

SHOPPING TOURISM IN MADRID AND BARCELONA DROPPED

✘ In 2018, shopping tourism in Madrid and Barcelona, the cities with the highest tourist influx in Spain, reported drops of 9% and 8%, respectively, according to a study by Planet, revealing the impact of the economic instability caused by the Russian and Argentine markets.

Although 2018 was a record year for tourist expenditure, revenues for purchases decreased by 8%, according to the Planet's report, **which highlights that the international context has played a key role in the decline of foreign tourist expenditure in Spain.**

This is the case of the five main markets for shopping tourism: Chinese (-4%), Russian (-18%), American (no reported changes) and Argentine (-34%), in comparison to the increase in expenditure of visitors from South Korea (15%).

The Chinese, Americans, Mexicans, Argentines, and Colombians are the top five nationalities that have chosen the capital as their favorite shopping destination, while Barcelona has been mostly visited by Chinese, Russians, Americans, Argentines, and Koreans.

For 2019, the report defends the idea of positioning Spain as an attractive destination for tourists with an average budget and purchasing power, who aren't particularly attracted by luxury shopping tourism but the more accessible national brands and products, and feel attracted by "the tourism experience as a whole".

During the first quarter of the year, the trend is a modest 1.3% growth in expenditure made by non-EU tourists visiting Spain, where estimates for countries such as Taiwan, Japan, and China suggest double-digit increases in arrivals to the country: 49.2%, 21.8%, and 17.5%, respectively.

China still leads with 27% of the total non-EU tourists that visited Spain in 2018, dropping by 4% in comparison to last year, with an average expenditure of 629 euros. During the past year, there has been a shift in the profile and habits of these visitors, gravitating towards culture and gastronomy, and allocating their budget for luxury goods in trips to neighboring countries, such as France and Italy.

"Tourists coming to Spain, especially the Chinese, demand us to rethink our offer, adapting it to a more experiential [tourism] profile, and while they still are shopping lovers, they appreciate other aspects so it is necessary to attract them. By knowing their tastes and preferences, we'll be able to offer them a product and experience more adapted to reality," said Jorge Esteban, country manager for Planet in Spain.

China is followed by Russia, which experienced an 18% fall compared to purchases made in 2017, marked by the sharp devaluation of the Russian ruble, which in 2018 reached its lowest in two years against the dollar due to the US sanctions. As for average expenditure, it stands at 348 euros for purchases in Spain.

The United States, the third market on the list for shopping tourism, maintained its stable position, with an average expenditure of 549 euros, and represents 8% of non-EU arrivals. As for Argentina, a country experiencing devaluation like Russia, tourist expenditure from this market dropped by 34%, dropping to 220 euros on average.

Conversely, South Korea has been a great surprise for Spain's shopping tourism in 2018, increasing by 15% in purchases and an average expenditure of 358 euros.

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