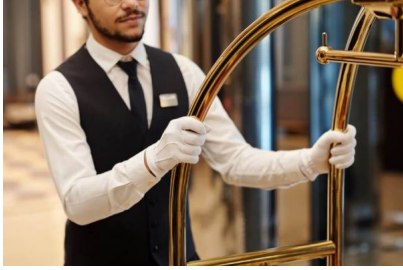


# INFLATION DAMPENS TOURISM OUTLOOK IN SPAIN



According to data from Simon-Kucher consultancy, hotel rates in Spain are expected to increase by over 20% during the long Christmas weekend on December 9 compared to last year. Despite prices having risen by more than 35% since 2021, the demand from travelers is expected to remain strong, ensuring that the price hike will not affect demand.

During the December and Christmas long weekends, Madrid has regained its position as the most expensive destination, with an average rate of over 278 euros. Meanwhile, the Balearic Islands and Barcelona have dropped in the Christmas ranking. On the other hand, the Canary Islands have taken advantage of their maximum occupancy period.

The December long weekend marks the beginning of Spain's highly anticipated Christmas celebrations. This month is crucial for the tourism industry, which is experiencing a post-pandemic boom that shows no signs of slowing down.

Most hotel chains are expected to close the 2023 financial year with record-breaking occupancy and turnover figures. They are already looking forward to 2024 with optimism, even though travelers may have tighter budgets.

A hotel report prepared by Simon-Kucher suggests that hotel rates in Spain will continue to rise during Christmas. The report predicts that the median fare will maintain its upward trend and reach €246, 23% higher than last year and 36% higher than in 2021.

Madrid is expected to have higher average fares than Barcelona during the December long weekend and Christmas. The capital city is ranked higher, with an expected median rate of €278 during Christmas and €240 during the long Christmas weekend. This is 8% higher than Barcelona, which has median rates of €258 and €161, respectively.

Madrid's leadership in the hotel industry is mainly due to the luxury segment, where the average price per night is over 500 euros. The opening of hotels such as JW Marriott, UMusic Hotel, and Ocean Drive drives this.

The Canary Islands have surpassed Barcelona's demand from the main tourist source markets, such as the United Kingdom or Germany. The average rate in the Canary Islands is more than 264 euros.

Valencia and Seville are among the cities with the highest growth rate in the hotel industry. Valencia has increased its rates by more than 58% compared to last year, while Seville has increased by more than 44%.

According to the Simon-Kucher report, the most significant price increases for the cheapest hotels, with an increase of over 25%, are noted. The luxury segment has seen a more modest increase of 15% compared to the previous year.

For the December long weekend, which is mostly domestic tourists, the median rate is 168 euros, a 28% increase compared to 2022. Madrid is the most popular destination for Spaniards during the long weekend, followed closely by Malaga and Seville.

The Andalusian cities are expected to achieve median rates above €200 in December, reflecting a significant increase of more than 44% over last year, per the report.

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