

TOURISM CONTINUES TO BE THE ENGINE OF THE SPANISH ECONOMY IN 2023



According to a report by Exceltur, tourism's weight in Spain's Gross Domestic Product (GDP) will reach 12.6% of the total, the same as the 2019 figure. The report also notes that the tourism sector will represent 21.8% of the total growth of the Spanish economy. This will increase to 42.6% if the effect of prices is eliminated. The association has revised its estimate of nominal tourism GDP upwards by three points to 183.1 billion euros, which is 16.3% over the 2019 level, considering the intense dynamism of the tourist summer and favorable business expectations for the last quarter of the year. Real tourism GDP would close this year 2% above 2019, although it would be slightly behind the recovery of the rest of the Spanish economy, which would be 2.3%, discounting inflation. The report also suggests that tourist activity growth in summer could continue into autumn since there is a trend towards lengthening the season.

According to Spanish business people, tourism activity is expected to intensify in the last quarter of 2023. This is expected to be a 15.8% increase compared to the same period in 2019, indicating a steady recovery throughout the year. Companies in the passenger transport (+18.1%), hotel (+17%), and leisure (+16.4%) sectors are expected to experience the greatest improvement.

The positive trend in tourism activity in Spain during the summer of 2023 is expected to accelerate with growth of 17.3% compared to 2019. This is mainly due to inflation and strong demand. However, excluding the price increase, tourism GDP is only expected to rise by 2.4% compared to the pre-pandemic summer.

The Spanish hotel industry witnessed a 17.8% growth during the summer, with no significant difference in sales between vacation and urban hotels. Similarly, leisure companies and institutions also recorded a notable increase of 15.9% compared to 2019. However, travel agencies and transport companies in Spain experienced moderate growth of 9% and 10.3%, respectively, with the latter impacted by increased competition in the high-speed rail sector and a slowdown in car rental growth, which only grew by 5.3% due to lower prices resulting from access to a larger fleet of vehicles.

With the recent surge in business, salary costs have increased by 19.8%, fuel costs have risen by 38%, and electricity and gas costs and supplies have increased by 26.3% and 27%, respectively. As reported by the INE, financial costs have also increased by 27%, which is higher than the average increase of 18% in final prices.

Date: 2023-10-11

Article link:

<https://www.tourism-review.com/tourism-gdp-weight-in-spain-is-the-same-as-in-2019-news13798>