

INFLATION IN SPAIN THREATENS THE HOTEL SECTOR



A recent study has brought to light the billing data through card payments of hotels in Spain. This analysis, carried out by the UniversalPay platform, shows a notable increase in profitability in 2021, after the pandemic; however, in 2022 it has fallen back again, due to costs rise caused by inflation.

In 2021 there was an exponential rise: the volume of hotel sector turnover in Spain increased by 73% over the previous year. Now, although the figures are still positive, the numbers have plummeted showing only 1% growth.

Consequences of Inflation on Domestic Tourism

The communities that have increased their turnover the most this summer have been:

- Madrid (33%)
- Canary Islands (16%)
- Catalonia (6%)
- Extremadura (6%)

Some autonomous communities in Spain reflect the effects of inflation in their turnover, with an exponential fall. However, most of them remain stable in terms of profitability with respect to 2021.

June and September have been particularly affected by domestic tourism with respect to 2021. On the positive side, July and August remain on the upside for holiday periods, registering a growth of 30% in July and 12% in August.

The Effects of Inflation on International Tourism in Spain

It is striking that the highest growth peaks have occurred in the north of the country where foreign tourism has surged as a result, it seems, of climate change.

Galicia has tripled last year's results and the Basque Country has doubled them, with Cantabria (62%), Navarra (19%) and Asturias (18%) also standing out among the regions with the highest number of transactions in foreign currency.

In international tourism we see different data to those shown in the national territory: **the analysis shows a 40% growth in turnover.** Foreign card payments are encouraging with respect to the Spanish slowdown.

The regions traditionally more attractive for foreign travelers also reflect these consequences in the price increase: we see it in the case of Murcia (-95%), Balearic Islands (-58%) or the Valencian Community (-23%), among others, such as Andalusia, which despite leading the favorite destination of international tourists, has barely shown any growth.

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