

# HIGH-END TOURISM DOUBLES TRADITIONAL TOURISM GROWTH IN SPAIN



High-end tourism in Spain has increased its revenues by 5% to 8% annually over the past six years, doubling the growth rate of traditional tourism, according to a report that identifies silent luxury, intermittent residents, and sustainable tourism among the top trends.

Luxury travelers grew by 20% between 2015 and 2022 to reach six million high-impact tourists last year. High-end tourism had a direct economic impact in 2022 of more than €20 billion-about, 1.9% of Spain's, GDP-according to the study 'Perspectives on high-end tourism in Spain,' prepared by the consulting firm McKinsey & Company for Círculo Fortuny, the Spanish association of the high-end travel segment. Another fact included in the report is the increase in five-star hotels: 27% between 2015 and 2022.

Added to this is the take-off of high-end leisure after the Covid-19 pandemic and the increase in luxury tourism flows.

## **The traditional travel**

McKinsey reports that high-end travelers significantly impact culture, shopping, and leisure in Spain five times more than traditional travelers. They spend four times more on restaurants, three times more on accommodation and transport, and invest twice as much in real estate. Círculo Fortuny suggests that Spain can boost its economic growth by attracting intermittent residents, particularly those from northern Europe with high purchasing power. This can create a beneficial cycle of spending in other areas, such as gastronomy, culture, and leisure.

In 2022, despite the impact of Brexit and the pandemic, British tourists remained the primary group of visitors, accounting for 21.1% of the total. This percentage was slightly lower than in 2019.

## **Regional spread**

The analysis by area shows that by 2022, regional growth in Andalusia, the Balearic Islands, or the Canary Islands will boost luxury visitors in Spain, in addition to the "Madrid effect" and the revival of Barcelona.

Malaga was the fourth province in the country to open more hotels and tourist accommodations. It also boasts the highest number of Michelin-starred restaurants in the Andalusian region. Last year, it successfully regained the levels of luxury tourism experienced in 2019, with the United Kingdom being the top source of tourists at 16%.

According to the report, 74% of luxury travelers will pay extra for sustainable tourism experiences once pandemic restrictions are relaxed. Additionally, 61% of respondents expressed interest in traveling sustainably in the future, while 78% would prefer accommodations that prioritize sustainable practices.

## **Silent luxury**

Concerning silent luxury - non-ostentatious high-end tourism - Airbnb data shows a 60% increase in reservations of independent accommodations without a value brand, whose cost exceeds 1,000 euros per night.

According to McKinsey, this alternative is helping to generate wealth in unique destinations by moving away from urban centers and connecting with nature.

Wellness tourism is becoming increasingly popular among luxury travelers. In the last five years, 40% of these travelers have opted for destinations that offer physical and mental pampering. Personalized experiences are also in high demand, with 51% of long-haul travelers looking for "authentic" experiences during their travels.

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The trend of combining business and leisure, commonly known as "bleisure" or "bluxury", has become more significant. This involves taking some time during a business trip to enjoy personal activities.

### **Improving connectivity**

Experts forecast that the number of high-end tourists in Spain will double in the coming years.

To continue growing, experts suggest improving connectivity, streamlining the visa process, and increasing the promotion of Spain to potential tourists.

### **High impact tourism**

Spain has significant potential for high-end tourism, which could bring in up to five times more revenue than traditional tourism.

High-impact tourism has experienced significant growth and traction in recent years, thanks to the influx of capital and leading international brands.

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