

# SPANISH TOURISM: MORE VISITORS, BUT LESS PROFITABILITY



Profitability of the tourism industry in Spain only grew by 1.6% compared to the 8.8% registered a year ago.

In 2018, the socio-economic profitability of the Spanish tourism industry experienced a “generalized slowdown” in growth, particularly visible in revenues and less in the job sector, according to a study conducted by Exceltur, a non-profit tourism industry association.

For this association, the face of the tourism industry in Spain, **revenues per available room (shortened as RevPAR) grew by 1.6% in 2018, in comparison to the 8.8% increase in 2017, reaching a maximum of 59.4 euros** in the 106 urban and holiday destinations that were part of this study.

In regard to the job sector, last year, 18,355 new positions were opened in these 106 destinations, which is 3.5% more than the year before.

The turnover in the hospitality sector closed 2018 with an average growth of 2.4%, while the turnover of travel agencies and tour operators registered an average increase of 4.6%, according to data released by the National Institute of Statistics (INE).

For Exceltur, urban destinations have managed to achieve better results than leisure destinations in the past year.

The association defends this based on the “experienced demand” in most cities during the last quarter of the year (a cumulative increase of 9.3% in RevPAR) and the decrease in holiday destinations (3.2%), especially the decline of the Canary Islands (4.5%).

Revenues have also been influenced by the 12.4 million additional tourists recorded in competing destinations of the Eastern Mediterranean (Turkey, Egypt, and Tunisia) for 2018, which has had a “special impact” on the Canary Islands.

Another factor highlighted in the study is the increase in air connectivity to the main Spanish cities, particularly from long distance markets.

In this sense, the study explains that urban destinations have also benefited from the greater dynamism of business tourism, driven mainly by Spanish tourists.

In the 2018 results, Exceltur has stressed that the recent “outbreaks of instability” in Catalonia have “affected the profitability” of Spanish tourism on a socioeconomic level, in particular by its impact on national demand.

The main Catalan destinations saw their revenues fall by the end of the last year. Following these data, RevPar has dropped for Barcelona (2.2%), Costa del Garraf (3.7%), Costa Brava (1.7%), Costa Dorada (3.5%), and Costa de Barcelona (2.9%) during the summer season, while the job sector

“resists”. However, in the last quarter of 2018, Exceltur noticed a “notable recovery” in the main Catalan destinations “agreeing with the lower tension in the streets”.

In its report, the tourism association highlights that “it has even exceeded” the figures achieved in 2017. In this sense, **Barcelona is the leading destination from October to December, showing a 17.4% increase.** The study also adds that it “remains” as the city with the highest tourism profitability among other Spanish urban destinations with a mean RevPAR as a whole of 98.9 euros for 2018.

The highest level of socioeconomic profitability of holiday spots during 2018 was registered by destinations of the Balearic Islands which, in their opinion, benefited from the “substantial investment” in the renovation of facilities and repositioning conducted in recent years.

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