

PROFITABILITY IN THE SPANISH HOSPITALITY SECTOR IS 6% BELOW THE 2019 LEVEL



According to the Spanish Hospitality sector Employers' Association, hospitality companies' profitability is still 5.9% lower than in 2019. They predict a successful summer in terms of turnover and employment but with consumption moderation and without companies regaining their benefits.

According to the employers' association, the turnover for the industry has surpassed the data from 2019, showing a 7.8% increase. **However, this increase is partially due to inflation affecting prices.** When factoring out the price increase, turnover is 5.9% lower than in 2019.

In 2023, there have been notable increases in sales compared to 2022, particularly in tourism and leisure consumption. However, daily consumption has been slower, possibly due to teleworking's impact.

The association reported that due to maintenance, certain areas of major cities like Madrid or Barcelona have experienced changes in consumption patterns compared to pre-pandemic times.

The Spanish hospitality sector has claimed that their positive results are primarily due to increased sales volume rather than improved profit margins. They have reported facing significant cost growth but have offset some expenses through price increases. However, business margins are still slowly recovering. Additionally, the industry had to adjust its rates in November 2022 after a slow impact from the general price escalation that began earlier in the year.

Regarding employment progress, the most recent data for **June indicate a record-breaking number of workers, close to 1.9 million**, a figure never before achieved. This represents an average increase of almost 100,000 employees in the year's first half, with 65,000 in the catering industry.

According to the same source, the islands, the Mediterranean coast, and the destinations in the north of Spain are at the forefront of the dynamism of sales forecast for the summer.

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