

SPANISH HOTEL SALES GROW, AT THE COST OF REDUCED MARGINS



Exceltur, the Spanish Tourism Association, confirmed that during the summer season hotels have increased their sales, surpassing the levels of 2019. The experts predict that in the coming months the pace of growth will be slower. On the other hand, representatives of tourism companies lament the "insignificant allocation" of budgets earmarked for tourism.

Exceltur's assessment of the third quarter figures for tourism shows two different sides. On the one hand, the alliance confirms a "great summer" in which **revenues and hotel sales have exceeded those of 2019 in most Spanish destinations**, although at the cost of "consolidating the reduction of margins" by assuming the increase in energy, supply and labor costs and barely being able to raise prices by 8.4%.

Regarding tourism employment, September closed with a notable increase in stable hiring: the temporary employment rate went from 30.4% in February to 11% in September. Social security affiliates stood at 1.1% of those in 2019.

The evolution of coastal holiday hotels stands out, which grew in sales by 9.9% compared to 2019, while urban hotels grew by 7.3%. The islands (Balearic Islands, +10.1% and Canary Islands +8.7%), as well as the Andalusian, Valencian and Catalan literal areas, as well as Extremadura (+5.2%), La Rioja (+9.2%) and Castilla y León (+5.6%), as well as Santiago (+28, 8%) - driven by the Xacobeo -, together with holiday cities such as Malaga (+24.3%), Alicante (+24.3%), Valencia (+19.2%), Barcelona (+11.1%) and San Sebastian (+9.8%), registered the best balance of the summer.

Looking ahead to the coming months, the evolution of the activity is expected to be favorable in the destinations of Green Spain, led by Galicia, Cantabria and Asturias, driven by a new post-crisis consumption that favors calmer tourist experiences and in contact with culture and nature.

For its part, the Canary Islands estimates that it will consolidate its reactivation path in the high season (+3.9%), while tourism entrepreneurs in the Balearic Islands are more moderate in results (+1.5%).

As far as inland destinations are concerned, they believe that they will be affected by the expected decline in domestic demand and the fall in the number of business travelers for meetings.

Luxury tourism is in constant expansion in Spain with a growth of 2.1% compared to last year. Thus, in 2022, the number of bookings will be around 4.7% of total bookings, while in 2021 this figure was 2.6%, according to data from the booking company Booking, which states that the average price of this type of accommodation is between 360 and 450 euros per room.

Exceltur's confidence survey reveals that, despite the macroeconomic and geopolitical scenario anticipated in the coming months, experts expect a slowdown (-1.3%) in the trend of tourism recovery in Spain compared to previous quarters.

In any case, it is estimated that tourism GDP at the end of 2022 will be close to pre-pandemic levels, reaching 154 billion euros, 99.4% of tourism GDP in 2019.

Faced with a horizon full of potential adverse conditions for the sector Exceltur warns that the actual course of the tourism economy does not conform to the negative auguries. That is why it is worth asking how sustainable it is that, despite the resilience shown, the trend of tourism recovery can be maintained in 2023.

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