## TOURISM IMPACTS THE COST OF LIVING IN BARCELONA



Barcelona is a popular tourist destination with a high cost of living. Before the peak tourist season, local residents have to prepare for an increase in prices due to inflation. It is worth considering just how much extra they should plan to spend.

Prices for food, hotels, and restaurants tend to rise in cycles. The most significant periods are summer, Christmas, and Easter. This year, Barcelona hotels experienced a 49% surge in rates during Semana Santa - 6% more than Madrid - making it a prime destination for tourists.

Merchants have long been known to increase the price label when customers visit, making more money. This practice is nothing new. During the peak season of July and August, the prices at the Boqueria market in Barcelona's Rambla are significantly higher than during March. Similarly, restaurants and nightlife venues take advantage of this period to make more money.

This summer, it is predicted that customers could be paying up to 20% more than normal due to the implementation of a policy to promote better-quality tourism. The policy affects the locals as it takes away some of their small pleasures and also affects visitors. It can be difficult to determine exactly how big an impact it will have in the long run.

## Cost of living affected by drought

With the increase in prices of produce due to the drought, consumers have to pay 10% more than usual. This is a historical price rise as it affects various fruits and vegetables like apples, pears, tomatoes, cereals, and olives, as well as olive oil and wine. Experts predict that this trend will continue.

Barcelona is the third most expensive city to live in Spain, after San Sebastián and Madrid. This information is based on a price index created by Expatistan, the leading comparison engine. On average, Catalan city dwellers pay  $\{0.18\}$  for a kilo of tomatoes and  $\{0.3.39\}$  for a dozen eggs. In Valencia, the prices are more affordable at  $\{0.34\}$  and  $\{0.42\}$ , respectively. Buying groceries in Granada can be more affordable than in other places since it has the lowest prices for tomatoes ( $\{0.36\}$ ) and eggs ( $\{0.36\}$ ). These prices do not include taxes, which makes the total cost around 10% higher.

Unfortunately, locals often believe that pricing is not elastic downwards. In other words, it is difficult to achieve a decrease in price after an increase has been made. This issue can be exacerbated during periods of drought, leading to a situation where the new range of costs becomes common practice. In a matter of just one month, tourism will also contribute to the situation. Low-priced shopping baskets and caña beer at incredibly low prices are now nothing more than distant memories in Barcelona.

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