

Spain's tourism sector breaks all records in summer 2024

The summer of 2024 has solidified Spain's tourism sector as one of the key drivers of the Spanish economy, surpassing nearly all historical records. These results are attributed to the recovery of incomes in source countries, Spain's geopolitical stability, and the high international competitiveness of its tourism sector. Despite the growing trend toward less seasonality in tourism, July and August posted extraordinary figures that warrant detailed analysis.

All-time record in overnight stays

Tourist overnight stays in Spain have reached historic highs this summer. According to data from the National Statistics Institute (INE), overnight stays increased by 1.9% in July and by 2.5% in August in year-on-year terms, surpassing 2019 levels by 3.2% and 1.3%, respectively. These figures not only represent an all-time record, but also significantly exceed the annual growth rates observed in 2023, which stood at 0.4% in July and 0.3% in August.

This growth has been mainly driven by international tourism, which has shown remarkable dynamism. Overnight stays by foreign visitors increased by 4.8% in July and August as a whole compared to the same period last year, exceeding 2019 levels by 2.6%. In contrast, overnight stays by domestic tourists experienced a slight contraction of 1.2% in July and August. However, despite this decline, the levels remain high, with increases of 1.7% compared to July and August 2019.

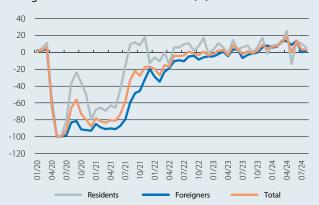
It should also be noted that the growth in overnight stays during the summer months was lower than in the first half of the year, when there was a total increase of 6.8% (1.4% for domestic tourists and 9.8% for international tourists). This relative slowdown reflects the aforementioned reduction in seasonality in tourism, which is redistributing the influx of tourists throughout the year. This reduction in seasonality is a positive development for the sector, as it helps reduce the rate of temporary employment and allows for greater utilization of the capital invested in tourism infrastructure.

International arrivals: increasing across the board

The data on international arrivals have also been a source of excellent news. According to the INE's Frontur database, in July and August foreign tourist arrivals exceeded 2019 levels by 8.9%. This growth occurred across the board and is supported in particular by excellent figures for tourists from the EU, which increased by 14.3% in July and August, and from the Americas, with increases of 30.3% in the same months.

Among the main source markets, the United Kingdom shows a somewhat sluggish performance, with declines

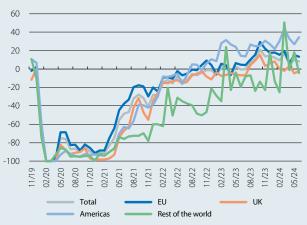
Spain: tourist overnight staysChange versus the same month of 2019 (%)



Notes: Overnight stays in hotels, tourist apartments, rural tourism establishments and at campsites.

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

Spain: international tourist arrivalsChange versus the same month of 2019 (%)



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

of 3.6% in July and August compared to 2019. Although British tourists are approaching pre-pandemic levels, they have yet to fully recover. Factors such as post-Brexit economic uncertainties and fluctuations in the sterling exchange rate could be influencing this trend. On the other hand, the increase in the influx of tourists from markets further afield, such as North America and Latin America, indicates a growing interest in Spain as a longhaul tourist destination.

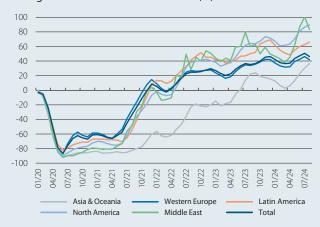
Substantial increase in tourist expenditure

Tourist expenditure figures are highly positive, driven by both strong real numbers and price increases during the post-pandemic period. The analysis of tourist expenditure is based on internal CaixaBank Research data on purchase transactions – duly aggregated and anonymised – carried out using international cards on



Spain: international tourist expenditure

Change versus the same month of 2019 (%)



Source: CaixaBank Research.

CaixaBank POS terminals. The data indicate that international expenditure in July and August 2024 stood 50.4% and 46.2% above 2019 levels, respectively.

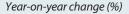
Particularly noteworthy is the growth in expenditure by tourists from North America, with increases of 86.6% in July and 89.9% in August. Expenditure by Latin American tourists also shows significant growth, with increases of 62.5% and 66.0% in the same months. These data reflect not only a greater number of visitors, but also an increase in expenditure per tourist, which has a significant economic impact on the sector.

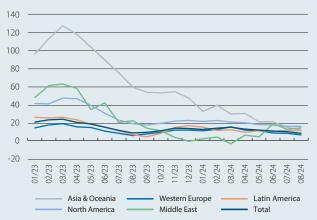
On the other hand, tourists from Asia and Oceania show more moderate increases in their expenditure, standing 30.6% and 36.5% above 2019 in July and August, respectively. However, the year-on-year growth rates are robust, with increases of 14.6% in July and 11.6% in August. This sustained growth indicates a potential for further growth in the future as these markets continue to recover. According to UN Tourism (UNWTO), in 2030, Asia will emit 165% more tourists than in 2010, versus 64% growth in the case of Europe. The ability to attract tourists from these emerging markets will thus be crucial for the diversification and resilience of the sector in the long term.

Challenges and opportunities in the Asian market

The relatively muted performance of Asian tourism is mainly due to the slower recovery of tourism from China and Japan. Tourist expenditure from these countries has lagged behind and still lies below the levels recorded in 2019. In the case of tourists from China, in July and August tourist expenditure was 20.5% and 14.8% below the levels of the same months of 2019, respectively. The figures for Japan are also below those of 2019, specifically –32.6% in July and –28.4% in August.

1. See the UN World Tourism Organization, «Tourism towards 2030/Global Overview».





The slow recovery of Chinese tourism is largely due to the later lifting of COVID-19 lockdowns in the country, as well as the challenges in the Chinese economy and their impact on household confidence. However, the indicators point to a significant revival, with year-on-year growth of 55.2% in July and 42.8% in August. In addition, the resumption of direct air connections, such as the Shanghai-Barcelona route in August 2024, reinforces expectations of robust growth in the short and medium term.

In the case of Japan, the weakness of the yen has negatively affected Japanese tourists' purchasing power abroad. The yen is expected to recover part of its value in the coming years, which could once again boost Japanese tourism to Spain. The improvement in economic and monetary conditions in Japan will be a determining factor in revitalising this market.

Spain: expenditure by tourists from Asia Change versus the same month of 2019 (%)

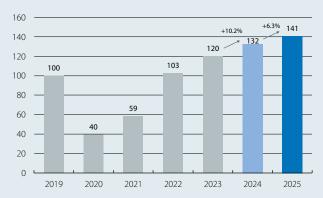


Source: CaixaBank Research

Spain: evolution of tourism GDP

Nominal terms

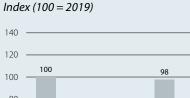
Index (100 = 2019)

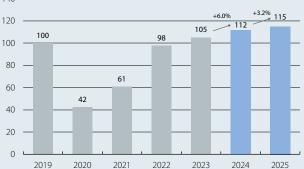


Note: Forecasts from Q3 2024 onward.

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

Real terms





Projection for tourism GDP

In view of the strong summer season, we have revised upwards our growth forecast for the sector. We estimate that tourism GDP will grow by 6% in 2024 in real terms, placing it 12% above 2019 levels. In nominal terms, the increase reaches 32%, reflecting not only a higher volume of activity but also an increase in prices and in the added value generated by the sector. The summer of 2024 consolidates the tourism sector as a pillar of Spain's economic growth. We predict that this 6% growth in tourism GDP will contribute 0.76 pps of growth to Spain's GDP in 2024, representing 27% of the total growth this year. We also estimate that tourism GDP will account for 13% of total GDP this year.

Beyond 2024, we expect the tourism sector to continue to expand in 2025, with growth of 3.2% in real terms. The recovery of gross disposable income in the source countries, as the inflationary shock finishes dissipating,

and the perception of geopolitical stability in Spain will continue to provide a boost to the sector over the coming quarters. We also expect the reduction of the sector's seasonality to continue and to see stronger growth outside the peak season. The strength of tourism makes the discussions around sustainability and the commitment to high-quality tourism even more relevant: this is the great challenge for tourism in Spain in the medium term.

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