

SPANISH TOURISM CONTRIBUTED ALMOST 187 BILLION EUROS TO THE ECONOMY



The Spanish tourism industry may rejoice over the recovery of 2023, with the activity worth 186.6 billion euros, contributing 12.8% to the country's economy. This is the highest rate ever recorded in the historical series.

Even better, the forecast for 2024 is an increase in contribution to more than 200 billion euros, which would raise its share of the national economy to 13.4%.

The Bank of Spain predicts that Spain's real economic growth will be 2.4% in 2023, and tourism is the main contributor. The industry is expected to grow by 13.1%, accounting for 70.8% of the country's economic growth.

The Spanish tourism sector is expected to grow in 2024, albeit more moderately, due to inflation, wage increases, and higher financial costs. According to experts, 2024 will see Spanish tourism achieve unprecedented economic value. Exceltur estimates that the tourism GDP will surpass €200 billion for the first time in history, representing an 8.6% increase from 2023. This would make tourism responsible for 13.4% of the total Spanish economy. Furthermore, tourism is expected to contribute 41.4% of the real growth of the Spanish economy in 2024, exceeding the country's overall GDP forecast.

7.8% Increase in Sales

Spanish businessmen expect to see an improvement in turnover in line with tourism GDP forecasts. They estimate that 2024 will close with a 7.8% increase in sales compared to the already positive 2023. This growth will benefit holiday destinations and cities such as Madrid and Barcelona. High travel intentions and the recovery of long-haul and business tourism in international destinations contribute to this growth. However, Exceltur, a Spanish tourism association, is cautious about these historical data and indicates that it is necessary to analyze whether these exponential growths are sustainable. In the coming years, managing success and growth will be a substantial challenge for domestic and international tourism in Spain.

Sales Growth Despite Rising Costs

Tourism companies experienced growth for the second consecutive year in 2023, thanks to increased sales and efforts to contain costs. Despite a rise in financial costs (+18.9%) and labor costs (+7.3%), the moderation of supply costs (+9.6%) and a fall in energy costs (-2.8%) contributed to this growth.

The expansion of the Spanish tourism industry in 2023 led to significant job creation, with 95,224 more jobs created than in 2022. Moreover, the sector witnessed better employment conditions as temporary employment decreased to 8% and wages increased by 4.4%. However, accessing trained personnel remained a challenge. The tourism industry accounted for 17% of the total employment generated in Spain in 2023.

Compared to 2022, tourism sector employment grew faster than in other sectors, with a focus on open-ended contracts. According to data from Exceltur, the temporary employment rate was just 8%, well below the 13.7% in the rest of the Spanish economy.

Strong Demand

The demand for tourism in Spain has been unexpectedly high throughout the year. This has resulted in higher spending in Spanish destinations than foreign destinations, despite the latter experiencing a robust year-on-year increase of almost 30% in 2023.

In the previous year, foreign demand for Spain experienced significant growth, primarily driven by a sharp increase in higher-spending markets and the repositioning of higher-value segments in traditional markets. The Central European and United Kingdom markets, American proximity, and long-distance markets grew and compensated for the decline of the Germans and the Nordics.

This positive trend in tourism has extended to all subsectors of the chain, with hotel revenues increasing by over 20% compared to 2019, travel agencies rising by 13%, and transport companies increasing by 16.9%.

Spanish Coast Regions Benefit the Most

The Spanish tourism industry had a positive balance in 2023, with many destinations experiencing sales levels exceeding 15% in comparison to 2019. **The 'sun and beach' communities did exceptionally well, with the Balearic Islands experiencing a 26% growth in sales and the Canary Islands growing by 23.2%.**

The mainland also performed admirably, with Andalusia growing by 18.8%, the Valencian Community by 16.6%, Catalonia by 27.5%, and the Community of Madrid by 15.1%. Exceltur reports that coastal holiday destinations had the best balance in 2023, with several recording income levels close to or 30% higher than those achieved in 2019. Cities also performed well in 2023, exceeding 2019 revenue levels, although not as well as holiday destinations. Cities such as Malaga, Valencia, and Santiago de Compostela experienced significant growth.

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