demand, the hotel supply has not increased and is even slightly below 2019 levels: there are around 400 fewer establishments, although practically the same supply of rooms. This slight decline in supply is concentrated in lower-grade establishments (3 stars and below), as the supply of 4 and 5-star hotels has increased by 9% since 2019 (there are around 240 more such hotels). Therefore, it comes as no surprise that, in terms of room numbers, the supply is practically the same as it was in 2019 (the decline occurred in lower-grade hotels, which tend to be smaller and have fewer rooms). Therefore, there has been an increase in the quality of the supply in the sector, either because existing establishments have invested in recent years to improve their quality or because at the height of the recession triggered by COVID-19 the lower-quality establishments disappeared.

The balance of a somewhat stronger demand than supply has led to high occupancy rates: in 2023, 67.5% of available rooms were occupied on average, compared to 65.8% in 2019. Interestingly, the average rate in high season is very similar in both years (around 75%), suggesting that occupancy has increased to a greater extent in the rest of the year.

This greater occupancy allows for higher profitability in the sector: in 2023, it generated an average income of 74.34 euros per available room (the RevPAR index),² 10 euros more than in 2022 (annual growth rate of 16%). In the high season (June-September), the sector collected 94 euros per available room (occupied and not occupied), compared to 86 euros in 2022 and 76 euros in the high season of 2019. At the beginning of the current year, there has been hardly any moderation in prices: between January and April, revenues stood at around 67.2 euros per room, 10% more than in the same period in 2023.

²The RevPAR (revenue per available room) index is a hotel profitability metric that measures the revenue generated by each available room in a hotel (occupied and not occupied). It is calculated by multiplying the Average Daily Rate (ADR) by the occupancy rate, or by dividing the total room revenue generated by the total number of available rooms.

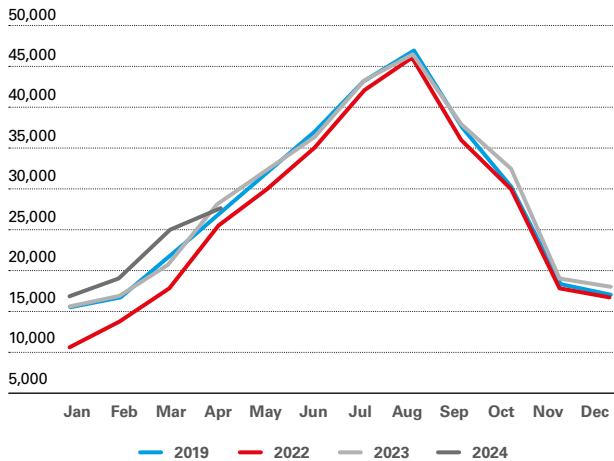
Hotel occupancy has improved significantly more outside of peak season, reflecting a gradual reduction of the seasonality of activity in the sector



Spain's hotel sector enjoys high occupancy and profitability

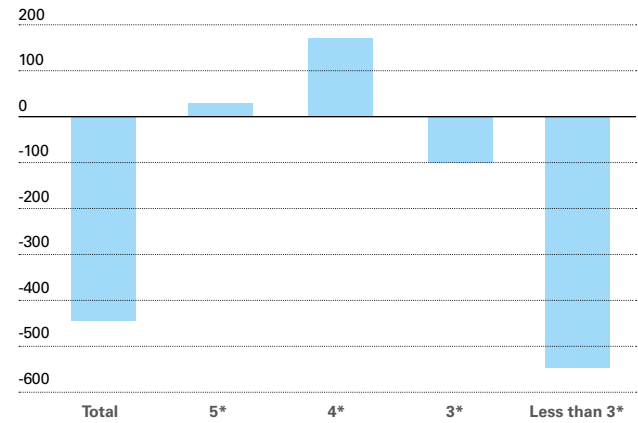
Hotel overnight stays by residents and non-residents

Number of stays



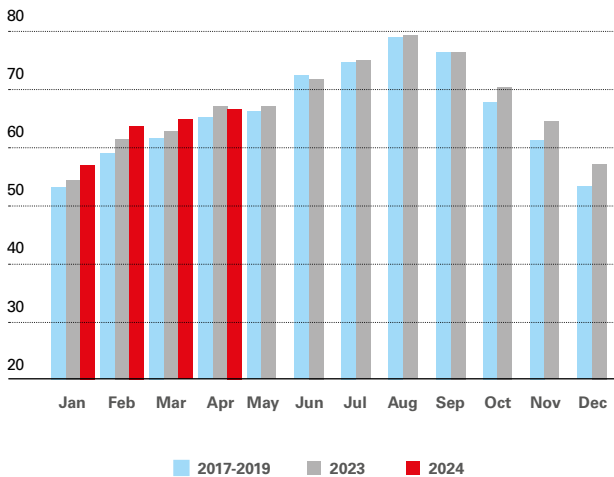
Change in the number of hotels by category

Change between 2019 and 2023 (Number)



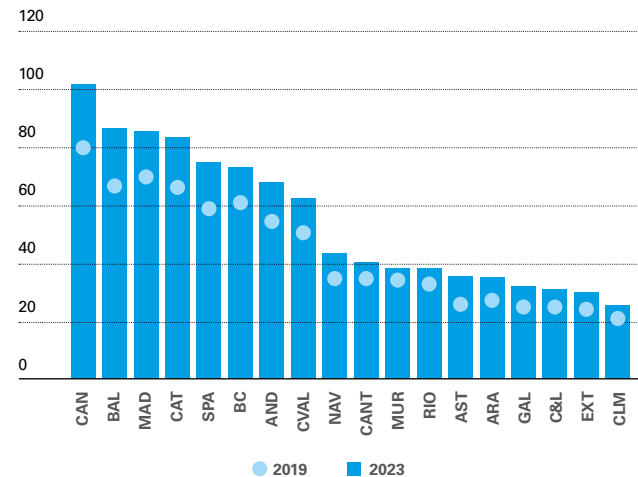
Occupancy ratio

Occupied rooms (%)



RevPAR hotel profitability index

Euros per available room



Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE).

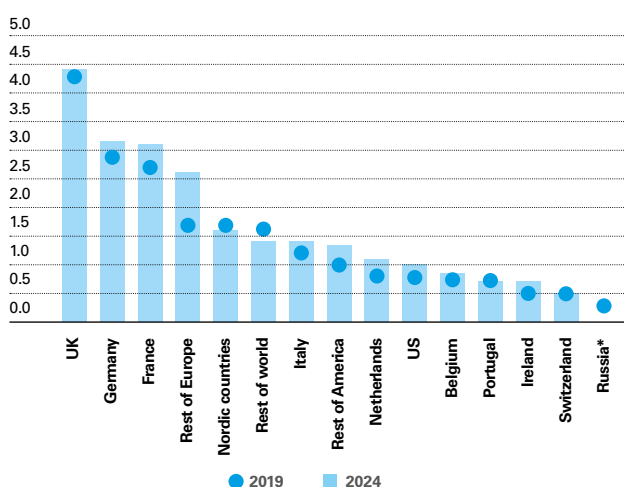
Arrivals of German and British tourists return to the peak levels of 2019

In terms of the origin of tourists, one of the few disappointments in the sector in 2023 was that two of the major source markets for Spanish tourism, namely the United Kingdom (the leading country of origin) and Germany (second, before the pandemic), ended the year with fewer tourists than in 2019 (-3.7% and -0.9%, respectively). British tourism has been weighed down in recent years by Brexit, the fall of large national tour operators (such as Thomas Cook in late 2019) and, more recently, the economic crisis. Germany, for its part, has lost its position as the second country of origin to France in recent years, having been also weighed down by the economic crisis and its particular vulnerability to the energy crisis. However, in Q1 2024, 4.4 million British tourists and 3.2 million Germans arrived, marking the highest number of arrivals for both nationalities in that period in the available series.

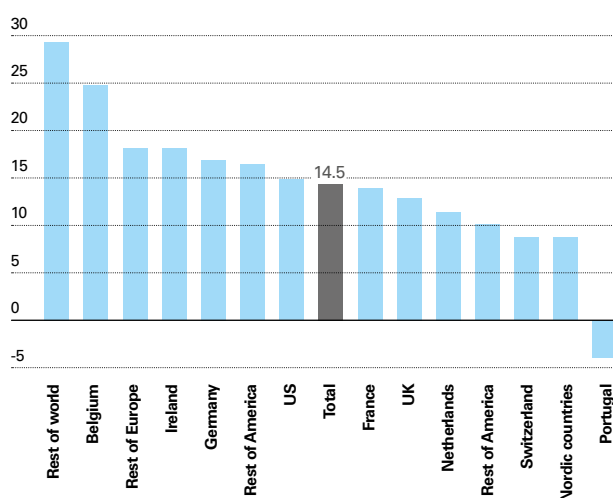
Right now, Asian countries (-12.8% compared to 2019), the Nordic countries (-6.1%) and Russia (no data since the start of the war in Ukraine) stand out as the only ones that have not yet recovered their pre-pandemic levels. In the article «How has international tourism demand changed since the pandemic?» which appears in this same *Sector Report*, the changes that have occurred since the pandemic in the structure of tourism demand by source market are analysed in more detail, using internal CaixaBank data.

International tourist arrivals by source market

Millions of tourists in January-April 2024



Year-on-year change in January-April 2024



Note: (*) Data for 2024 unavailable for Russia.

Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE).

Full recovery in Catalonia, boom in the Valencian Community and the Canary Islands

Catalonia is the autonomous community that receives the most international tourists in our country, but it is also the only one that failed to return to its pre-pandemic level of arrivals in 2023 (18.2 million tourists, one million less than in 2019). Broadly speaking, this lower inflow of tourists was due to the fact that the region's main source markets performed somewhat worse than those of other regions. Specifically, the region suffered as a result of the late lifting of restrictions in countries in Asia (Catalonia receives half of all the Asian tourists who visit Spain), the loss of Russian tourists³ and a lower influx from the main source countries (there were 500,000 fewer French and British tourists compared to 2019). In any case, the region received 5 million tourists between January and April in 2024, marking the best start to the year in the available series and suggesting that this year we will see a return to pre-pandemic levels of foreign tourist arrivals.

③ Catalonia hosted some 800,000 Russian tourists in 2019 and, since the outbreak of the war in Ukraine, they have stopped reporting entries of these tourists in our country.

Catalonia is the autonomous community that receives the most international tourists in our country, with 18.2 million tourists in 2023



Tourism

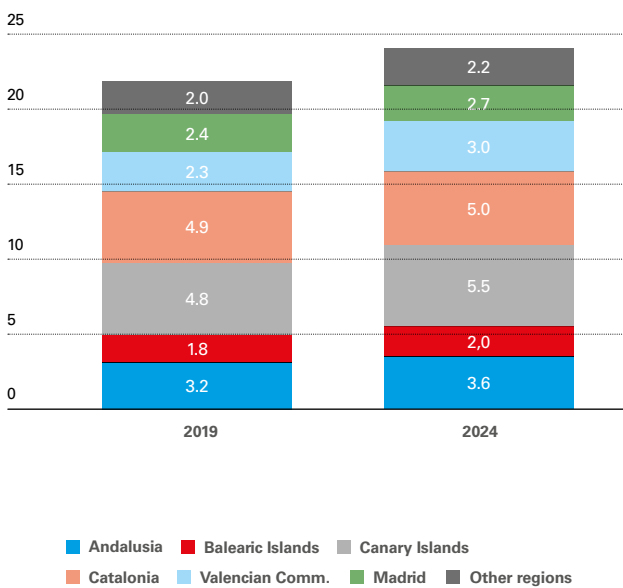
The Valencian Community and the Canary Islands are the autonomous communities that have seen the biggest increase in interest among foreign tourists since the pandemic (in 2023 they received some one million additional tourists each compared to 2019). In the former, this is thanks to the recovery of European markets,⁴ while in the latter case it is a reflection of the region's great appeal, in spite of its high dependence on British and German tourists (between them they account for 45% of all hotel stays in the Canary Islands) and its high prices (its hotel sector has the highest average daily rate in the country).

④ The Valencian Community stands out for its high interest among domestic tourists, since just over 50% of all hotel stays in the region are attributable to residents.

Arrivals and overnight stays in the regions that attract the most tourists

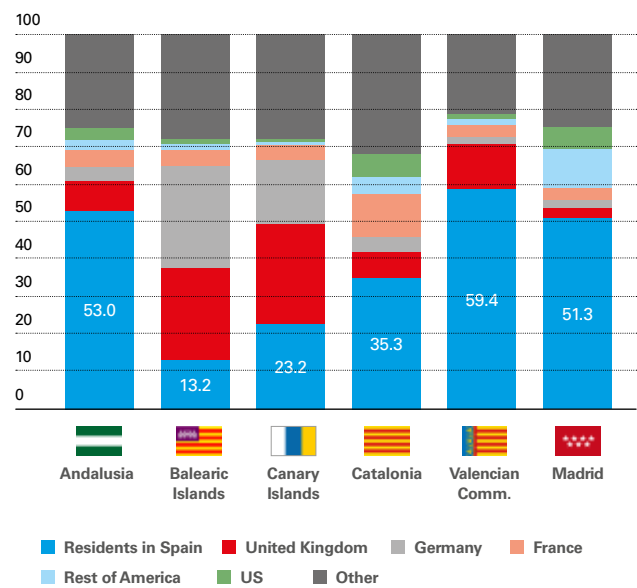
International tourist arrivals by region

Cumulative data for January-April 2024. Millions of tourists



Hotel overnight stays by source market

% of total overnight stays



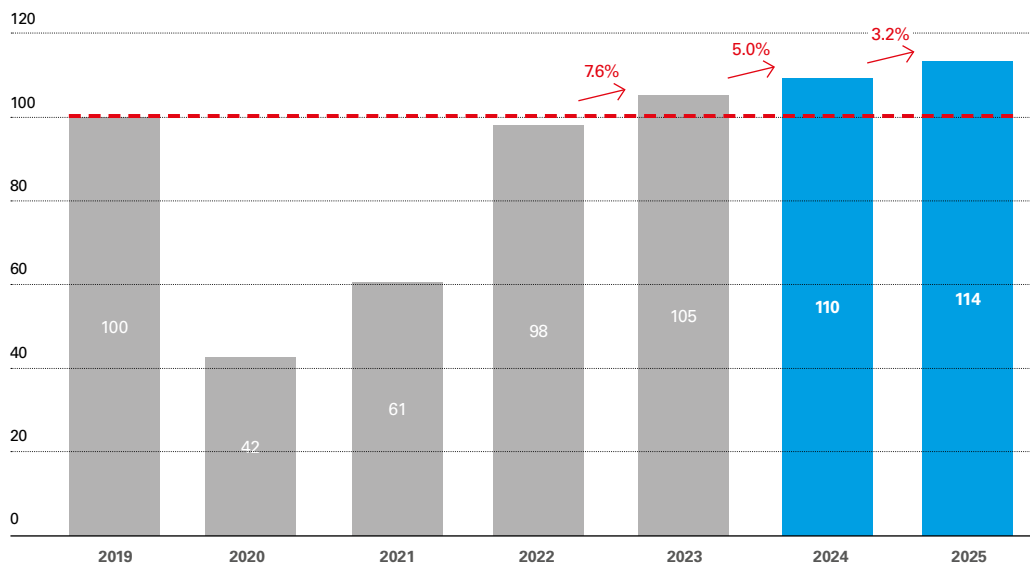
Note: There are no data on overnight stays by region and source market available for 2023, so we take the data for 2019. Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE).

2024-2025 outlook: the tourism sector will remain a driving force for the Spanish economy

According to CaixaBank Research estimates, real tourism GDP grew by 7.6% in 2023, allowing pre-pandemic activity levels to be recovered (exceeding the 2019 peak by 5.2%). This growth has allowed the sector to recover its former relative weight in the Spanish economy, reaching 12.6% of GDP in 2023 (the same figure as in 2019). In 2024, we expect that tourism GDP will grow by 5.0% in real terms, driven by international tourism, which we expect to record significant growth (+5.5%), exceeding 90 million international tourist arrivals. This rapid expected growth is thanks to the recovery of European households' purchasing power in a context of falling inflation, the economic recovery in Europe and the perception of greater security offered by our country in a context of high geopolitical instability in the eastern Mediterranean.

Real tourism GDP

Index (100 = 2019)



Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE) and internal estimates.

This forecast reflects a slight slowdown in the sector compared to the rapid growth at the beginning of the year⁵, given that there are several factors that will tend to moderate the rate of progress, such as the gradual recovery of other competing destinations, the impact of the Olympic Games in Paris in 2024 and our expectation that domestic tourism will record relatively weak growth (+0.8%). After several years of recovery, in which Spanish tourists have opted for local destinations, this year we expect to see an increase in travel beyond our borders, thanks to the increase in households' disposable income and the pent-up demand for tourism abroad.

⁵ For example, if the rate of growth of tourist arrivals at the beginning of the year continues (+14.8% year-on-year in January-April), we would be talking about 100 million tourists arriving in our country in 2024.

The buoyancy of the sector highlights the major challenges it will have to face in the sphere of sustainability

The exceptional recovery of tourism in the aftermath of the pandemic has also brought to the table the need to further improve the management of tourism flows in order to help the sector to continue to grow sustainably. In this regard, any actions that help to reduce the negative impacts that tourism can generate for destination areas, such as the impact on the local housing market (increase in purchase and rental prices, and the conversion of homes for residential use to tourist use), the pressure on basic public services (health and transport) and the occupation of public spaces, are of great assistance. In addition, the sector must continue to invest in adaptation and decarbonisation measures to address climate change, one of the biggest challenges in the medium and long term.

The figures underscore the need to further improve the management of tourism flows in order to help the sector continue to grow sustainably



Among the measures that are being implemented in some European countries and several Spanish regions, one of the most prominent is the tourist tax (which is already in place in Catalonia and the Balearic Islands). The available studies find that demand shows little sensitivity to its introduction and, moreover, suitably channelling the revenue generated by the tax can help to mitigate the aforementioned negative impacts. The regulation of tourist rentals is also on the rise in certain locations where their share of the available housing stock has grown significantly in recent years.⁶

Finally, climate change poses a major risk for tourism in Spain, as we have been warning for some time. We have already seen how tourism in Spain is growing more in the more temperate areas,⁷ so it is crucial that the sector is prepared and invests in adapting to warmer and more volatile temperatures. In addition, our estimates based on internal card payment data suggest that international tourists are less likely to travel repeatedly to Spain if they have experienced a heat wave – an aspect which we analyse in greater depth in the article «Tourist loyalty and climate change», in this same report.

⁶ According to the 2023 Annual Report of the Bank of Spain, holiday rentals make up only a modest proportion of the total residential market, accounting for 1.8% of all primary homes (340,000 homes). However, it now accounts for around 10% of the size of the rental market and is concentrated in the main tourist areas, in certain urban areas (such as Malaga, Marbella, Elche and Palma de Mallorca) and in the central districts of the most touristic major cities, namely Barcelona, Madrid, Seville and Valencia.

⁷ For an analysis of the impact of heat waves on tourism spending in Spain, see the article «The impact of climate change on tourism in Spain: analysis and outlook», published in the *Tourism Sector Report of S1 2024*.

Sustainability

Tourist loyalty and climate change

Repeating tourists are one of the keys to the success of Spain's tourism sector, but climate change puts their loyalty at risk. In this article we present a highly innovative analysis using data on payments made with foreign cards on CaixaBank POS terminals, which allows us to identify the international tourists who visited Spain in the high season, both in 2022 and in 2023. We note that repeat tourists spend more per day and have longer stays, making them crucial for the tourism sector. However, we find that exposure to extreme heat waves reduces their propensity to return, especially among the British and Americans. Investing to adapt to climate change and promoting sustainable practices are essential in order to maintain the loyalty of recurring tourists and to ensure the continued success of tourism in Spain.

The importance of international tourists who make repeat visits to Spain

Approximately 14% of foreign cards that made payments on CaixaBank POS terminals in the summer of 2022 were also observed a year later. These are the tourists we refer to as «recurring» or «repeat» tourists, since they made repeat visits to Spain in the last two summers. These tourists are especially important because their daily spending is higher and their stays last longer, resulting in a substantially higher total expenditure per trip than among non-recurring tourists.⁸ In particular, tourists who visited in both the summer of 2022 and that of 2023 spent an average of 271.7 euros in the summer of 2022 during an average stay of 3.9 days. In contrast, non-repeat tourists spent 176 euros on average in the same summer and their average stay lasted 2.7 days. The daily tourist expenditure of recurring tourists recorded on CaixaBank POS terminals was 80.2 euros per day, compared to 76.3 euros per day for non-recurring tourists. As can be seen in the map on the following page, recurring tourists are concentrated in the archipelagos, the Mediterranean arc and some urban areas such as Madrid, Zaragoza, Seville, Cordoba, Badajoz and Santiago de Compostela.

It is important to note that these estimates represent lower bounds for tourism spending by foreigners, both in terms of expenditure and the duration of their stay. For instance, tourists also make purchases on POS terminals of other banks, a tourist may use several cards or change cards between one year and the next, and there may be days when they are in Spain but they do not make any payments on CaixaBank POS terminals⁹. Therefore, these statistics should not be considered estimates of international tourists' total expenditure or the full duration of their trips. However, they are useful for comparing repeat and non-repeat tourists, as the measurement biases are expected to be similar in both groups.

⁸ We consider a foreign card (international tourist) to be recurring if it is used to make payments between July and August 2022 and again in the same months of 2023. Aggregate expenditure data per card. The length of the stay of each card is defined based on the number of days that transactions with that card are observed for.

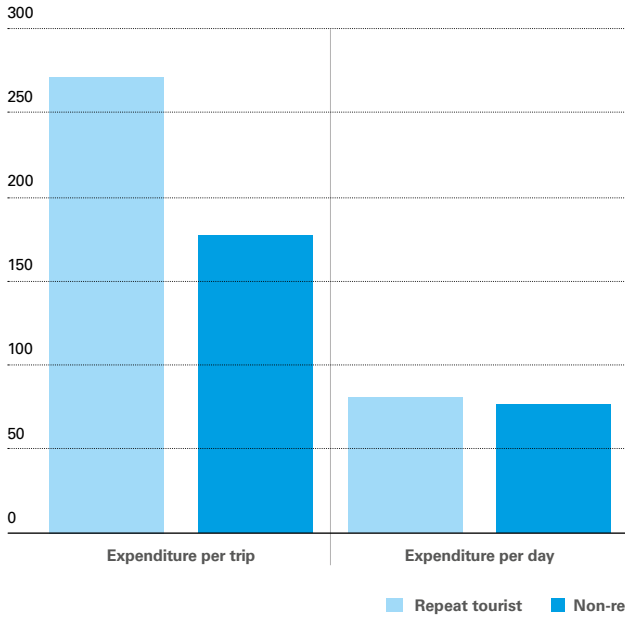
⁹ CaixaBank's POS terminal payment data are highly representative (market share of around 30%).



Tourism

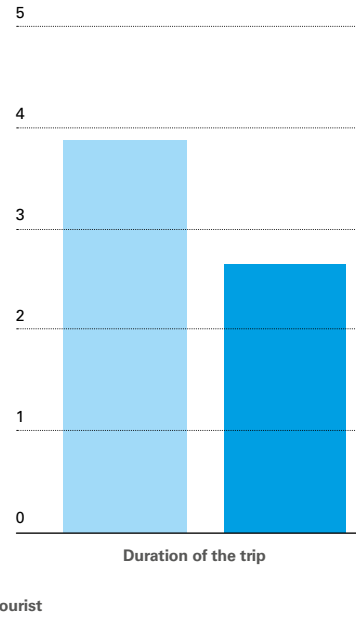
Observed expenditure in total and per day

Euros



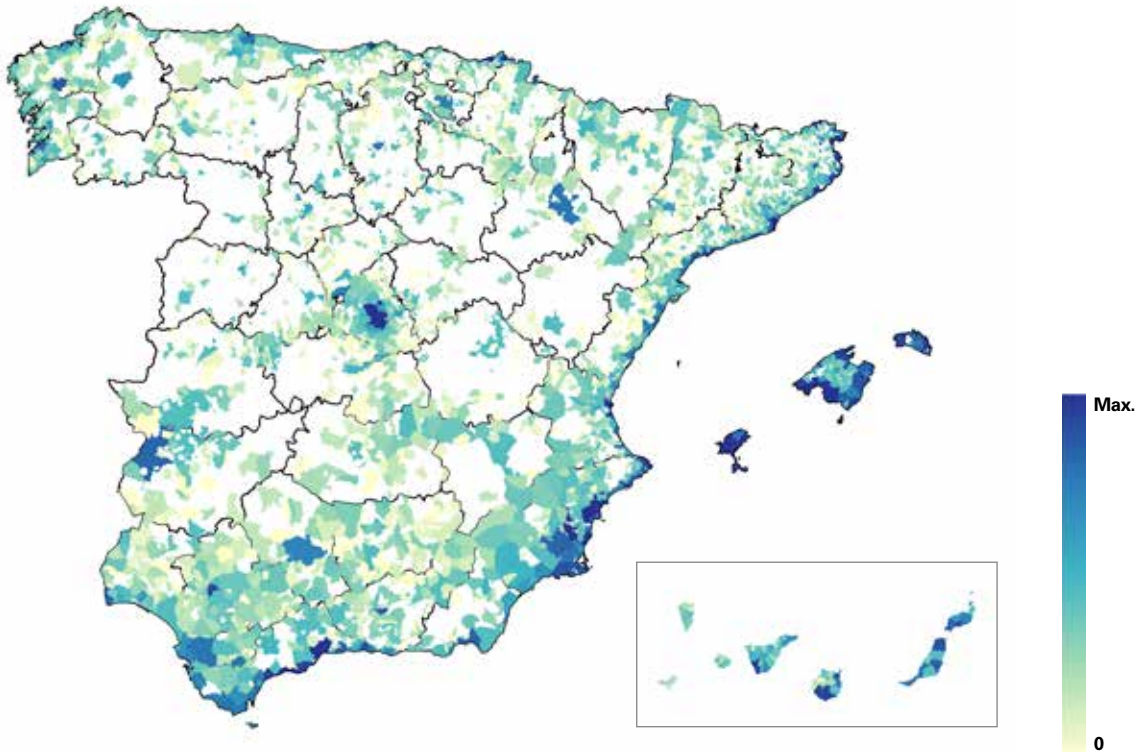
Observed duration of the trip

Days



Notes: Data for 2022. We consider a foreign card (international tourist) to be recurring if it is used to make payments between July and August 2022 and again in the same months of 2023. Aggregate expenditure data per card.
Source: CaixaBank Research, based on internal data on payments made with foreign cards on CaixaBank POS terminals.

Distribution of recurring tourists by municipality



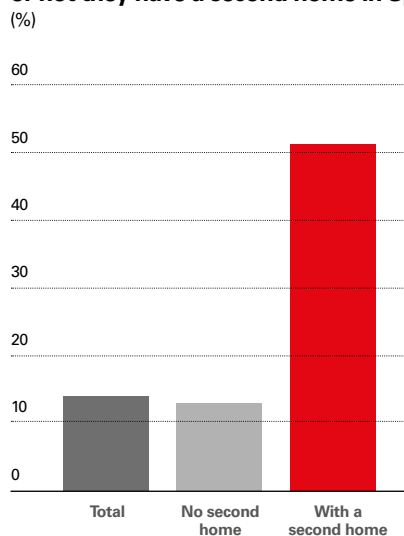
Note: We consider a foreign card (international tourist) to be recurring if it is used to make payments between July and August 2022 and again in the same months of 2023. Municipality in which each card records the greatest expenditure in 2022.
Source: CaixaBank Research, based on internal data on payments made with foreign cards on CaixaBank POS terminals.

A significant proportion of recurring tourists correspond to people who reside for a certain period in Spain, for instance because they have a second home or because they are living here temporarily for one reason or another, such as to study or to work (e.g. digital nomads). To analyse the specific behaviour of this group of foreigners, we have identified cards that have recorded expenditure in at least 30 days in at least three months. Based on this definition, 3% of foreign cards correspond to people who stay in Spain for a relatively long period, whom we will call «foreigners with a second home in Spain», although in reality this definition is likely to cover a much wider range of cases.

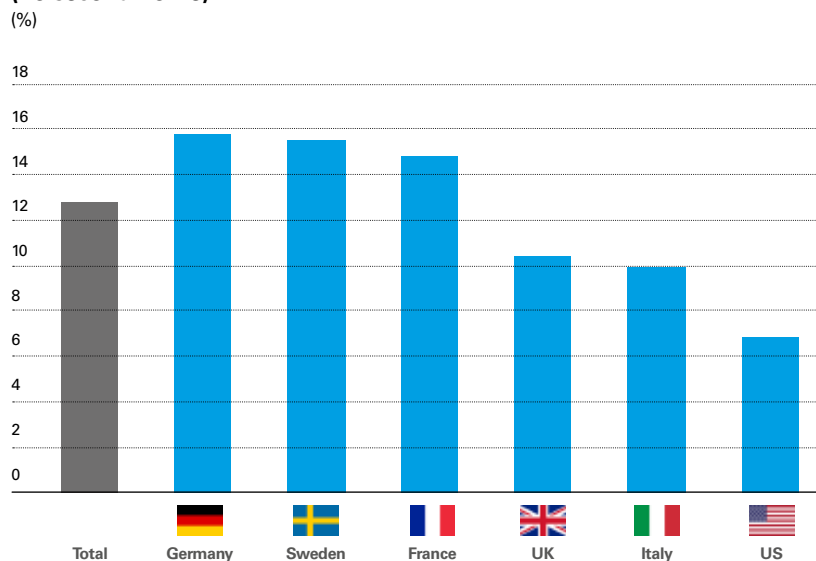
We note that the probability of a tourist returning in July and August in 2023, after visiting Spain in the same months of 2022, is fourfold in the case of foreigners with a second home in Spain. Specifically, the propensity to repeat is 51.3% for this group, compared to 12.8% for foreigners with more sporadic expenditure patterns (whom we consider to have «no second home»). This pattern is observed for all nationalities analysed.

If we focus on tourists who do not have a second home, we find that Germans, Swedes and the French are the ones with a greater propensity to repeat (around 15%). At the other end of the spectrum, US citizens without a second home return in just 6.8% of cases.

Tourists who repeat according to whether or not they have a second home in Spain



Tourists who repeat by nationality (no second home)



Notes: Percentage of foreign cards used to make payments between July and August in 2022 and in the same months of 2023 (repeat tourists), over the total number of foreign cards with spending in the summer of 2022. Foreigners with a second home in Spain are considered to be cards that have recorded expenditure in at least 30 days in at least three months.

Source: CaixaBank Research, based on internal data on payments made with foreign cards on CaixaBank POS terminals.



The impact of heat waves on the propensity to return to Spain

Climate change is a key challenge for tourism in Spain, as we warned in the previous *Sector Report*.¹⁰ Below, we analyse the changes in the propensity of tourists to return to Spain when they have been exposed to extreme heat waves. To do this, we collect an extremely detailed Copernicus database produced by the European Environmental Agency and match the climate information with geolocation data of foreign card transactions. Following the methodology of the World Meteorological Organization, we calculate the difference between the average temperature on the days in the summer of 2022 in the municipality where we observe the highest amount of spending on a given card and the average temperature between 1961 and 1990 on the same days. This calculation is performed for each card and municipality, so we have an approximation of the temperature deviation experienced by each tourist in the summer of 2022 with respect to the historical average.

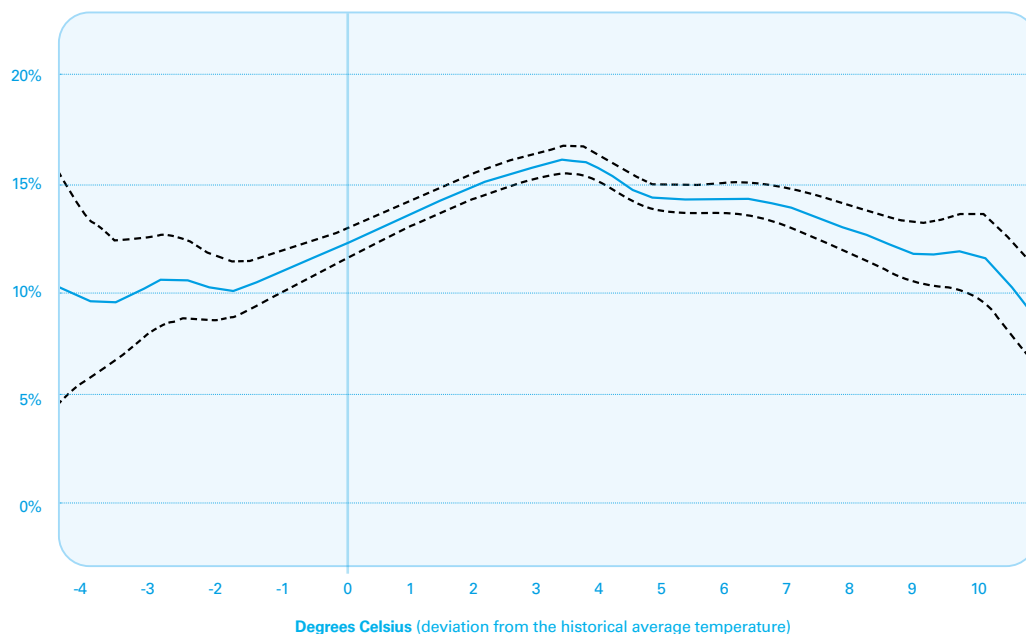
Once equipped with this database of temperatures for each card, we estimate a non-parametric regression model that allows us to examine how the propensity of tourists to return to Spain in the summer of 2023 varies according to the temperatures they experienced in 2022 (relative to the historical average on the same days and in the same location).

In the following chart we observe that the propensity to repeat is approximately 13% when the temperature experienced is close to the historical average (a figure very similar to the average proportion observed in the data). The more noteworthy result is that **when the average daily temperature experienced by tourists relative to the historical average exceeds 5°C, then the propensity of tourists to repeat their visit is reduced**. When the deviation relative to the historical average exceeds 8°C (extreme heat wave), the propensity to return is clearly lower than when the temperature experienced is similar to the historical average. We also find that, for temperatures below the 1961-1990 average, the propensity of international tourists to return decreases. This could be because relatively cold days are associated with rain or other adverse weather factors besides temperature, which can jeopardise tourists' experience.

¹⁰ For an analysis of the impact of heat waves on tourism spending in Spain, see the article «The impact of climate change on tourism in Spain: analysis and outlook», published in the *Tourism Sector Report of S1 2024*.

Propensity to return according to the deviation experienced in average temperature

Probability that a tourist will return to Spain in the summer of 2023 after visiting in the summer of 2022



Note: Probability that an international tourist who visited Spain in the summer of 2022 will return in the summer of 2023 according to the weather conditions experienced during their stay in the summer of 2022. Specifically, the horizontal axis represents the deviation of the average temperature (in degrees Celsius) experienced during the summer visit in 2022 relative to the historical average temperature (between 1961 and 1990) on the same dates and in the same location.

Source: CaixaBank Research, based on internal data on payments made with foreign cards on CaixaBank POS terminals and data from the European Environmental Agency.

To analyse the differences between nationalities in the face of heat waves, we focus on the temperature deviation threshold of 8°C experienced in the summer of 2022 relative to the historical average (4.4% of payments with foreign cards were made in municipalities that exceeded the average temperature between 1961 and 1990 by eight degrees or more).

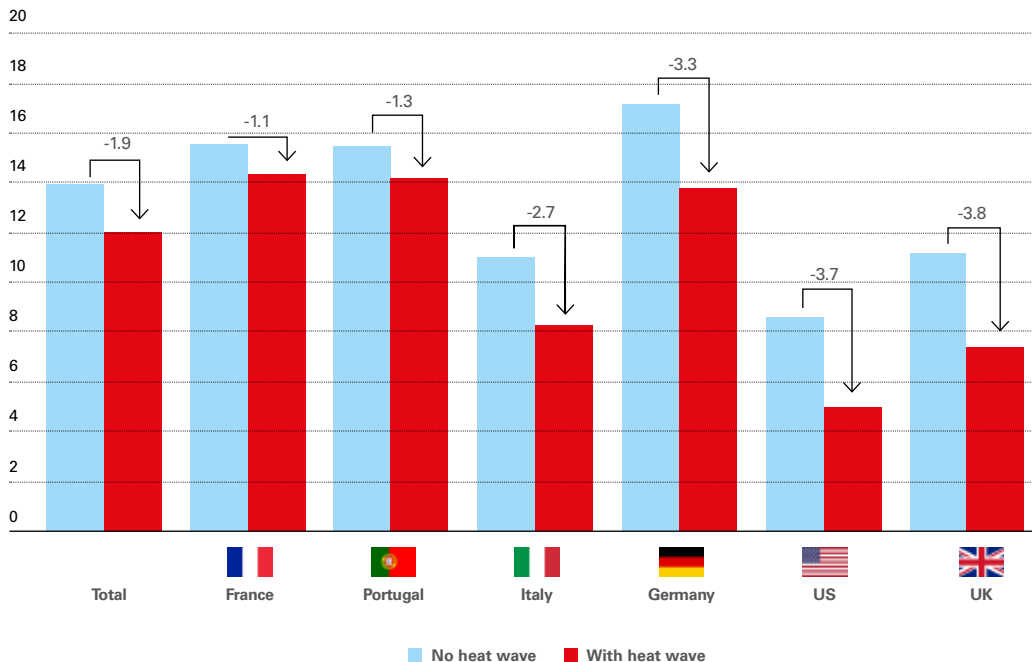
Overall, the propensity of these tourists to return decreases from 14.0% to 12.1%, representing a 13.8% drop in the propensity to return. These falls are especially pronounced for tourists from the United Kingdom and United States, among whom the propensity to repeat after experiencing extreme heat waves falls from 11.2% to 7.4% and from 8.6% to 5.0%, respectively. These reductions represent decreases of 34.0% and 42.5%, respectively. At the other extreme, the tourists most resilient to extreme heat waves are the French and the Portuguese. They show more moderate declines in their propensity to repeat, sliding from 15.5% to 14.4% in the case of the French and from 15.5% to 14.1% among the Portuguese, representing falls of 7.4% and 8.7%, respectively.

The British and Americans are the least likely to make a repeat visit to Spain after experiencing extreme temperatures



Probability that a tourist will return to Spain if they experience an extreme heat wave

(%)



Note: Probability that an international tourist who visited Spain in the summer of 2022 returns in the summer of 2023, according to the weather conditions experienced during their stay in the summer of 2022. «No heat wave» and «With heat wave» indicates that the deviation of the average temperature experienced during the summer visit in 2022 relative to the historical average temperature (between 1961 and 1990) on the same dates and at the same location was less than or greater than 8°C.

Source: CaixaBank Research, based on internal data on payments made with foreign cards on CaixaBank POS terminals.

The vulnerability of international tourism to heat waves underscores the sector's high sensitivity to climate change. This underlines the importance of the tourism sector actively participating in the fight against climate change and implementing adaptation measures in order to mitigate its negative effects. One key factor for mitigating these effects is investment in infrastructure in order to guarantee tourists' comfort in more extreme climate scenarios. This could include modernising hotels with efficient and sustainable air conditioning systems, as well as creating more shaded and green spaces in tourist areas. Taking action to address the challenge of climate change can also be an opportunity, given the growing preferences among tourists for sustainability.

International tourism

How has international tourism demand changed since the pandemic?

The full recovery of international tourism spending in Spain hides major changes in the structure of demand by region of origin. Using data on payments made with foreign cards on CaixaBank POS terminals, duly aggregated and anonymised, we see that Western Europe remains the main issuer of tourists, and that North America and Latin America significantly increased their share of foreign spending. In contrast, the recovery of tourism from the Middle East and Asia and Oceania has been more disparate, affected by geopolitical and economic factors. Overall, a stable but robust growth outlook for 2024-2025 indicates that international tourism in Spain will remain in good shape.

In 2023, Spain received 85.06 million foreign tourists, easily surpassing the figure for 2019 and marking a new record. In 2024, the number of international arrivals in the country in the first four months increased by 14.8% year-on-year, indicating that the year has begun with even greater momentum. Having noted that international tourism in Spain has now made a full recovery, we wanted to explore how demand has changed, analysing the spending of foreign tourists in Spain since the beginning of the pandemic by region and by country of origin. To this end, we have taken advantage of the granular nature of the data on international card payments processed by CaixaBank POS terminals, which have been duly aggregated and anonymised and are available on the *CaixaBank Real-Time Economy* portal.¹¹

International tourism spending in Spain has recovered for all regions of origin, exceeding 2019 levels.¹² While the recovery is not based on a single source market alone, which reinforces the strength of Spain's tourism sector, there are divergences in international demand by region of origin, as shown in the following charts and as further elaborated below.

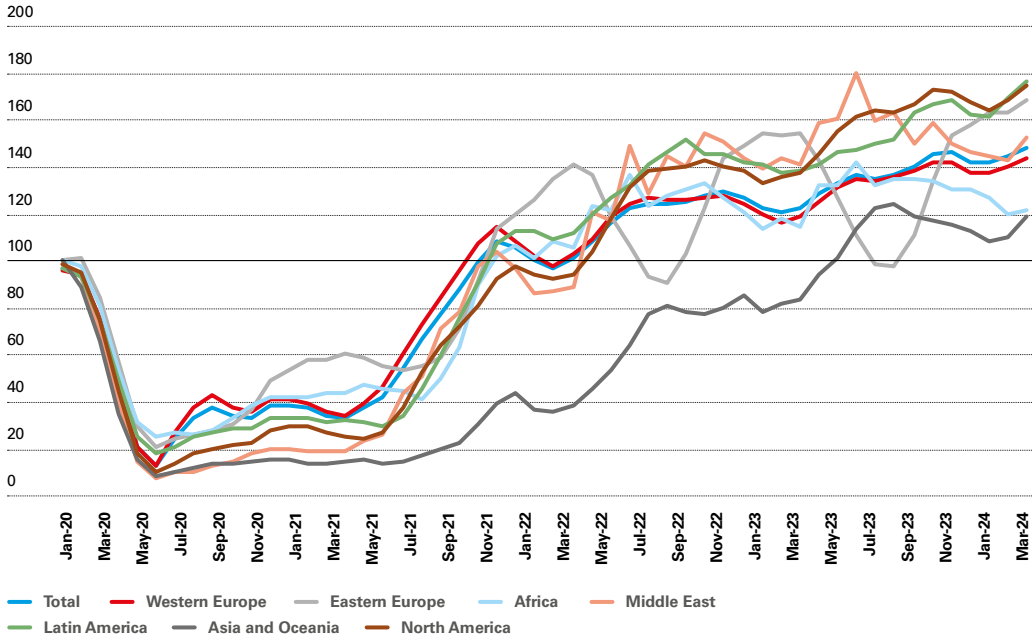
¹¹ CaixaBank's POS terminal payment data are highly representative (market share of around 30%).

¹² Note that much of the increase in tourism spending is due to the sharp rise in the prices of tourist services in this period.



Nominal tourist expenditure by region

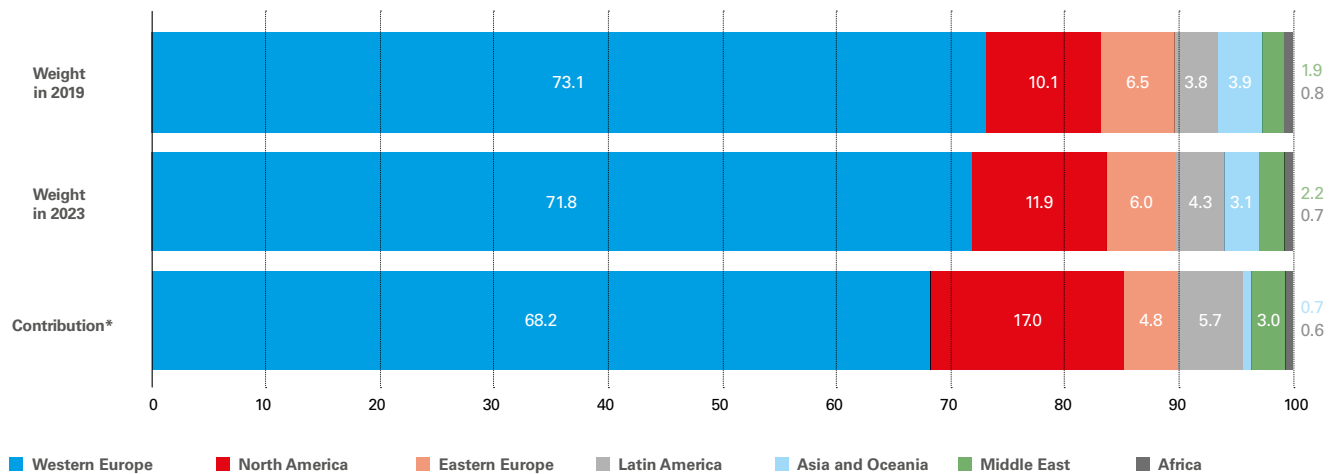
Index (100 = 2019)



Source: CaixaBank Research, based on internal data on payments made with foreign cards on CaixaBank POS terminals.

Weight of each region in international tourist expenditure in Spain and its contribution to growth between 2019 and 2023

(%)



Note: (*) Contribution to the growth of international tourism spending in Spain in each region between 2019 and 2023.

A greater contribution to the weight of the region indicates higher than average growth in expenditure and vice versa.

Source: CaixaBank Research, based on internal data on payments made with foreign cards on CaixaBank POS terminals.

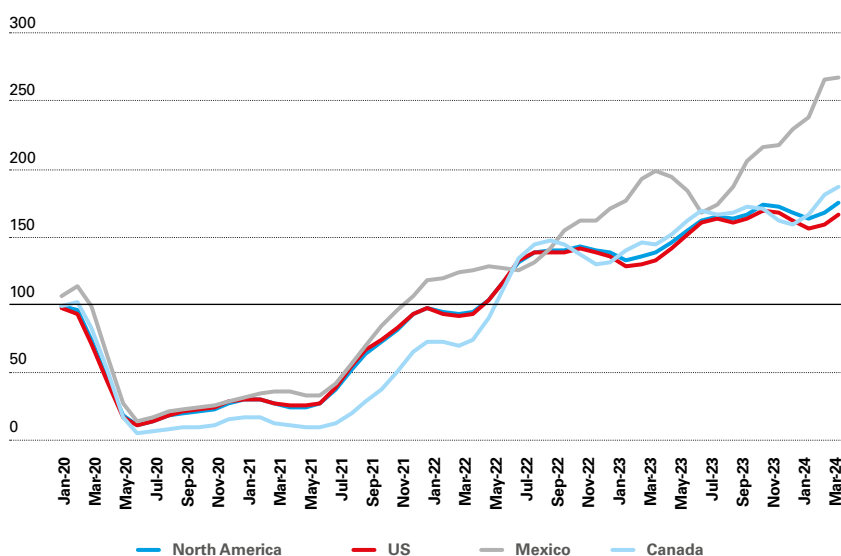
Europe: tourism from Western Europe continues to take the lion's share

Western Europe remains by far the main source of international tourists visiting Spain. If we focus on analysing the structure of tourism spending since the pandemic, we see that this is still the region with the biggest share of the total, although it has decreased slightly, from 73.1% in 2019 to 71.8% in 2023. In this period it contributed 68.2% of the growth in international tourism spending and, between January and April in 2024, the nominal tourism spending by tourists from this region was 41.4% higher than that recorded in the same months of 2019. This figure, which is higher than the accumulated inflation in this period, suggests that the level of activity in real terms is greater than in 2019. On the other hand, Eastern Europe has seen its share of total international tourism spending in Spain decline, going from 6.5% to 6.0% of demand between 2019 and 2023, and it has contributed 4.8% to growth in this period, having been impacted by the deterioration of the geopolitical situation in the region following the outbreak of the war in Ukraine.

North America: story of a boom

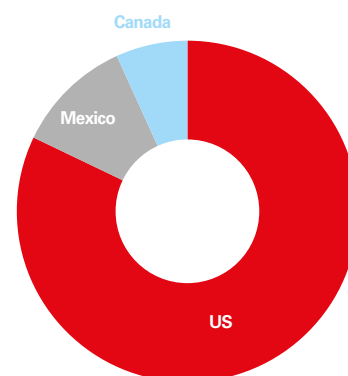
Nominal tourist expenditure by country in North America

Index (100 = 2019)



Weight of each country in the regional total

Percentage (%)



Note: (*) The segment chart reflects the weight of tourist expenditure in each country relative to the total for the region in the first four months of 2024.

Source: CaixaBank Research, based on internal data on payments made with foreign cards on CaixaBank POS terminals.

The expenditure carried out by tourists from the American continent is the one that has experienced the greatest growth since 2019, substantially increasing its share of international tourism demand in Spain. Between 2019 and 2023, North America's share of international tourism spending increased from 10.1% to 11.9%, and the region contributed 17.0% to the growth of tourism spending.

During the first four months of 2024, spending by North American tourists grew by 74.1% compared to the same period in 2019, and by 65.7% among travellers from the US, which is the main source market in the region for tourists visiting Spain and is responsible for 82.1% of all North American tourist expenditure in the first four months of 2024. In the case of Canada,



Tourism

which accounted for 6.8% of regional spending, tourist expenditure rose by 73.7%, and in Mexico, where 11.1% of North American tourism spending came from in the same dates, it rose by 165.9%. These figures are the result of a favourable macroeconomic environment in North America over the past five years, and, in the case of the US and Mexico, the strength of their respective currencies. As for the US, geopolitical instability in competing markets also plays a role, as American tourists are particularly sensitive to the relative geopolitical stability in Spain.¹³

Given that the factors that have supported American tourism will remain present (macroeconomic strength, a weak euro¹⁴ and a turbulent geopolitical situation), we expect that the strength of North American tourism will persist in the medium term and that this region will see its share of international tourism demand in Spain continue to grow.

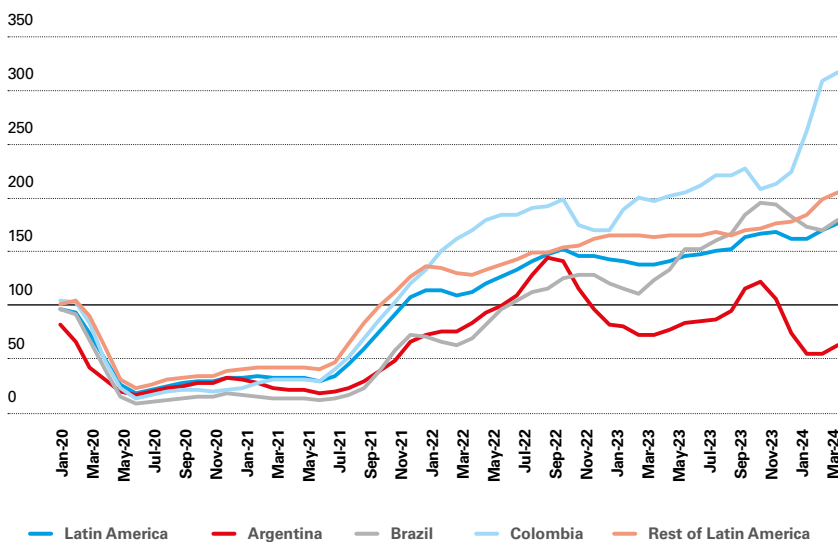
¹³ See «What are the trends for international tourism in Spain in 2024? A sensitivity analysis based on macroeconomic factors», published in the *Tourism Sector Report of S1 2024*.

¹⁴ CaixaBank Research forecasts that the euro will continue to weaken to 1.06 dollars/euro by the end of 2024 and that it will appreciate slightly to 1.10 dollars/euro by the end of 2025.

Latin America: exceptional growth

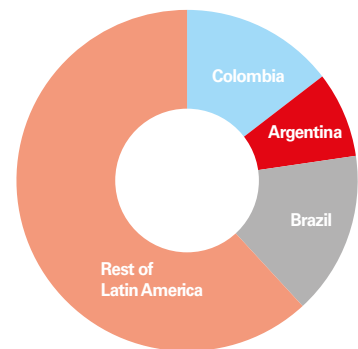
Nominal tourist expenditure by country in Latin America

Index (100 = 2019)



Weight of each country in the regional total

(%)



Note: The segment chart reflects the weight of tourist expenditure in each country in the region in the first four months of 2024.

Source: CaixaBank Research, based on internal data on payments made with foreign cards on CaixaBank POS terminals.

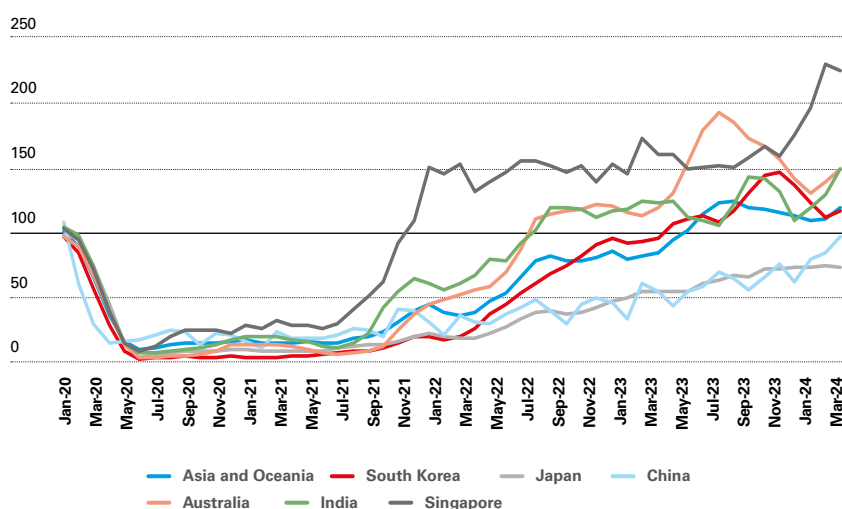
Tourism from Latin America also stands out for its good performance, albeit with greater variation between countries. In aggregate, we see that Latin America's share of international tourism spending went from 3.8% in 2019 to 4.3% in 2023, and that it contributed 5.7% to the growth of spending in this period. During the first four months of 2024, spending by Latin American tourists grew by 74.1% compared to the same period in 2019, although this good figure hides significant divergence between the main countries in the region. While tourists from Colombia and Brazil have increased their spending by 206.2% and 77.5% respectively between these dates, tourism spending by Argentines has plummeted by 38.2% in nominal terms. This reflects the divergence of the macroeconomic situation in Latin America, where the relative stability of most of the continent contrasts with the contraction and high inflation in Argentina. This economic weakness has caused Argentine tourism to represent only 8.1% of tourism spending from Latin America, compared to 23.6% in 2019.

In the short term, we expect the good data from Latin America to continue, especially while the commodity cycle remains in an expansive phase. However, the persistence of the unfavourable macroeconomic situation in Argentina makes it difficult to predict a short-term recovery of a market which in 2019 accounted for almost a quarter of Latin American tourism spending.

Asia and Oceania: the region with the slowest growth

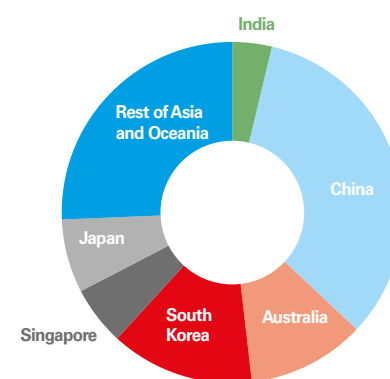
Nominal tourist expenditure by country in Asia and Oceania

Index (100 = 2019)



Weight of each country in the regional total

(%)



Note: The segment chart reflects the weight of tourist expenditure in each country in the region in the first four months of 2024.

Source: CaixaBank Research, based on internal data on payments made with foreign cards on CaixaBank POS terminals.

Tourism spending from Asia and Oceania, which has been the slowest to recover (between 2019 and 2023 its share of the total decreased from 3.9% to 3.1%, representing just 0.7% of the growth in expenditure), also shows very different dynamics from country to country. On the one hand, Singapore, Australia and India have shown the most dynamic performance (in the first four months of 2024, compared to the same months in 2019, tourist expenditure increased by 120.4%, 44.7% and 45.7%, respectively). On the other hand, China, Japan and South Korea, which have been the main sources of the region's tourists to date and accounted for 33.3%, 7.0% and 13.6% of regional spending in the first four months of 2024, respectively, have had less favourable results. Tourist spending recorded using cards from mainland China and Hong Kong was 19.2% below the level of the first four months of 2019, while Japanese spending was 26.8% lower. Tourism spending from South Korea is 14.5% higher than in 2019, but this still implies negative growth in inflation-adjusted terms.

Tourism spending from Asia and Oceania has been the slowest to recover. Between 2019 and 2023 its share of the total decreased from 3.9% to 3.1%



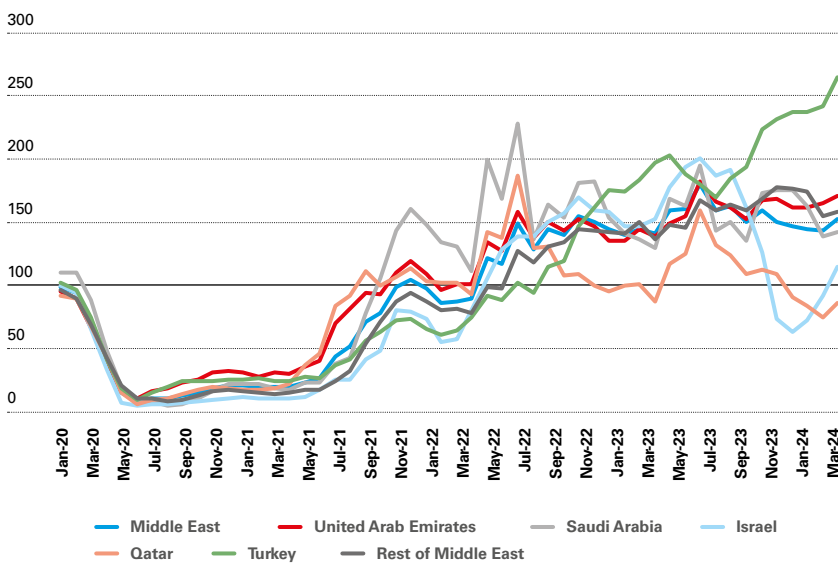
Tourism

This divergence is due to macroeconomic factors and, in the case of China, to the prolonged restrictions linked to the pandemic. On the one hand, Singapore, Australia and India are enjoying solid macroeconomic contexts, with strong growth. On the other, Japanese tourism is weighed down by the weakness of the yen, which has gone from 120 yen per euro in 2019 to around 160 yen per euro on average in the first five months of 2024, impairing Japanese tourists' ability to travel to Europe. On a more positive note, the reopening of the direct air connection between Spain and Japan planned for autumn this year should boost Japanese spending. Finally, Chinese tourism has been constrained by the persistence of the restrictions related to the pandemic, which have delayed Chinese tourists' ability to travel to long-haul destinations. Thus, the full reopening of China's economy and the re-establishment of direct air connections should support the recovery of Chinese spending in Spain, although factors such as the weakness of the yuan and the slowdown of the country's economy could limit this recovery.

Middle East: high but volatile growth

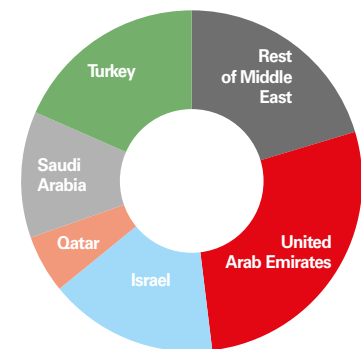
Nominal tourist expenditure by country in the Middle East

Index (100 = 2019)



Weight of each country in the regional total

(%)



Note: The segment chart reflects the weight of tourist expenditure in each country in the region in the first four months of 2024.

Source: CaixaBank Research, based on internal data on payments made with foreign cards on CaixaBank POS terminals.

Chinese tourism has been constrained by the persistence of the restrictions related to the pandemic, which have delayed Chinese tourists' ability to travel to long-haul destinations



The exceptional figures recorded between mid-2022 and 2023 by tourists from the Middle East have declined considerably due to the recent geopolitical turbulence. However, the Middle East has been one of the source regions for tourism that has emerged in recent years, albeit with variations from country to country and volatility in some cases. Spending by Turkish cards has soared by 164.4% in the first four months of 2024 compared to the same months in 2019. The same data for the United Arab Emirates, the region's main source of tourism to Spain, shows an increase of 65.3%. Tourism from Israel in the same dates stands just 12.9% above the figures for 2019. Despite a real boom in Israeli tourism in 2023, the conflict in Gaza has led to a sharp decline in Israeli tourism in Spain.

We can expect to see a positive performance of tourism from the Middle East in the short term (2024-2025), given the strong growth outlook for the region, driven by a relatively high oil price. Even if growth is positive in aggregate, we expect geopolitical risk to bring volatility to tourism from this region, especially at the individual country level.

As for African tourism spending, it is relatively low, while its share of international tourism demand is very low (0.7% of foreign tourist expenditure in Spain in 2023, compared to 0.8% in 2019).

We can expect to see a positive performance of tourism from the Middle East in the short term (2024-2025), given the strong growth outlook for the region



Catering

Snapshot of the catering sector in Spain: from bars to Michelin stars

The catering sector contributes 3.9% of the Spanish economy's overall gross value added (GVA) and is a key branch of the economy, as it constitutes 7% of all businesses, it employs 7% of all workers and it receives 9% of the annual turnover of the services sector.¹⁵ The strong growth of the tourism sector in 2022 and especially in 2023, together with new consumer habits and a significantly increased preference for leisure and entertainment since the pandemic, have led to an extraordinary recovery of Spain's catering sector in terms of both job creation and turnover. Also, in recent years it has managed to obtain significant international recognition and prestige, while playing a fundamental role in our country as a promoter of social and territorial cohesion.

The catering sector: key characteristics of its businesses

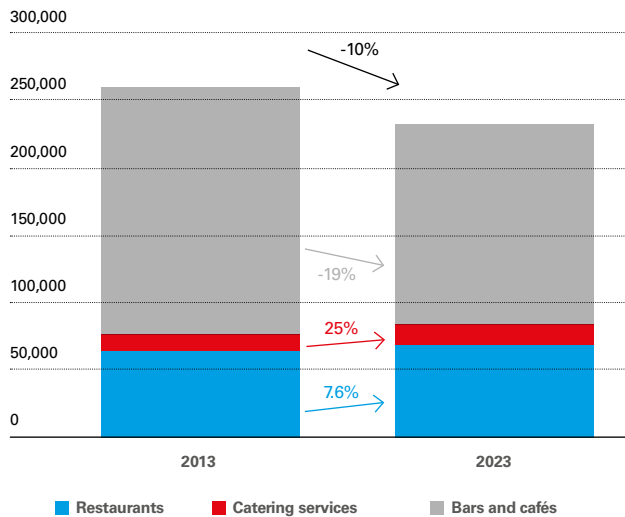
The catering sector is made up of around 232,000 companies, representing approximately 7% of all the companies that were active in Spain in 2023. In terms of establishments, there are some 264,000 in total, mostly bars and cafés (62%), which exceed the combined total of the other two categories, namely restaurants (31%) and catering services (7%). **Most of these businesses are managed by private individuals:** 63% of businesses in the sector are owned by individuals, compared to 57% in the economy as a whole. In terms of the number of employees, it is dominated by micro-enterprises: 96% of enterprises have fewer than 10 employees, slightly above the average for the whole economy, while those with more than 250 employees account for just 0.1% of the total. Even so, the role of these large companies is by no means negligible: the large catering chains present in our country contribute 17% of the sector's GVA and provide 21% of its employment.¹⁶

¹⁵ The GVA data are an internal estimate based on the data from the National Accounts for Hotels and Restaurants and the distribution of the turnover between Accommodation and Catering per the Structural Enterprise Statistics for the services sector (2022). The data on active companies come from the 2023 business demographics statistics from the Spanish National Statistics Institute's Central Business Register (CBR).

¹⁶ The data on GVA by business size come from Eurostat's *Structural Business Statistics* (2019).

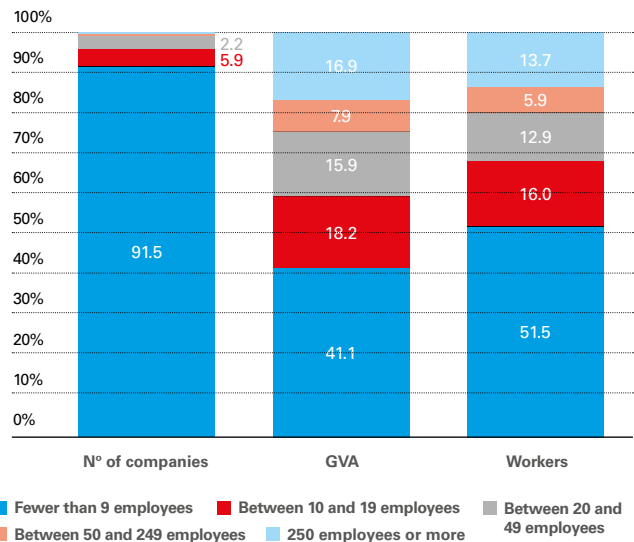
Composition of businesses in the catering sector

Number of companies active in the catering sector



Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE).

Distribution of the number of companies, GVA and number of workers according to company size in the catering sector



Source: CaixaBank Research, based on data from Eurostat (SBS 2019).

The catering sector is dominated by micro-enterprises, bars and cafés, although it is experiencing a shift towards larger-sized companies and other types of catering establishments, such as catering companies

In the last decade there has been a certain consolidation of businesses, with the number of companies decreasing by 10% between 2013 and 2023, a trend that has accelerated as a result of the pandemic (since 2019, the number has fallen by 8%). However, this process is not widespread, but rather is concentrated in drinking establishments (the number of bar and café companies has fallen by 19%), which tend, on average, to be smaller businesses (98% of them are micro-enterprises). On the contrary, the number of companies in the rest of the catering sectors has increased, especially in the case of companies offering catering services (25% in the last decade). This trend is a reflection of the new consumption habits and current lifestyles, as well as of the continuous professionalisation of the catering services sector itself.



Tourism

Turnover is growing and an increase is observed in the gastronomic quality

The annual turnover of the sector amounted to around 230,000 euros per company in 2022 (compared to 207,000 euros in 2019). Nevertheless, these revenues are not evenly distributed among the different types of establishments: restaurants have the highest income levels on average (436,000 euros per company per year) and have also seen the biggest income growth (18% since 2019). They are followed by catering services (364,000 euros, -8% since 2019) and, trailing far behind, bars and cafés (127,000 euros, +6% since 2019).¹⁷ The increase in turnover for the sector as a whole is not only due to a price effect, but also a composition effect, since there has been a fall in the number of companies in the sector with the lowest income (bars and cafés, as noted above) and an increase in all the other categories, which on average are larger in size.

The monthly turnover indicators show that revenues in the catering sector experienced significant growth in 2023 (+9.7%) and in Q1 2024 (+7.4% year-on-year), largely thanks to the performance of the tourism sector. Also, according to the consumption indicator produced using internal CaixaBank data on card payments, which is available on the Real-Time Economy portal,¹⁸ expenditure on catering with Spanish cards grew by 7.3% year-on-year between January and May in 2024. On the other hand, spending on catering with foreign cards grew by 23.5% year-on-year in the first 5 months of 2024. The granularity of the data on card payments in catering establishments allows us to corroborate the key role that the full recovery of international tourism has played in the sector's turnover, since, according to our estimates, around 30% of establishments are highly dependent on tourism spending and 10% of them on international tourists in particular.¹⁹

¹⁷ The turnover data for 2022 have been obtained from the Structural Enterprise Statistics for the services sector, provided by the National Statistics Institute (INE).

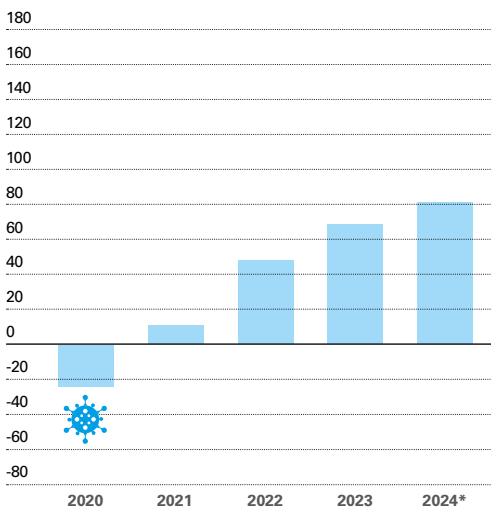
¹⁸ The CaixaBank Research consumption indicator tracks the pattern of consumption in Spain, based on duly anonymised internal data on spending carried out with cards issued by CaixaBank, spending recorded on CaixaBank POS terminals and cash withdrawals at CaixaBank ATMs.

¹⁹ An establishment is considered to be dependent on tourism if the expenditure of domestic or foreign tourists represents at least 33% of its total annual turnover. For an analysis of recent patterns in expenditure on catering using internal data, see the article «An exceptional year for the catering sector in Spain», published in the *Monthly Report of April 2024*.

CaixaBank Consumption Indicator. Expenditure on catering

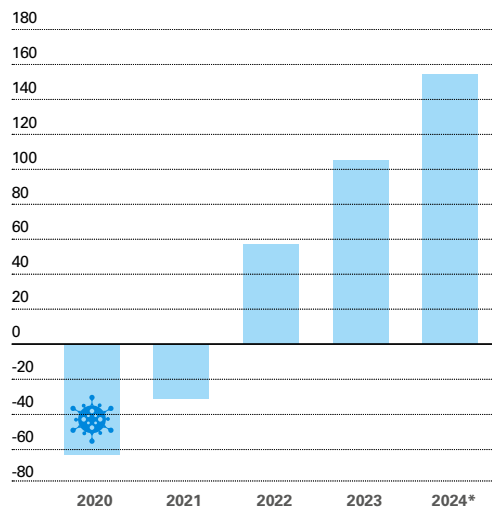
Spanish cards

Change versus 2019 (%)



Foreign cards

Change versus 2019 (%)



Note: (*) Data for 2024 from January to May.

Source: CaixaBank Research, based on internal data on card payments in the catering sector.

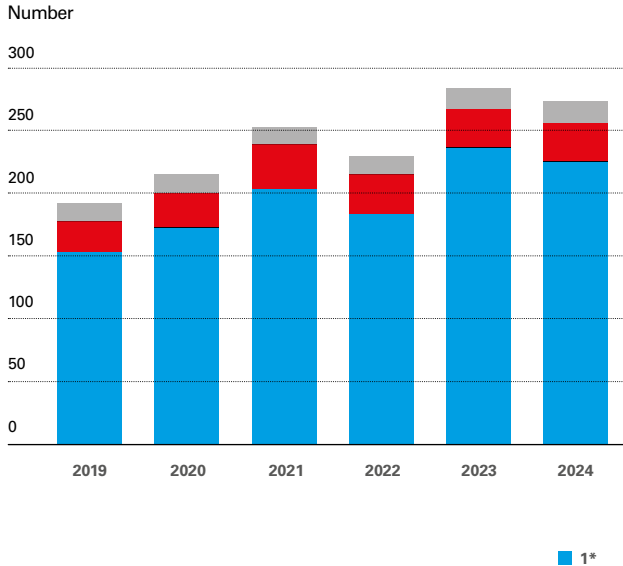
Parallel to this increase in turnover, there is also an increase in the quality of Spain's catering services. The number of restaurants awarded with a Michelin star has increased by 43% since 2019, reaching 272 in 2024.²⁰ In fact, Spain now has the fourth highest number of Michelin-star restaurants in the world, behind France, Italy and Germany, but it is by far the country with the biggest increase since 2019 (in Japan the number has even fallen by 20%). Although the bulk of these restaurants have a single star (representing 82% of the total), the number with the maximum distinction of 3 stars has increased in recent years (15 in 2024 compared to 11 in 2019). Moreover, the comparison with other countries reflects the fact that the Spanish haute cuisine sector has the second highest number of restaurants with the highest distinction in the world, behind only France.

²⁰ The Michelin star is a prestigious award given by the Michelin restaurant guide to culinary establishments that stand out for the excellence of their cuisine and it is internationally considered as one of the highest recognitions in the catering industry. Stars are awarded based on the quality of the food, culinary creativity, culinary technique, consistency in the quality of the dishes and the overall experience offered to diners.

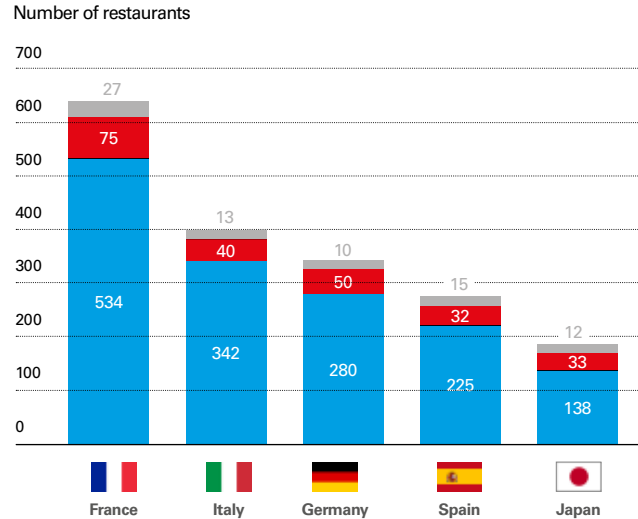
The revival of demand has allowed the catering sector to increase its number of registered workers to new highs, taking advantage of the surge in inbound migration in recent quarters

Michelin-star restaurants

Award-winning restaurants in Spain



Top 5 countries with the most Michelin stars in 2024



Source: CaixaBank Research, based on data from the *Michelin Guide*.

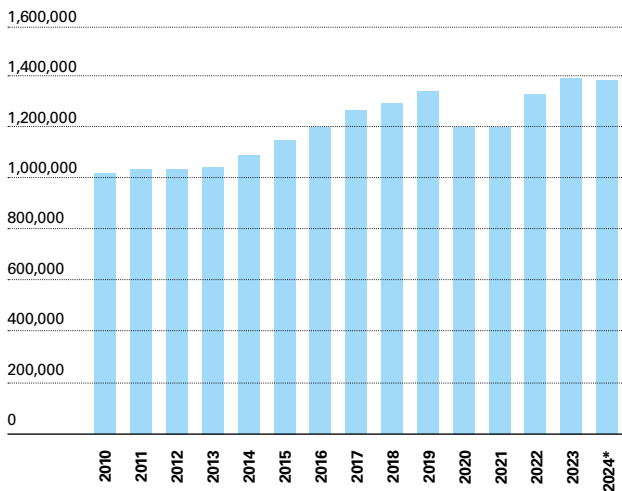
The labour market of the catering sector is showing particular buoyancy

The catering sector employed 1.4 million workers in Q1 2024 and has amassed a 15% increase in the number of workers since 2021, as a result of the sector's reopening after the pandemic. In fact, the catering sector currently accounts for around 7% of all registered workers, compared to 6.2% in 2010, being one of the few sectors to have seen its share of Spain's total labour market increase.

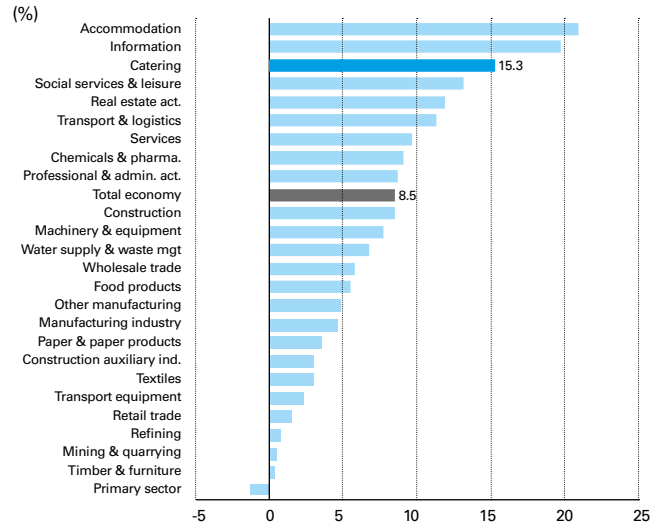


The catering sector is currently enjoying one of the most dynamic labour markets

Number of registered workers in the catering sector

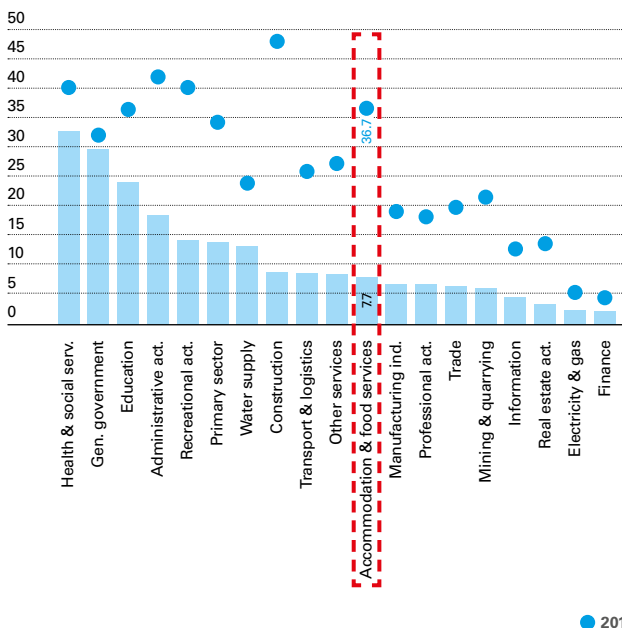


Change in the number of registered workers between 2021 and 2024*



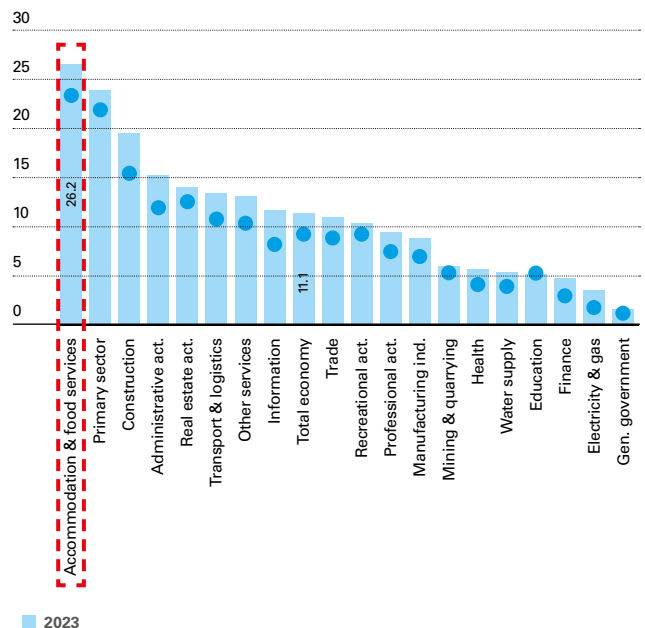
Temporary employment rate

(% of all contracts)



Foreign registered workers

(% of all registered workers)



Notes: (*) The data for 2024 represent the average for the year to April.

Source: CaixaBank Research, based on data from the Ministry of Inclusion, Social Security and Migration (MISSM).

From the point of view of the labour supply, the recent surge in migration to our country has been key. The accommodation and food services industry has been a significant source of employment for foreigners residing in Spain for decades now. In 2019, 23% of the registered workers in the accommodation and food services industry were foreigners – the highest percentage of any sector. Since then, the trend has deepened, reaching 26.2% of the total in 2023 – once again making it the sector with the highest percentage of foreign



employment. Finally, it should be noted that **catering is one of the sectors that has seen the biggest reduction in the temporary employment rate following the latest labour reform**: in 2019, 36.7% of employees in the sector had a temporary contract (one of the highest rates) compared to 7.7% in 2023 (currently one of the the lowest of all sectors).

These signs of increasingly stable employment are also accompanied by a better-prepared labour supply. Data from the Ministry of Education show that, although the total number of people enrolled in vocational training courses related to the catering sector has been declining in recent years, proportionately speaking there is an increasing number of people enrolled in higher vocational training courses (accounting for 27% of all those enrolled in such courses related to catering in the academic year 2021-2022).

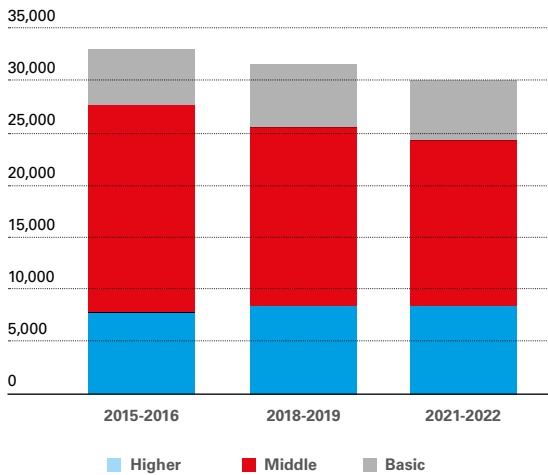
Despite this increase in higher education, the sector's productivity, measured using GVA per employee, is modest and has been decreasing in recent years compared to the average for the economy as a whole. In fact, it also stands out as the lowest among Spain's main service sectors. In this regard, the sector's next steps should be aimed at encouraging greater training and the acquisition of skills among its workforce (including technical, business management and customer service skills), increasing its average business size (larger companies tend to be more productive), as well as pursuing greater technological innovation (such as order and booking management systems, automation in the kitchen and data analysis tools).

The catering sector's next steps should be aimed at encouraging greater training and the acquisition of skills among its workforce



Number of people enrolled in vocational training courses related to catering*

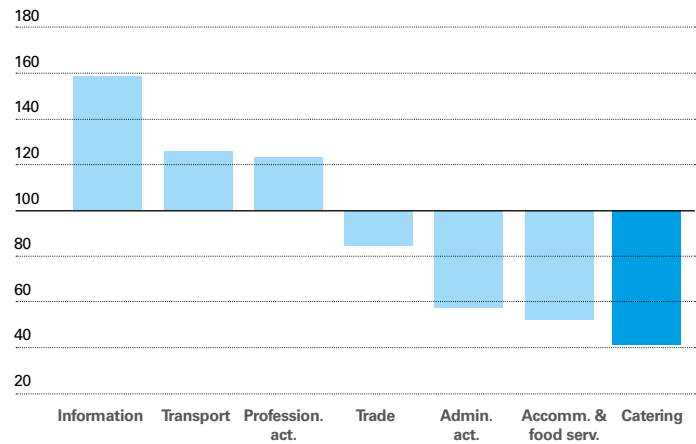
Number of people enrolled



Note: (*) Includes courses related to kitchen management, catering services management, cooking and catering services.
Source: CaixaBank Research, based on data from the Ministry of Education, Vocational Training and Sport.

Productivity in the services sector (GVA per employee)

Index (100 = average productivity of the economy)



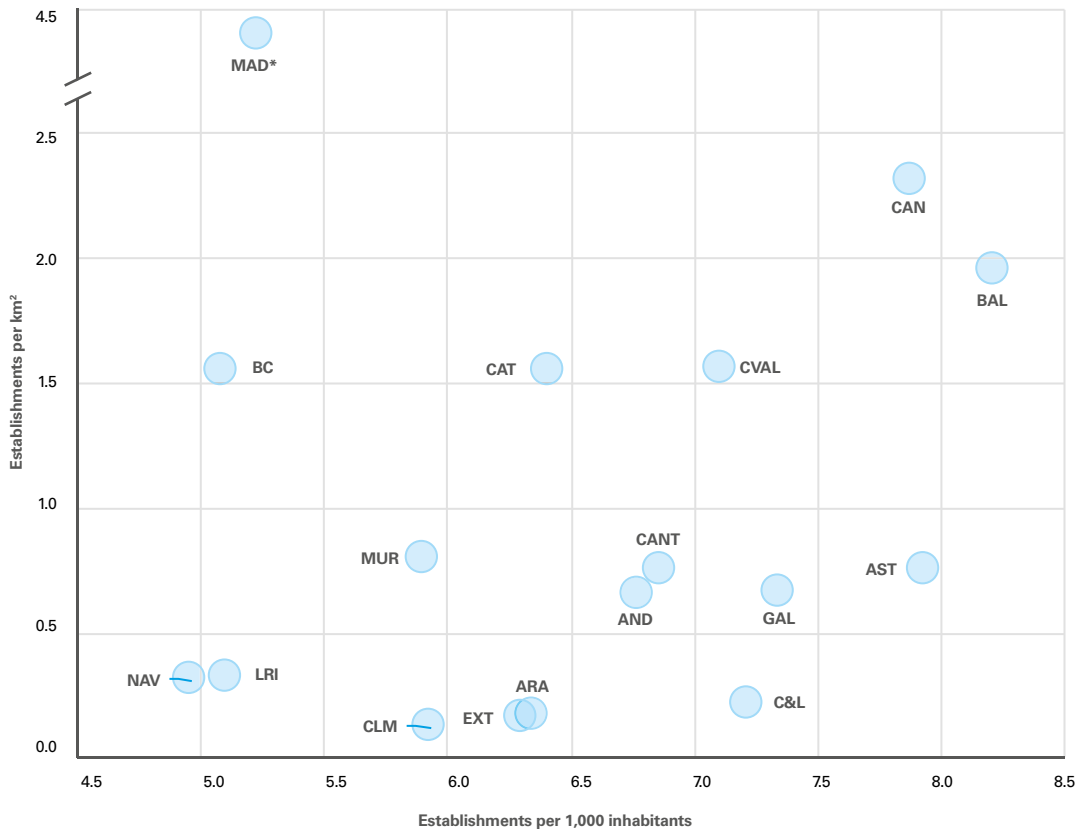
Note: Data for 2019.
Source: CaixaBank Research, based on data from Eurostat.

The catering sector is an important factor for social cohesion in Spain

Restaurants are widespread throughout the country, although the regions that are most highly populated, dynamic and attractive for tourism (Andalusia, Catalonia, the Valencian Community and Madrid) have the largest number of companies in the sector: these four autonomous communities alone account for around 60% of the country's catering establishments. However, if we consider the number of establishments relative to each region's size and population, some interesting trends emerge, which are summarised in the following chart.

Firstly, in terms of territorial density, Madrid, the Canary Islands and the Balearic Islands stand out as the autonomous communities with the highest concentration of establishments, exceeding 2 per km² (vertical axis in the chart). The case of Madrid (4.4 establishments per km²) is explained by its status as the country's capital city and economic centre, as well as its importance as a tourist, cultural and gastronomic destination. The case of the island regions is explained by their status as hotspots for national and international tourism. On the other hand, the regions with the lowest density of establishments include the two Castile regions, Extremadura and Aragon (with fewer than 0.3 establishments per km²), as these are precisely the autonomous communities with the lowest population density in the country. Secondly, if we look at the ranking according to the number of catering establishments per 1,000 inhabitants (horizontal axis in the chart), the island regions continue to occupy prominent positions, whereas Madrid is among the lowest on the list. Others such as Asturias and Galicia also climb the ranks in this case, as regions with a long and deep-running gastronomic tradition.

Distribution of catering sector establishments by autonomous community



Notes: Data for 2022. (*)The figure for the Community of Madrid is 4.4 premises per km².
Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE).

In this regard, it can be said that the catering sector plays a key role in terms of territorial cohesion in Spanish society, given its significant presence throughout the country. Moreover, it is a source of local employment, it plays a key role in promoting tourism and it promotes local culture and gastronomy. It is also worth noting the importance of bars and hotel establishments for personal life and social cohesion in our country. On balance, 99.7% of Spain's population lives in municipalities that have at least one bar. However, around 1 in 5 municipalities lack bars (specifically, 18%), although these represent just 0.30% of Spain's population. This demonstrates the extensive presence of these establishments throughout the country, as well as their social roots. Municipalities without bars, which are mostly small, define so-called «empty Spain», highlighting their essential role in preventing depopulation and in maintaining community life.²¹

²¹The data on the importance of bars as a cohesive element in society have been obtained from the report «La dimensión social de la hostelería» (The social dimension of the accommodation and food services sector), produced by the State Association of Directors and Managers in Social Services in 2022.



Main indicators for the tourism sector

Percentage change versus the same period of the previous year, unless expressly indicated

	Average 2000-2007 ¹	Average 2008-2014 ²	Average 2015-2019 ³	2020	2021	2022	2023	2024 ⁴	Trend	Date of latest figure
Activity indicators										
Total GDP	3.4	-1.2	2.6	5.5	5.5	5.5	2.5	2.4	☀️	2024
Tourism-related GDP	1.7	-0.7	4.6	-54.9	37.4	58.6	7.6	5.0	☀️	2024
Labour market										
Total registered workers	3.5	-2.3	4.1	2.6	2.6	3.9	2.7	2.5	☀️	May-23
Registered workers in the tourism sector	4.4	-1.0	4.0	2.4	2.4	10.4	5.1	4.1	☀️	May-23
Accommodation services	4.9	-0.8	4.9	5.1	5.1	23.2	8.7	6.9	☀️	May-23
Food and beverage services	4.6	0.9	4.0	2.2	2.2	10.6	5.5	4.4	☀️	May-23
Travel agencies/tour operators	5.6	-2.8	5.7	-6.9	-6.9	7.8	9.9	7.6	☀️	May-23
Other tourism services	4.1	-3.1	3.6	2.3	2.3	6.7	4.5	3.7	☀️	May-23
Balance of payments										
Tourism revenue (% of GDP)	4.7	4.6	5.6	1.4	2.4	5.1	5.8	4.4	☀️	Q1 2024
Tourism payments (% of GDP)	1.2	1.2	1.7	0.7	0.9	1.6	1.7	1.1	☀️	Q1 2024
Tourism balance (% of GDP)	3.6	3.4	3.9	0.8	1.6	3.7	4.1	3.3	☀️	Q1 2024
Indicators of tourism demand										
International tourism										
Number of international tourists	3.8	2.2	5.2	-77.4	64.7	129.8	18.9	14.3	☀️	Apr-23
Origin: United Kingdom	-	4.6	3.5	-82.5	36.6	251.5	14.2	12.4	☀️	Apr-23
Origin: Germany	-	5.7	1.6	-78.6	117.8	875	12.5	19.3	☀️	Apr-23
Origin: France	-	11.1	1.4	-65.2	49.8	73.4	16.6	12.8	☀️	Apr-23
Origin: Italy	-	14.1	4.8	-79.1	79.8	135.5	20.9	16.1	☀️	Apr-23
Origin: US	-	1.2	15.8	-87.9	97.8	251.1	36.9	14.4	☀️	Apr-23
Origin: rest of Europe	-	-	7.6	-77.5	82.7	118.0	20.0	16.7	☀️	Apr-23
Origin: Outside Europe	-	-	13.0	-79.2	6.9	205.0	47.1	19.4	☀️	Apr-23
Total expenditure of international tourists	5.4	3.4	7.9	-78.5	76.4	149.7	24.8	22.7	☀️	Apr-23
Average duration (days)	-	-	7.6	6.6	8.4	7.7	7.4	7.7	☀️	Apr-23
Average daily expenditure per person (€)	-	-	141.7	104.0	133.3	158.8	173.3	173.5	☀️	Apr-23
Domestic tourism										
Overnight stays	-	-	0.1	-30.6	23.7	9.1	1.3	-2.1	☁️	Apr-24
Average duration (days)	-	-	3.5	4.3	3.6	3.7	3.7	-	☁️	Dec-23
Average daily expenditure per person (€)	-	-	51.2	40.5	50.7	63.2	67.1	-	☀️	Dec-23
Indicators of hotel supply										
Number of hotel spaces offered	3.3	1.2	1.3	-51.2	44.2	39.2	3.1	4.8	☀️	Apr-24
Category: 4 or 5 stars	9.7	3.6	3.0	-53.4	53.4	42.7	3.6	6.0	☀️	Apr-24
Other categories	0.2	-0.8	-0.4	-48.7	34.8	35.2	2.6	3.4	☀️	Apr-24
Degree of hotel occupancy (pps)	-0.4	0.2	1.2	-31.9	16.7	18.4	4.8	-0.2	☁️	Apr-24
Category: 4 or 5 stars	-0.6	0.6	0.7	-36.0	18.3	19.9	4.9	0.1	☁️	Apr-24
Other categories	-0.5	-0.5	1.4	-27.2	14.7	16.3	4.6	-1.0	☁️	Apr-24
Average daily rate (ADR ⁵)	-	0.2	4.1	-28.7	31.6	20.8	9.0	7.9	☀️	Apr-24
Category: 4 or 5 stars	-	-0.8	4.1	-25.7	30.5	17.1	8.8	7.0	☀️	Apr-24
Other categories	-	0.4	3.2	-31.6	27.5	25.9	11.6	9.1	☀️	Apr-24
Revenue per available room (RevPAR ⁶)	-	0.6	6.9	-60.0	61.9	67.9	15.6	9.8	☀️	Apr-23
Category: 4 or 5 stars	-	0.4	5.6	-60.0	60.2	66.8	15.1	8.5	☀️	Apr-24
Other categories	-	-1.3	7.6	-57.8	54.9	65.4	17.3	10.9	☀️	Apr-24

Notas: 1. For the indicators of the number of international tourists and total expenditure of international tourists, the average corresponds to the period 2004-2007. 2. For the indicators of the number of international tourists by origin, the average corresponds to the period 2013-2014. 3. For the indicator of domestic overnight stays, the average corresponds to the period 2016-2019. 4. Latest available data for 2024, except for GDP and tourism GDP (the figures for 2024 correspond to the CaixaBank Research forecast). 5. ADR refers to average daily rate. 6. RevPar refers to revenue per available room.

Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE), the Ministry of Work, Migration and Social Security (MITRA-MISS) and the Bank of Spain.

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