

Tourism

Sector Report

1st Semester 2020

**A firm commitment
to quality tourism**



Slowdown in
global tourism
growth

The fight for
international tourism in
the Mediterranean

A room with
a view: city, beach or
mountains



SECTOR REPORT Tourism 2020

The *Sector Report* is a publication produced by CaixaBank Research

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Summary

2020



01 SITUATION AND OUTLOOK

Growth in the number of international tourists was contained in 2019 due to the global economic situation and the recovery of rival markets in the Mediterranean. However, the tourism sector looks resilient, supported by the consumption of domestic tourism and the drive towards higher quality tourism.



15 COMPETITION IN THE MEDITERRANEAN

Spain's tourism sector is one of the most well-established in the region but the tourism industries in other markets are developing strongly. The return of Egypt, Tunisia and Turkey has also altered the competitive environment of recent years.



23 DIVERSIFYING SUPPLY

The sector is focusing on a strategy of diversifying its supply and addressing the weaknesses of the traditional sun, sea and sand model in order to maintain the leadership enjoyed by Spain in the global competitiveness ranking.

«Life is what we make of it. Travel is the traveller. What we see isn't what we see but what we are».

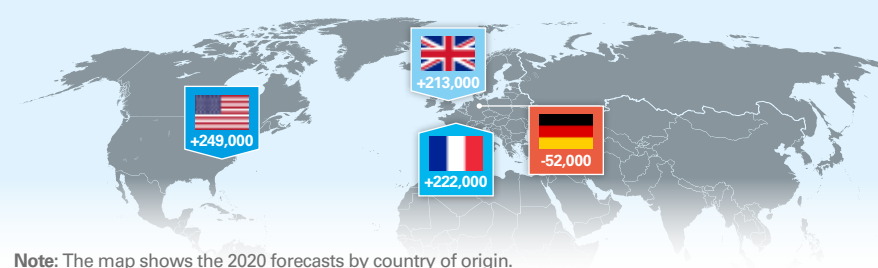
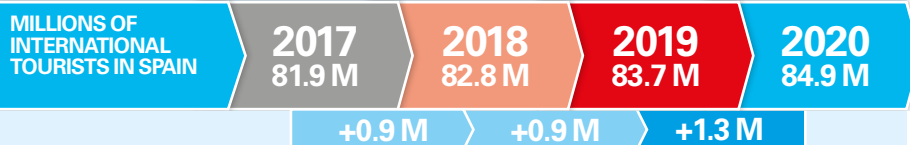
FERNANDO PESSOA



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SPAIN'S TOURISM INDUSTRY

In 2020, the tourism sector will continue to attract more international tourists



Tourist expenditure estimated based on card payments at CaixaBank payment terminals

RESIDENT TOURISTS



Much of the tourism sector's growth in 2019 was sustained by domestic tourism's excellent performance.

INTERNATIONAL TOURISTS

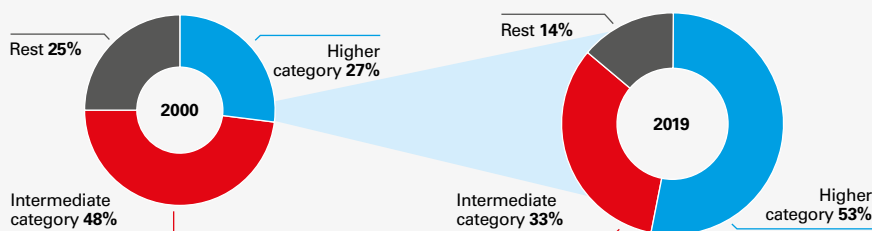


Given the moderation in the number of international tourists, the drive towards higher quality entails solid growth in international tourism expenditure.

Note: Data from January to October 2019.

The tourism sector continues to move towards higher quality supply

HOTEL PLACES BY CATEGORY



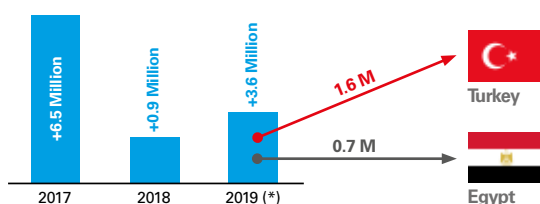
Note: Data from January to October 2019.

INCREASED COMPETITION IN THE MEDITERRANEAN

The recovery of Turkey and Egypt reduced Spain's tourism growth by 2.3 million tourists in 2019



GROWTH IN INTERNATIONAL TOURISM



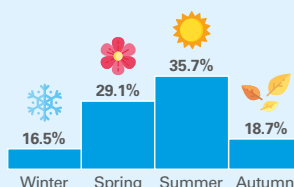
Note: (*) Growth forecast without competition from Turkey and Egypt.

THE DIVERSIFICATION OF TOURISM IN SPAIN

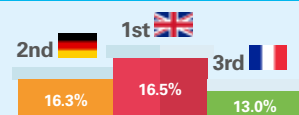
SUN, SEA AND SAND



SEASONALITY



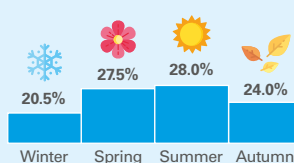
INTERNATIONAL TOURISM



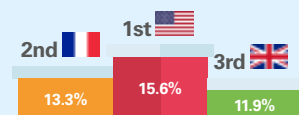
URBAN



SEASONALITY



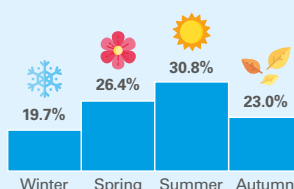
INTERNATIONAL TOURISM



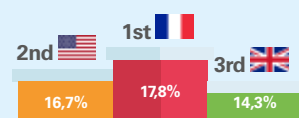
INLAND



SEASONALITY



INTERNATIONAL TOURISM



Note: Data from January to October 2019.
Source: CaixaBank Research, based on internal data from CaixaBank, Spanish Statistical Office, UNWTO and WTTC.

Situation and outlook

A firm commitment to quality tourism

The growth in Spain's inbound tourism has been contained throughout 2019 due to the less favourable global economic environment and the strong recovery by its main rivals in the Mediterranean. However, the tourism sector's profitability looks highly resilient, supported by dynamic domestic tourism expenditure and the industry's drive towards higher quality.

Slowdown in global tourism growth

In 2019, the movement of international tourists continued to grow globally, albeit at a more moderate rate than in previous years. According to estimates by the World Tourism Organization (UNWTO), international tourist arrivals grew by 3.5% in 2019, 1.9 pp less than in 2018. This trend can be seen in all regions of the world with the sole exception of the Middle East, which continues to recover after its slump in 2016.

As far as the Old Continent is concerned, the slowdown in tourism growth is estimated to be significant. Specifically, **the number of international tourists choosing Europe as a destination in 2019 grew by 3.7%**, in sharp contrast to the 8.6% rise observed just two years ago. The recent environment of slower global economic growth, greater uncertainty generated by Brexit and trade tensions between the US and China have been identified as the main causes of this moderation.



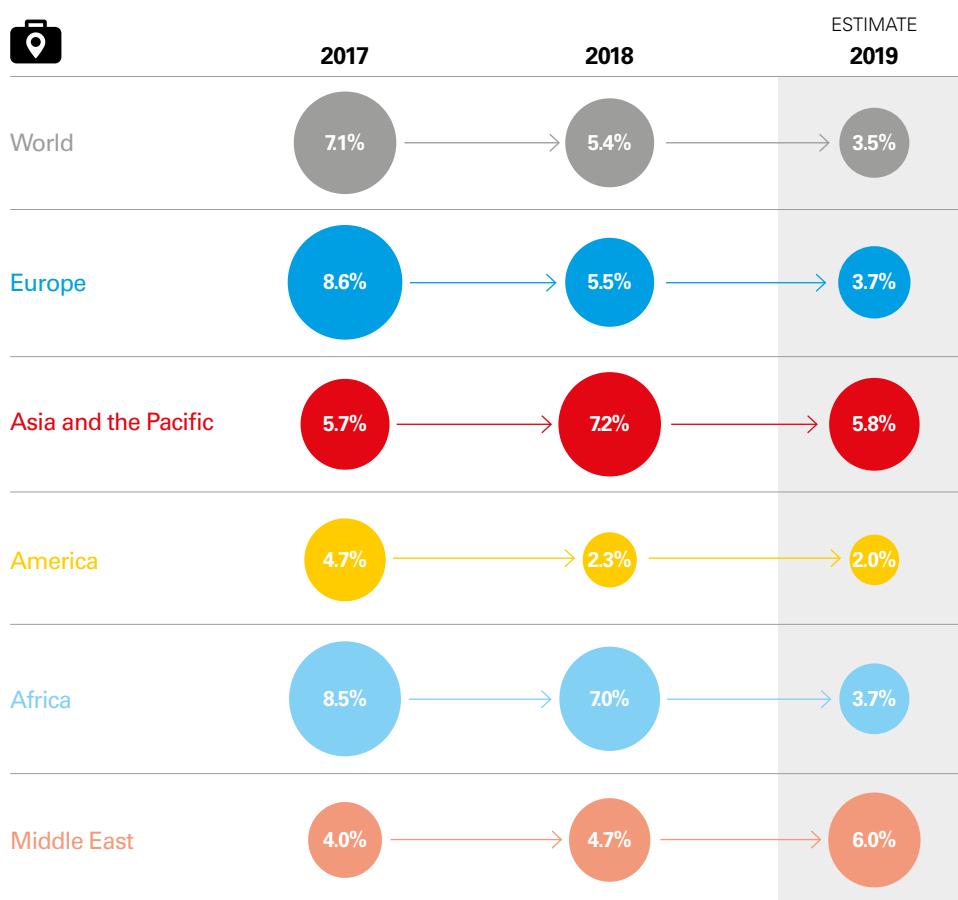


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Looking ahead, CaixaBank Research's macroeconomic scenario does not expect the global economic slowdown to worsen. Similarly, the positive news of the past few weeks regarding developments in the main sources of uncertainty (Brexit and the trade war) suggest that **international tourism in the region will continue growing at a similar pace to 2019**, a considerable rate although lower than the historical average (3.8% annual growth).

International tourists globally by destination zone

Annual change (%)



Source: CaixaBank Research, based on data from the World Tourism Organization (UNWTO).

In Spain, growth is sustained and tourist expenditure on the rise

Spain is no exception in terms of the growth in inbound tourism slowing down. Between January and October 2019, the number of international tourists visiting Spain totalled 74.7 million, 1.1% more than in the same period in 2018, a similar rate to the growth recorded in 2018. However, the trend throughout 2019 has been downwards: while the number of international tourists grew by 2.8% year-on-year in the first half of the year, between July and October (the latest data available) it fell by 0.7% year-on-year. Nevertheless, despite the slowdown in the second semester, **we estimate the number of international tourists visiting Spain in 2019 as a whole reached 83.7 million, up by 1.1% compared to 2018.**¹

¹ Historically, the months of November and December account for only 10% of the year's inbound tourism.



Despite the global slowdown in tourism, the number of international tourists visiting Spain continued to grow in 2019: up by 1.1% compared to 2018, totalling 83.7 million people

This lower growth was caused mainly by fewer tourists arriving from the United Kingdom, Germany and France, three countries that, together, produce nearly 50% of Spain's inbound tourism. According to our estimates for 2019 as a whole, the number of British tourists fell by 1.7%, while German and French tourism were down by 1.8% and 1.6% respectively. Increased competition from Turkey and Egypt, instability arising from Brexit, the collapse of the tour operator Thomas Cook at the end of September (which we will analyse at the end of this article), the slowdown in German industrial activity and the disruptions caused by protests in France all seem to lie behind this trend.

With the fall in British, German and French tourists in the second half of 2019, the sector diversified into less traditional markets. Tourist arrivals increased from Eastern Europe and the Americas, helping to sustain growth



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Given this context, it was the tourist industry's diversification towards less traditional source markets that sustained growth. This was particularly the case of Eastern Europe, with the number of Russian tourists up by 7.4% annually, as well as the Americas, where growth in the number of US tourists reached 12.1%.

The slowdown is more noticeable when we look at the trend in overnight stays for tourism (hotel and non-hotel). Specifically, overnight stays by foreign tourists between January and October fell by 0.6% compared with the same period last year. These negative figures are partly due to the downward trend in the average duration of the trips, a phenomenon that is very widespread in Spain and a result of the shift by foreign tourists towards urban tourism, to the detriment of the traditional sun, sea and sand holidays. Urban tourism tends to have average stays close to a weekend (2.2 days, according to INE data), as opposed to the longer average stay for sun, sea and sand tourism (5.1 days).²

② See the article «The fight for international tourism in the Mediterranean» in this report.

The revenue from each tourist visiting Spain has improved significantly: the drive towards higher quality supply and growth in urban tourism have helped to maintain this positive trend in tourist expenditure

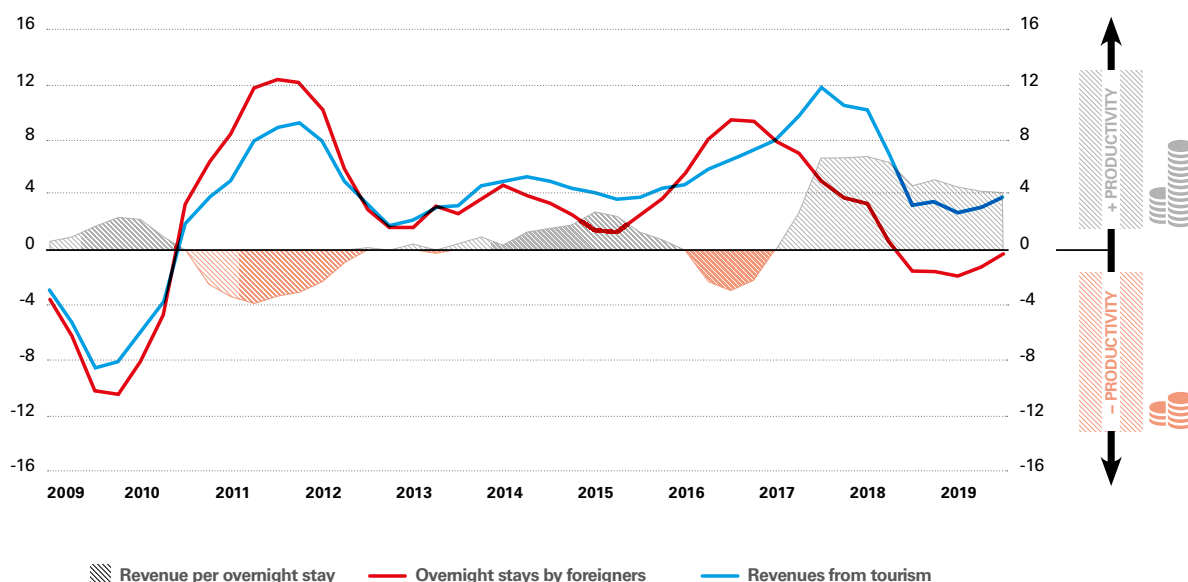
Despite the fact that all the data show a marked slowdown in the growth of inbound tourism for Spain, the clear commitment by the Spanish tourism industry to increase the quality of its supply and boost urban tourism, which is much more intensive in consumption terms, are helping to maintain the positive trend in tourist expenditure. Furthermore, the fact that international tourist expenditure is growing more than the volume of tourists is very important, since it points to higher productivity by the tourism industry. Specifically, at the end of Q3 2019, **the revenue generated by international tourism totalled 70.9 billion euros in cumulative terms over 12 months, 3.9% more than the same period the previous year.**³ Compared with the trend in the number of international tourists (2.1% more) and overnight stays (0.2% less) during the same period, this confirms the significant gains made in productivity, as can be seen in the following chart.

③ Exports of tourism services contained in the Balance of Payments. Tourist expenditure with no impact on agents carrying out their economic activity in Spain is not included (expenditure at origin is excluded).

Revenue from international tourism and number of travellers

Year-on-year change (%)

Difference (pp)



Notes: Revenue contained in the Balance of Payments and number of total overnight stays in hotel establishments, tourist apartments, campsites and rural accommodation. «Revenue per overnight stay» is the difference between the year-on-year change in tourism revenue and the number of overnight stays by foreign tourists.

Source: CaixaBank Research, based on data from the Spanish Statistical Office and Bank of Spain.

The contribution of domestic tourism

If we broaden our perspective to include resident tourists in our analysis, we can see that tourist overnight stays remained positive at the end of October 2019, growing by 0.5% year-on-year. This is due to the excellent performance by domestic demand for tourism, growing by 2.7% year-on-year up to October. In turn, expenditure by resident tourists, accounting for about 25% of the national total, has also enjoyed a positive trend. Much of 2019's growth in the tourism sector was supported by domestic tourism, reflecting its resilience to a more adverse external environment. According to our estimates, based on CaixaBank data, **domestic tourism expenditure between January and October 2019 grew by a vigorous 10.6% year-on-year.**⁴ This achievement is even more remarkable considering that all provinces recorded growth in resident tourist expenditure, as shown in the table below. The Autonomous Community contributing most to the growth in expenditure in Spain, thanks both to its positive trend and size, was Andalusia, coincidentally the region with the least positive trend in international tourism expenditure (–1.7% year-on-year between January and October 2019).







⁴ The figures for total tourist consumption by Spanish residents are obtained from data on card payments at CaixaBank POS terminals outside the usual place of expenditure for each card.












Much of 2019's growth in the tourism sector was supported by domestic tourism's excellent performance, whose tourist expenditure grew in all provinces. This demonstrates the sector's resilience to a more adverse external environment



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Domestic tourism expenditure

Autonomous Region	Share of Spanish total	Growth 2019	Province	Share of Spanish total	Growth 2019
	Catalonia	21.3%	7.2%	Barcelona	11.0%
				Girona	5.2%
				Tarragona	3.5%
				Lleida	1.7%
	Andalusia	16.0%	12.0%	Málaga	3.6%
				Cádiz	3.5%
				Seville	2.7%
				Granada	1.9%
				Huelva	1.3%
				Almería	1.2%
				Córdoba	1.0%
				Jaén	0.8%
	Community of Madrid	13.5%	6.1%	Madrid	13.5%
	Community of Valencia	10.2%	11.2%	Alicante	4.7%
				Valencia	4.0%
				Castellón	1.4%
	Castilla y León	5.3%	10.1%	Burgos	1.0%
				León	0.8%
				Valladolid	0.7%
				Segovia	0.7%
				Salamanca	0.6%
				Ávila	0.5%
				Zamora	0.4%
				Palencia	0.3%
				Soria	0.3%
	Castilla-La Mancha	4.5%	17.3%	Guadalajara	1.8%
				Toledo	1.0%
				Albacete	0.7%
				Cuenca	0.5%
				Ciudad Real	0.5%

Autonomous Region	Share of Spanish total	Growth 2019	Province	Share of Spanish total	Growth 2019
	Galicia	4.4%	14.6%	La Coruña	2.0%
				Pontevedra	1.3%
				Lugo	0.6%
				Orense	0.4%
	Canary Islands	4.3%	8.0%	Sta. Cruz de Tenerife	2.2%
				Las Palmas	2.2%
	Balearic Islands	4.3%	9.1%	Balearic Islands	4.3%
	Basque Country	4.1%	16.0%	Vizcaya	2.3%
				Guipúzcoa	1.2%
				Álava	0.5%
	Aragón	3.1%	8.5%	Zaragoza	1.6%
				Huesca	1.2%
				Teruel	0.4%
	Murcia	2.4%	15.5%	Murcia	2.4%
	Navarra	1.6%	11.0%	Navarra	1.6%
	Cantabria	1.5%	14.9%	Cantabria	1.5%
	Principality of Asturias	1.5%	11.2%	Asturias	1.5%
	Extremadura	1.3%	17.3%	Badajoz	0.7%
				Cáceres	0.6%
	La Rioja	0.7%	10.1%	La Rioja	0.7%

Notes: The expenditure made by resident tourists is estimated from data on card payments at CaixaBank POS terminals outside the usual place of expenditure for each card. Data from January to October 2019. Growth is calculated as the rate of change with respect to the period between January and October 2018.

Source: CaixaBank Research.



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Forecast for 2020

Looking ahead to 2020, we expect Spain's inbound tourism to continue to stabilise, although more stable growth in Europe's economic activity should boost the rate of advance posted in 2019. CaixaBank Research therefore predicts inbound tourism to increase by 1.6% annually in 2020, breaking through the threshold of 85 million tourists. Visitors from outside Europe, and especially US citizens with 3.5 million tourists, are expected to be the main contributors to Spain's growth in inbound tourism. On the negative side, according to our forecasts the downward trend in the number of German tourists will continue, although its rate of decline will be less than that estimated for 2019. This would make France the second largest source of tourists visiting Spain with 13.3% of the total, ahead of Germany (13.1%).

CaixaBank Research expects Spain's inbound tourism to grow by 1.6% annually in 2020, breaking through the threshold of 85 million tourists and creating 66,000 new jobs in the sector

Spain's inbound tourism by country of origin

Thousands of tourists

		2016	2017	2018	2019 _(e)	2020 _(p)	
International tourist arrivals		75,315	81,869	82,808	83,653	84,991	
			+6,554	+940	+844	+1,338	
Annual growth (%)			8.7%	1.1%	1.1%	1.6%	
British		17,675	+1,131	-282	-314	+213	18,424
German		11,209	+688	-482	-205	-52	11,158
French		11,259	+8	+26	-185	+222	11,330
Italian		3,969	+253	+166	+142	+196	4,728
American		2,002	+635	+322	+358	+249	3,567

Note: (e) Estimate, (f) Forecast.

Source: CaixaBank Research, based on data from the National Statistical Office.



This positive trend in the tourism sector is also boosting the labour market. Specifically, **the tourism industry generated 1 out of every 6 jobs created between January and October 2019**, growing at a rate of 3.5% year-on-year and **totalling a workforce of 2.5 million employees in the sector**. Nevertheless, the trend in tourism employment is slowing down slightly, in line with the more moderate growth of the Spanish economy. **We expect the sector to create 66,000 new jobs in 2020** (20.7% of the job creation in Spain), implying a significant growth rate of around 2.8%, although this is slightly slower than the rate observed in previous years.

Spain's tourism sector maintains its commitment to higher quality tourism

The industry continues to transform its supply towards higher quality tourism. As can be seen in the following chart, since the beginning of the millennium the supply of hotels has increased considerably with almost all this growth coming from higher category establishments (5 and 4 stars), which now account for over half the total supply (52.8%). The industry's strong focus on this transformation, resulting from significant corporate investment, has led to tourist expenditure rising faster than the number of tourists *per se*, with the consequent higher expenditure per visitor. It is crucial to continue this transition and improve the sector's profitability given the stabilisation in international tourist arrivals.

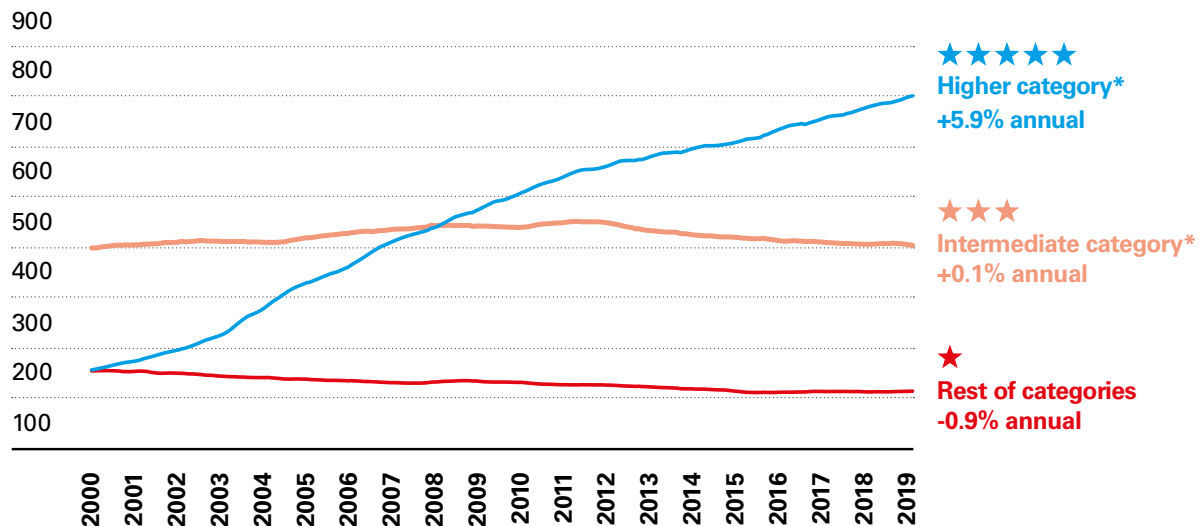
5 and 4-star hotels now account for over half the total supply. The sector's drive towards quality tourism has ensured that tourist expenditure will rise faster than the number of tourists



Tourism

Hotel places by category

Thousands of places



Notes: Average data over 12 months. (*) «Higher category» refers to 5 and 4-star hotels, while «Intermediate category» refers to 3 and 2-star hotels.

Source: CaixaBank Research, based on data from the National Statistical Office.

It is not only supply that is shifting towards higher quality but also demand. In October 2019, the occupancy rate of higher category hotels remained above the sector average, reaching 66.1%, compared with the 54.4% registered by the remaining categories.

The main implication of this transformation is the sector's improved profitability. One of the key profitability indicators, revenue per available room (RevPAR), reached 61.7 euros in September, 3.8% more than in the same period the previous year, thanks to the larger share of higher category rooms (RevPAR of 81.2 euros) to the detriment of hotel rooms in the rest of the categories (RevPAR of 40.0 euros).

Thomas Cook's bankruptcy and its effect on Spain's tourism sector

The 23rd of September saw the announcement that one of the world's largest tour operators, the British company Thomas Cook, had gone bankrupt. Its large debt and inability to significantly increase its revenue due to increasing competition, as well as its overly broad and rigid structure, all led to the definitive collapse of the company after several years of problems.

Thomas Cook's bankruptcy has led to doubts regarding the sector's future. The first is whether the business model of traditional tour operators have still room in the tourism commercialization market. While it is true that digitalisation is encouraging

internet-based start-ups with lighter, more flexible cost structures, traditional companies still have a large number of customers. In the UK market alone, the two main tour operators (TUI and Jet2holidays) profitably served 9.4 million customers between January and October 2019.⁵ Consequently, **it does not look like Thomas Cook's bankruptcy points to the traditional tour operator business model becoming obsolete** but rather that the company's particular growth strategy was far from ideal.

The next question to be considered is how the disappearance of Thomas Cook may affect the Spanish market. **In 2018, 3.6 million tourists, mainly British and German, arrived in Spain on the British company's package holidays, which means that 4.6% of the tourist demand in Spain depended, in one way or another, on Thomas Cook.** It should be noted that the Canary Islands, Balearic Islands, Almeria and Malaga (Costa del Sol) made up the bulk of this exposure.

⑤ Data from the «Top 250 Air Travel Organisers' Licensing Holders Report» showing the number of passengers protected by ATOL's financial protection system.

Although inbound tourism has been affected, the damage has been contained because the situation of tourist accommodation is solid. In the medium term, the rest of the tour operators in the market should pick up the demand released by Thomas Cook





The most immediate consequence of Thomas Cook's bankruptcy has been the non-payment of its debt with hotels and other tourist accommodation for the months of June, July and August. **Some of this debt is expected to be paid off, although when is still very uncertain.** This situation could cause some difficulties for smaller hotels or those with tighter balance sheets but the damage has been limited because the situation of tourist accommodation companies is quite solid on the whole.

In the medium term, **Thomas Cook's disappearance will not prevent the tourists brought by the company to Spain year after year from continuing to visit**, given that the rest of the tour operators in the market have a clear incentive to try to pick up the demand released by the British company. In the short term, however, we do expect inbound tourism, mainly British, to be affected by the bankruptcy as the gap left by Thomas Cook will be difficult to «fill up» with new tourists over the next few months.

Big data analysis of the bankruptcy's impact.

The case of the Canary Islands

Taking advantage of the granularity of our tourism expenditure indicator based on foreign card payments at CaixaBank POS terminals, we can observe the trend in British tourist expenditure in areas with the greatest exposure to Thomas Cook. We can therefore detect whether there has been a significant change in the level of expenditure by British tourists (on leisure, culture, restaurants, etc.) after the tour operator left the market.⁶

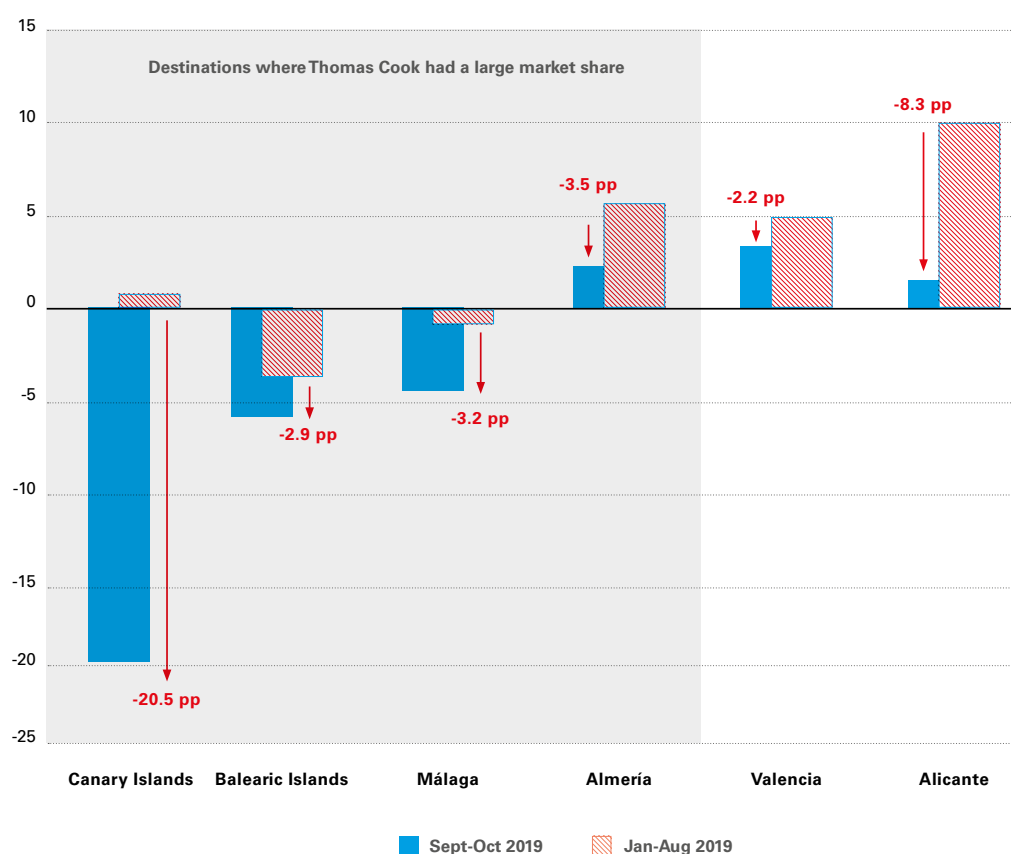
⑥ Changes in accommodation expenditure by British tourists through foreign card payments cannot be detected because the accommodation expenditure for tourists coming to Spain through Thomas Cook was made by the company itself.

However, as any decline in British tourist expenditure in these regions could be the result of factors unrelated to the disappearance of Thomas Cook (such as the volatility of the pound due to Brexit), to broaden the perspective we have also looked at other regions where there is no exposure but where British tourism is also very important.

Our analysis has shown that the Canary Islands are the only region where there is a significantly more negative trend. As can be seen in the following chart, **expenditure by British tourists in the Canary Islands went from 0.8% year-on-year growth up to August to a 19.7% year-on-year decline in September and October, a decrease of 20.5 pp.** Tourism expenditure in other regions exposed to Thomas Cook, such as the Balearic Islands, Málaga and Almería, has also suffered although a significantly different pattern has not been observed in similar but less exposed regions, such as the provinces of Valencia and Alicante.

Trend in British tourism expenditure

Year-on-year change (%)



Note: Estimated expenditure by British tourists based on CaixaBank POS card payment data.
Source: CaixaBank Research.



We can therefore conclude that **the Thomas Cook bankruptcy has had a very limited effect on the most exposed destinations except in the case of the Canary Islands**. The greater weakness of the Canaries is even more relevant since the tour operator went out of business at the start of the islands' high season. The capacity of the Canary Islands' tourism industry to access the market and attract new demand during the months immediately following the bankruptcy, probably at the expense of hefty price cuts, will largely determine how much it will be affected by the gap left by Thomas Cook.

Outlook for Spain's tourism sector in 2020

As we have seen, the Spanish tourism industry is facing a more complex situation than a few years ago. Some of the factors that will significantly limit the growth potential of the number of international tourists visiting Spain in the near future are the slowdown in world economic growth, the uncertainty generated by Brexit and greater competition from other countries in the Mediterranean basin. In spite of these factors, however, **the tourism industry will continue to grow at an appreciable rate, more moderate but more sustainable**, supported by important structural factors such as its competitiveness and the higher quality tourism it can attract. If tourism agents adjust their growth expectations in line with this new scenario and continue to invest in transforming their supply, with a focus on quality, the sector's prospects will continue to be very positive and tourism will remain key for the Spanish economy.

International competition

The fight for international tourism in the Mediterranean

Europe is the world's main source of tourists and the Mediterranean basin its main destination. This is doubly beneficial for Spain, whose tourism sector is one of the most firmly established in the region. However, other countries' tourism industries are developing strongly and the re-emergence of Egypt, Tunisia and Turkey has altered the playing field.

The fact that Spain is the second largest tourist destination in the world is not by chance. This prime position is the result of many factors, such as a diverse supply, good quality infrastructures, competitiveness prices and perceived security and safety. Of all these factors, Spain's geographical location has historically been key to the development of its tourism industry: besides warm temperatures throughout most of the year, Spain is located in the region where most tourists come from in the world (the European continent accounts for 48% of the global outbound tourism, according to data from the UN World Tourism Organization, UNWTO). However, Spain is not the only destination that benefits from this privileged geographical location since many countries around the Mediterranean, throughout southern Europe, the Middle East and North Africa, have also significantly developed their tourism industries. So much so that the Mediterranean basin has consolidated its position as the world's main tourism hub, recording 269 million international tourist arrivals in 2018, 19.7% of global tourism.¹

① Our definition of the Mediterranean basin is made up of Spain, Italy, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Albania, Malta, Greece, Cyprus, Turkey, Lebanon, Israel, Egypt, Tunisia and Morocco. France is not included in the region due to its relatively small share of tourism on the Mediterranean coast (Côte d'Azur) with 14% of the national total.

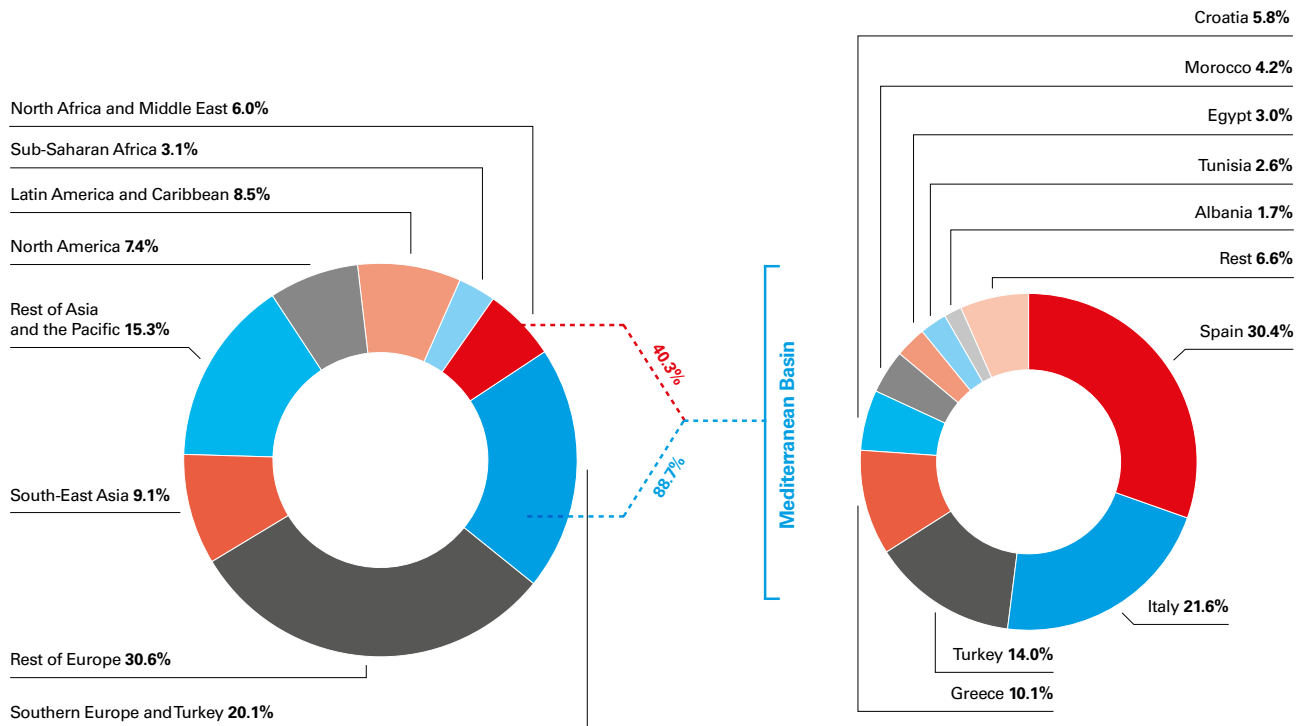




Tourism

Destination of international tourists in the world and the Mediterranean basin

% of total



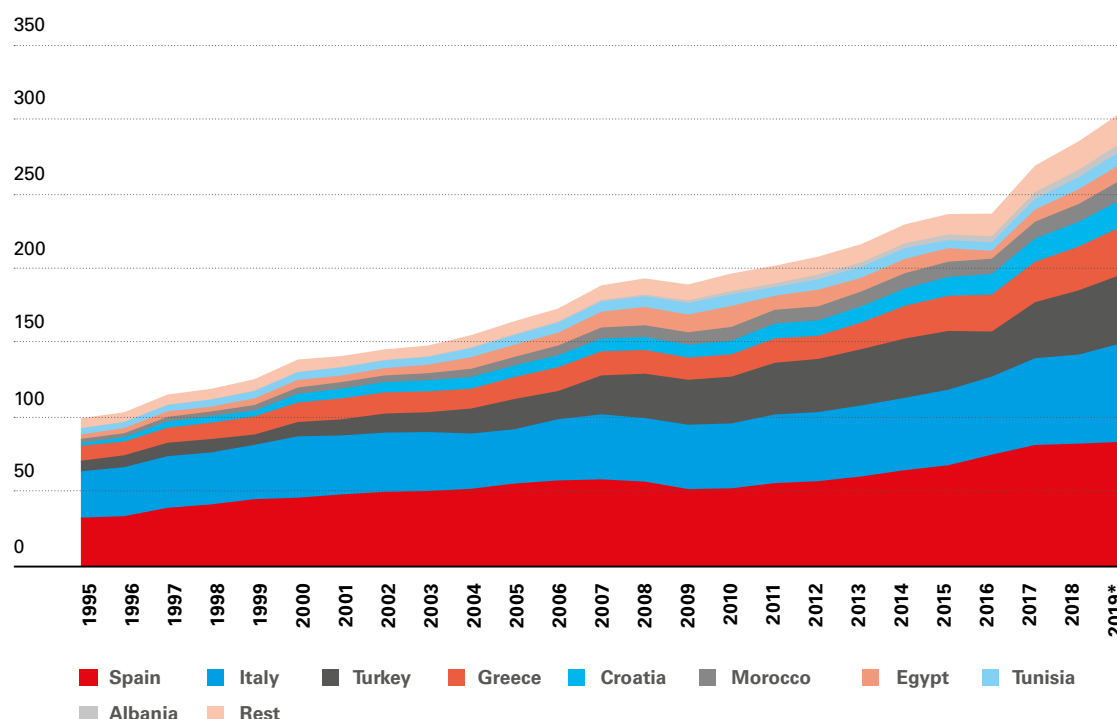
Source: CaixaBank Research, based on data from the INE, UNWTO and WTTC.

The Mediterranean basin has established itself as the world's main tourism hub, attracting nearly 20% of global tourism and with Spain its main destination

Since 1995, the Mediterranean region has been growing almost continuously at an average rate of 4.9% per year. The only exceptions were 2009, because of the global financial crisis, and 2016 because of the strong upsurge in internal instability in Turkey and Egypt. According to UNWTO estimates, in 2019 the Mediterranean tourism industry continued to attract more tourists, growing by 5.8% compared to 2018 and strengthening its position as an international tourism hub.

Flows of international tourists to the Mediterranean basin by destination

Millions of tourists



Note: *Forecast by CaixaBank Research for Spain and by WTTC for the rest of the countries.
Source: CaixaBank Research, based on data from the UNWTO and WTTC.

From a local perspective, the Mediterranean region is largely made up of well-established markets such as Spain (30.4% of the total), Italy (21.6%) and Greece (10.1%). On the other hand, the presence of emerging tourist destinations is also significant, such as Turkey (14.0%), Croatia (5.8%) and Albania (1.7%). The fact that there are both mature and emerging markets encourages competition between the incumbent and burgeoning tourism industries, the latter tending to gain market share at the expense of the former. However, this environment of winners and losers is tempered by the region's high tourism growth so that the well-established markets have continued to grow in absolute terms despite losing some of their share in the region.

The new competitive situation in the Mediterranean

One of the factors affecting the trend in the Spanish tourism industry in recent years has been the situation in Egypt, Tunisia and Turkey. Spain's boom in international tourism between 2011 and 2016 coincides with a long period of instability suffered by Egypt and Tunisia following the Arab Spring of 2010, as well as the episode of insecurity suffered by Turkey between 2015 and 2016.² During this time, the perceived lack of security and safety by tourists reduced tourism's growth capacity in these three countries, to the point that the volume of inbound tourism fell at an average annual rate of 4.2% between 2011 and 2016. This reduction in competition for Spain helped its number of international tourist arrivals to rise at a considerably fast rate of 6.1% per year.

² CaixaBank Research already noted this correlation in its «Tourism Sector Report - January 2019».



Egypt, Tunisia and Turkey re-entered the tourism scene in 2018 and have altered the playing field in recent years

This beneficial situation for the Spanish market came to an end in 2018. Egypt, Tunisia and Turkey once again posted record levels of inbound tourism, growing annually by 15.6% as a whole. The competitive environment of the previous years altered once Egypt, Tunisia and Turkey re-entered the tourism scene. The question now is which countries are going to be most affected by the recovery of these destinations and to what extent.

To answer this question and understand the dynamics of the competition in the Mediterranean basin, we carried out a simple exercise that examined the correlation between the changes in market share of international tourism for the region's different countries.³ The aim was to understand which competitors lose demand when a given country gains market share in the Mediterranean.

The results of this exercise can be seen in the following table, which reveals three key points:

1. Spain's main rivals are Turkey and Egypt. In fact, the degree of competition between these three countries is the highest in the region. On the other hand, we can see that Tunisia poses less of a threat than these two countries, so it would not seem entirely accurate to refer to Turkey, Tunisia and Egypt as a whole when talking about Spain's rival markets, as is traditionally the case.

2. Turkey, Egypt, Tunisia and Morocco make up a competitive front for all southern European countries.

3. Competition between the countries in southern Europe is very slight. In fact, there is a tourism hub effect in the region, as their market shares tend to increase or decrease together. In other words, competition between Spain, Italy, Croatia, Cyprus and Malta is only slight or zero.

③ For this purpose, we have used the concept of the growth gap in the number of international tourists, defined as the deviation of actual growth from its trend. The growth trend for each country and year was defined as the growth in the number of tourists required to keep its market share constant. The aim is to obtain a measure that reflects the growth caused by relative gains or losses in each country's competitiveness (supply shocks), which is a more accurate indication of how the tourism industries of each country compete with each other.

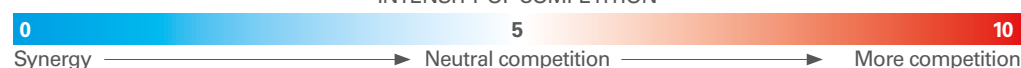


Intensity of bilateral competition in the Mediterranean

Index (Min.: 0, Max.: 10)*

	Spain	Italy	Greece	Croatia	Cyprus	Albania	Malta	Turkey	Egypt	Tunisia	Morocco	Israel
Spain		4.3	2.1	3.9	2.0	4.9	3.0	8.8	8.4	6.1	6.0	6.2
Italy	4.3		4.3	3.4	4.0	4.1	5.1	7.3	7.3	6.6	4.9	5.8
Greece	2.1	4.3		5.2	3.4	5.4	3.5	7.2	8.1	7.0	6.3	6.4
Croatia	3.9	3.4	5.2		3.8	5.8	5.1	6.1	7.0	5.9	6.3	7.1
Cyprus	2.0	4.0	3.4	3.8		3.8	1.8	8.0	7.5	5.6	6.0	4.2
Albania	4.9	4.1	5.4	5.8	3.8		4.2	6.3	4.4	4.9	5.1	4.4
Malta	3.0	5.1	3.5	5.1	1.8	4.2		6.9	6.8	5.5	5.4	3.3
Turkey	8.8	7.3	7.2	6.1	8.0	6.3	6.9		2.9	5.2	5.3	4.6
Egypt	8.4	7.3	8.1	7.0	7.5	4.4	6.8	2.9		2.7	4.0	3.4
Tunisia	6.1	6.6	7.0	5.9	5.6	4.9	5.5	5.2	2.7		3.2	4.4
Morocco	6.0	4.9	6.3	6.3	6.0	5.1	5.4	5.3	4.0	3.2		3.6
Israel	6.1	5.8	6.4	7.1	4.2	4.4	3.3	4.6	3.4	4.4	3.6	

INTENSITY OF COMPETITION



Note: (*) The competition intensity matrix is calculated by rescaling the correlation matrix so that: $\text{Intensity} = -5(1 + \text{Correlation})$. Correlations have been estimated based on the tourism growth gaps of each country (deviation of each country's international tourist growth compared with its growth trend). The growth trend is assumed to be the level of growth that keeps the market share of each Mediterranean country constant.

Source: CaixaBank Research, based on data from the UNWTO and WTTC.

Spain is facing a tougher competitive environment

Having analysed the competition in the Mediterranean and, more specifically, having identified Turkey and Egypt as Spain's main rivals, it is useful to look at the growth dynamics of these rivals and how this has affected Spain's capacity for growth.

In the first decade of the 21st century, there was a boom in the tourism industries of Turkey and Egypt, going from 9.0% of the Mediterranean's inbound tourism in 1999 to 23.1% in 2010. As can be seen in the following chart, according to our estimates the high growth these countries experienced diverted about 8.3 million tourists who would have otherwise come to the Spanish market.⁴ On the other hand, the deterioration in Turkey and Egypt's competitiveness between 2011 and 2016 contributed to Spain's extraordinary growth of 7.8 million international tourists. Finally, our estimates suggest that these tailwinds dissipated in 2017 and 2018, and competition with both countries once again reduced Spain's growth in terms of inbound tourism (diverting 3.5 million tourists).

⁴ For more details on the methodology applied see «Nota metodológica sobre el efecto de la competencia de Turquía y Egipto sobre el turismo en España (IS Turismo 1S 2020)», CaixaBank Research Working Paper, soon to be published at www.caixabankresearch.com.



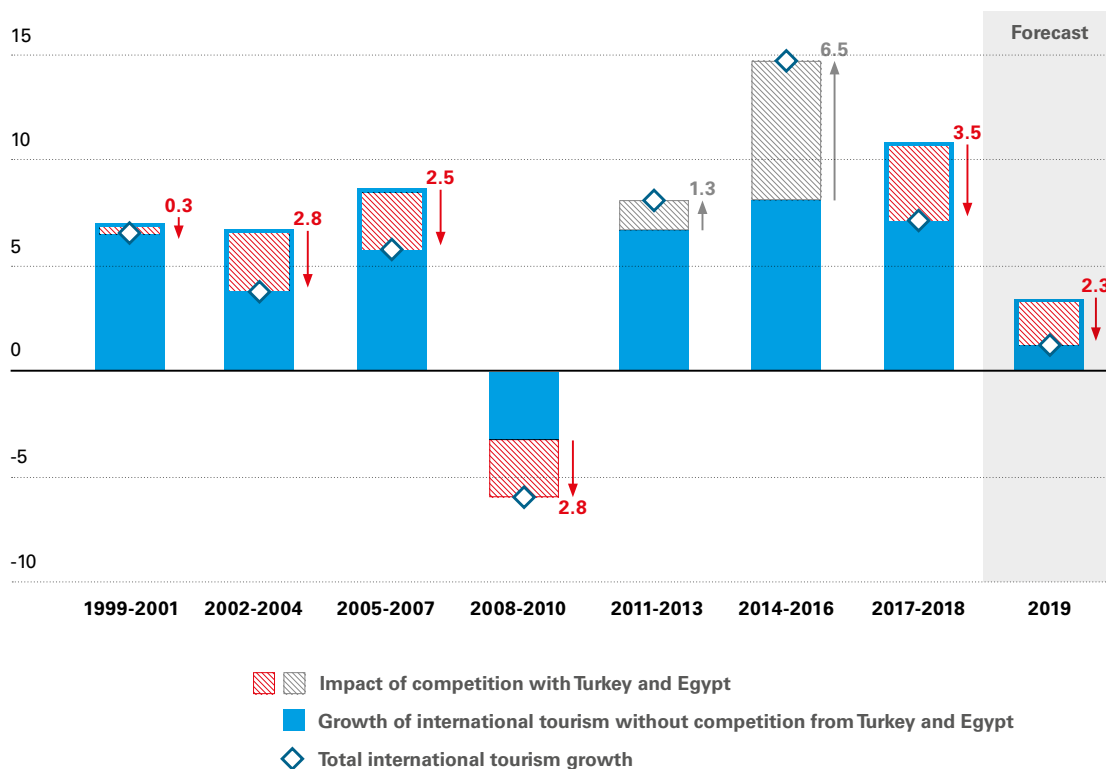
Tourism

The significant growth in Turkey and Egypt's tourism in 2019 diverted about 2.3 million tourists who would otherwise have travelled to Spain

In 2019, the number of tourists visiting Turkey and Egypt continued to grow strongly, according to estimates by the World Travel and Tourism Council (WTTC). Specifically, the Turkish market grew by 12.8%, while the Egyptian market expanded by 17.8%. In addition, one of the sources of tourism growth in these two countries was the increase in German tourist arrivals in Turkey and German and British tourists in Egypt, two nationalities that account for about 35% of Spain's inbound tourism. According to our estimates, this considerable growth in tourism in Turkey and Egypt may have diverted around 2.3 million tourists who would otherwise have visited Spain. We therefore estimate that, in 2019, Spain's inbound tourism grew at a contained rate of 1.1%, a figure that would have reached 4.0% without the effect of the competition from Turkey and Egypt that year.

The effect of competition with Turkey and Egypt on the growth of Spain's inbound tourism

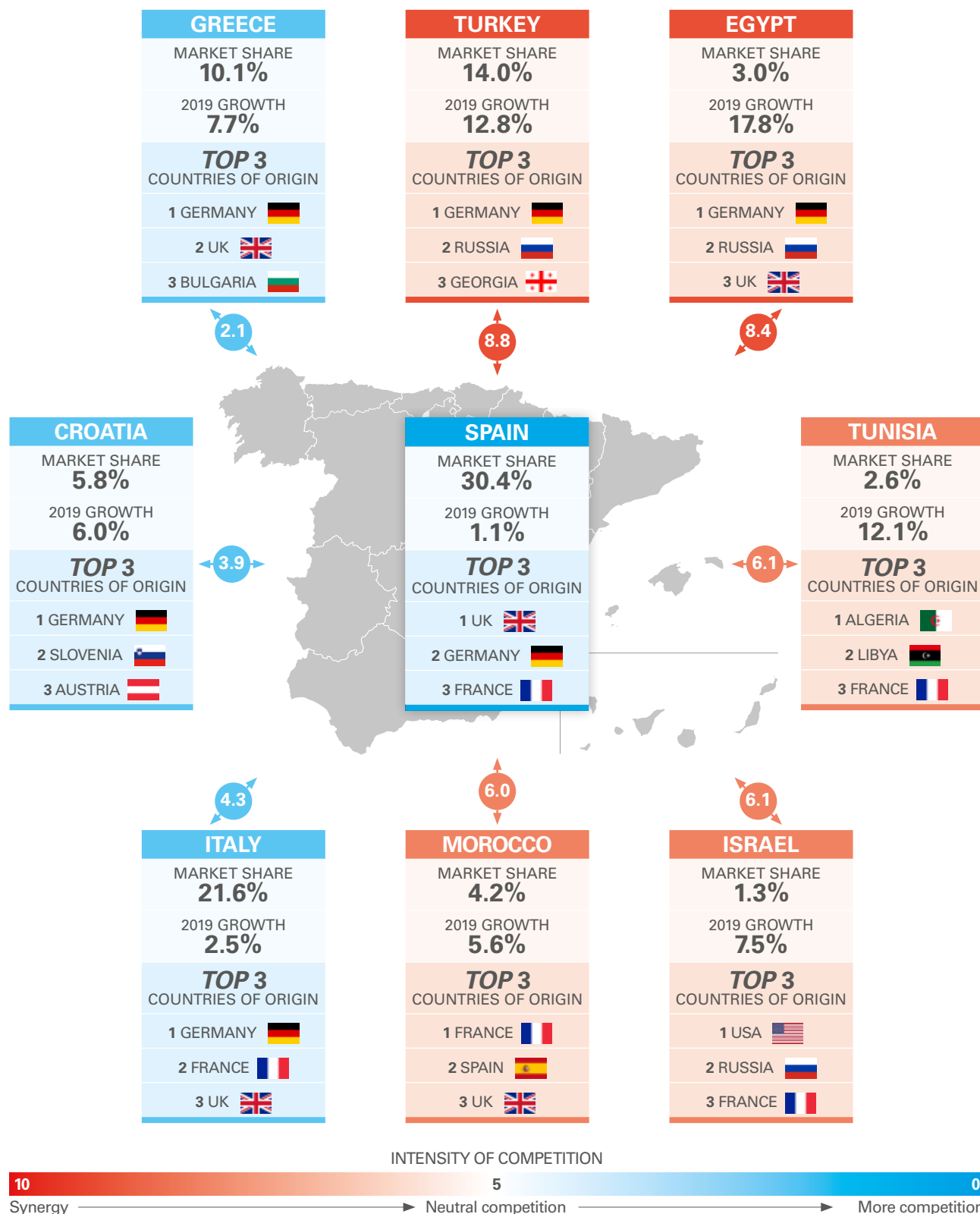
Variation (millions of tourists)



Note: For more details on the methodology applied see «Nota metodológica sobre el efecto de la competencia de Turquía y Egipto sobre el turismo en España (IS Turismo 1S 2020)», CaixaBank Research Working Paper, soon to be published at www.caixabankresearch.com.

Source: CaixaBank Research, based on data from the INE, UNWTO and WTTC.

Profile of Spain's rival markets



Notes: Market share calculated as the international tourist flow in 2018 compared with the whole Mediterranean region for the same year. Growth forecasts for international tourist arrivals in 2019 were produced by the WTTC. The arrows indicate the degree of intensity of competition (see the chart "Intensity of bilateral competition in the Mediterranean").

Source: CaixaBank Research, based on data from the INE, UNWTO and WTTC.



Tourism

Although Turkey and Egypt are Spain's two biggest rivals, they are not the only ones. An analysis of the outlook for other competitors such as Tunisia, Morocco and Israel may also provide some useful information. According to the WTTC, international tourism growth forecasts point to vigorous growth in these three markets in 2019, as can be seen in the previous chart. Spain can therefore expect its competition to get tougher, both due to the recovery in its biggest rivals and also the growth in the rest of its smaller competitors in the market. This will limit the growth capacity of Spain's tourism in volume terms. Consequently, given the strong growth experienced by the Mediterranean region, supported by its emerging markets, Spain's tourism industry will attract a smaller share of these flows of new tourists arriving to the Mediterranean basin in the coming years.

In conclusion, the new competitive environment in which the Mediterranean basin finds itself will affect the growth of Spanish tourism in the future. Nevertheless, the growth capacity of Spain's industry is not in question as the pillars on which its leading position has been built are still very solid. It should be noted that Spain continues to be the most competitive tourist destination in the world, at some distance from its rivals in the Mediterranean.⁵ Given this situation, focusing on growth through higher quality tourism is one of the keys that can ensure good long-term health for the sector, something the Spanish tourism industry itself has been pointing out for several years.

⁵ See «The Travel & Tourism Competitiveness Report 2019: Travel and Tourism at a Tipping Point», produced by the World Economic Forum.



Diversifying supply

A room with a view: city, beach or mountains

For years the tourism industry has been undergoing a complete transformation, moving towards higher quality tourism and making an effort to diversify its supply. Given the competitive edge enjoyed by Spain as a result of its geographical location, it is logical that the traditional tourism model, known as «sun, sea and sand», is the main driving force behind the country's tourism business. However, high seasonality, temporary employment contracts and a relatively low level of productivity are some of the weaknesses traditionally attributed to this type of tourism.¹ A strategy aimed at diversifying the tourism supply helps to address these weaknesses while strengthening Spain's position as international leader in the global competitiveness ranking.

Trend in the different tourism industry models

Spain's sun, sea and sand tourism has been very popular with foreign tourists since the 1960s, with famous destinations such as the Canary Islands, Balearic Islands, Costa del Sol, Costa Blanca and Costa Brava. This kind of tourism accounted for 63.9% of overnight stays in Spain between January and October 2019.² The second most important type was urban tourism, accounting for around 26.1% of tourist overnight stays, thanks to the dynamism of its four main destinations: Barcelona, Madrid, Seville and Valencia. Urban tourism has a very high level of productivity thanks to it being consumption-intensive. It also enjoys synergies with other types of tourism thanks to the fact that large cities tend to have better transport connections, often acting as a link between tourists' point of origin and their final holiday destinations. Lastly, 9.9% of demand is attributed to inland tourism. This segment is made up of a wide variety of types, such as historical, wine-related, religious and sports tourism. This kind of tourism is particularly interesting because it can help to generate wealth in less urban areas.

Sun, sea and sand tourism (63.9% of overnight stays) is followed by urban tourism (26.1%) and inland tourism (9.9%). Urban tourism is highly productive as it is more consumption-intensive, while inland tourism is an effective means of generating wealth in rural areas

① See the article «International Tourism in Spain» in the *Tourism Sector Report. 2nd Semester 2019* published at www.caixabankresearch.com.

② The data used are from the Hotel Occupancy Survey produced by the National Statistical Office at a municipal level. We divided the sample into 48 «sun, sea and sand» municipalities, 14 «urban» municipalities and 44 «inland» municipalities. In case the sample was unbalanced (e.g. with sun, sea and sand destinations being overly represented), the relative weights of each type could be biased. However, through resampling we have been able to determine that these relative weights remained strong over time.

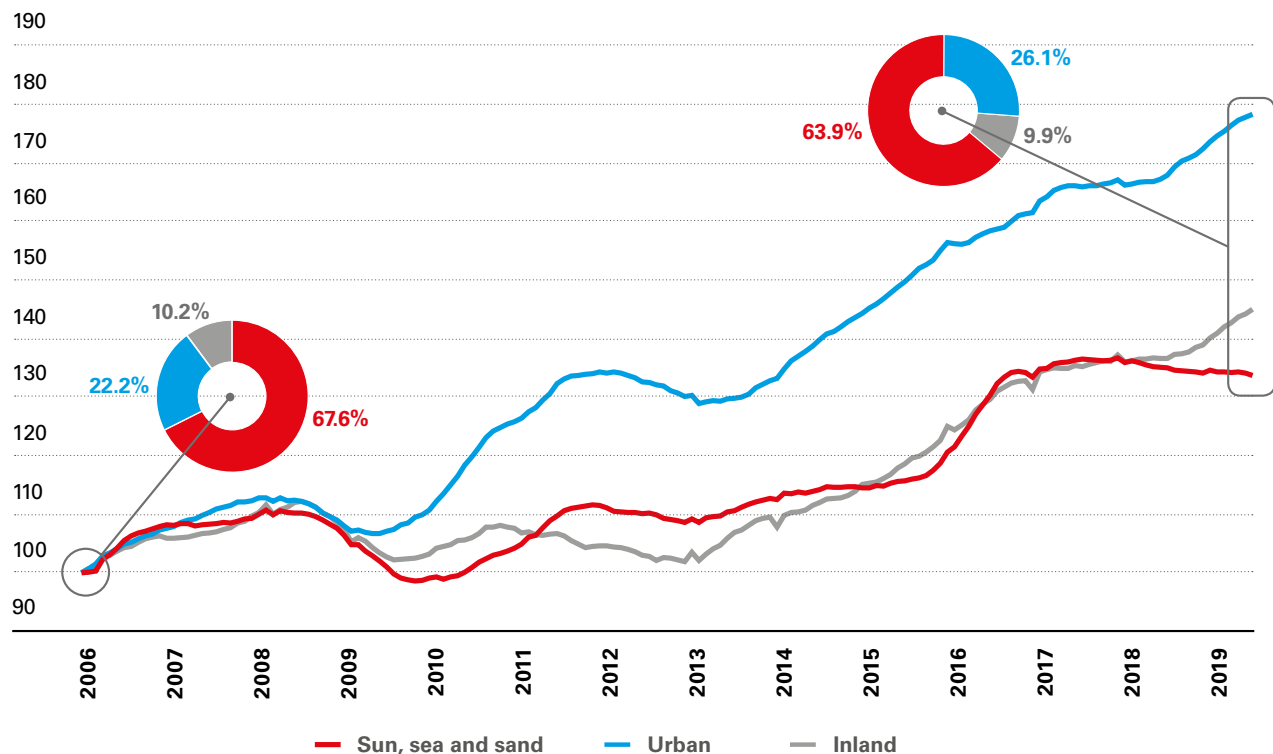


Tourism

The three types of tourism in question have grown considerably in recent years, albeit at different rates. As shown in the following chart, **urban destinations have grown significantly, increasing at an annual rate of 4.3% since 2006**, while the sun, sea and sand and the inland destinations followed a similar trend, averaging 2.1% and 2.7% annual growth, respectively. Looking at the most recent period, we can see that demand for sun, sea and sand destinations stagnated in 2019. Specifically, overnight stays at coastal destinations fell by 0.9% year-on-year between January and October 2019, affected mainly by the decline in arrivals in the Balearic and Canary Islands. On the other hand, urban and inland destinations are expanding their demand at a considerably fast pace, both posting 6.2% year-on-year growth between January and October 2019. These figures show how the tourism industry has made progress in diversifying its supply, although the progress made is moderate in terms of market share, with sun, sea and sand destinations losing just 3.7 pp of their share in the past 14 years.

Overnight stays by type of tourism

Index (100 = January 2006), 12-month cumulative data



Source: CaixaBank, based on data from the National Statistical Office (Hotel Occupancy Survey).

The main differences between sun, sea & sand, urban and inland tourism

One of the reasons why coastal tourism is so important in terms of overnight stays is the long average stay at this type of destination. The data show that **the average tourist who wants to spend a few days at the beach tends to plan a trip of about five days**, while average stays at **urban and inland destinations are much closer to a weekend tourist profile, with an average stay of 2.2 and 1.8 days, respectively**. It is also highly revealing that the average length of stay is only decreasing for sun, sea and sand destinations. This indicates that the moderation in the average stay for Spanish tourism is not only determined by the growth in urban tourism (namely that short-stay tourism is gaining ground and therefore reducing the average length of stay overall) but also that the trend in sun, sea and sand tourism is towards shorter stays.

The strength of urban weekend tourism and a change in preference of sun, sea and sand tourists towards shorter stays are reducing the average number of overnight stays in Spain

The different types of destination also have different degrees of seasonality. Given its dependence on warm temperatures, sun, sea and sand tourism is the most seasonal with around 65% of tourist arrivals in the spring and summer. **Both inland and urban tourism are less seasonal, concentrating 56.1% and 55.7% of their tourism in the spring and summer months, respectively.**

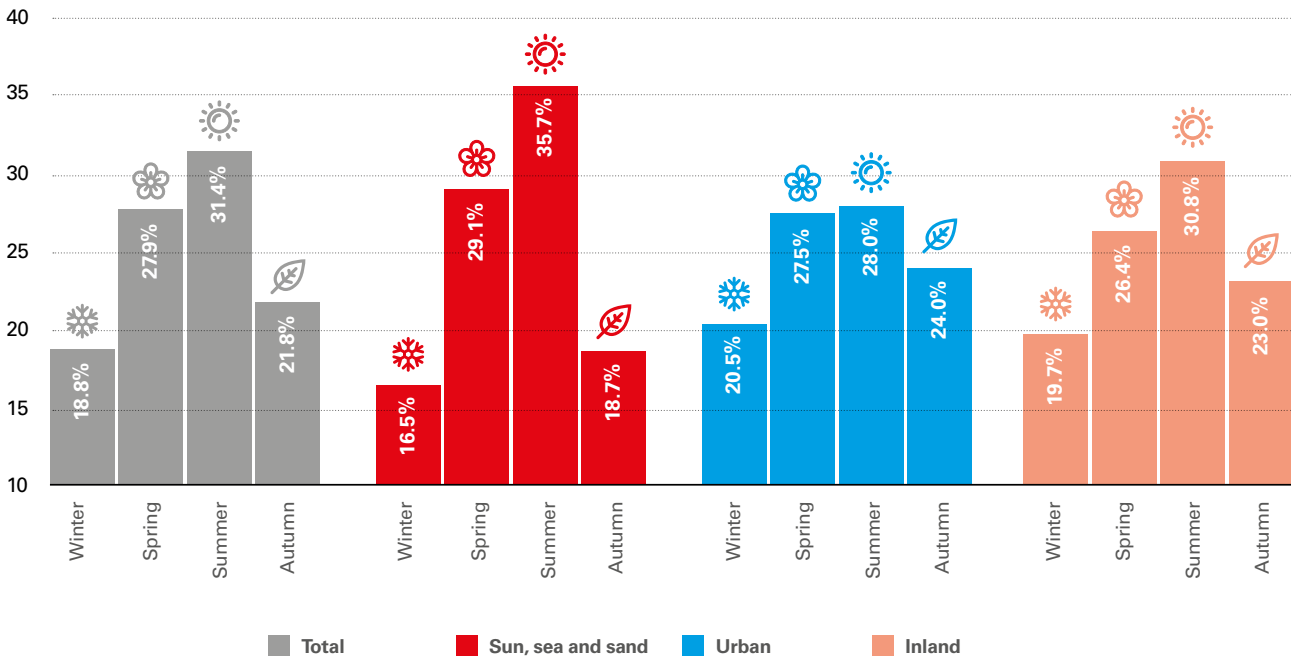




Tourism

Distribution of tourism throughout 2018 by destination type

(% of annual tourism)



Note: The data for foreign and Spanish travellers come from the Hotel Occupancy Survey 2018.
Source: CaixaBank, based on data from the National Statistical Office (Hotel Occupancy Survey).

The heterogeneity of the different tourism models

It is clear that Spain's different types of tourism vary greatly in terms of their characteristics and trends. For instance, the trend in sun, sea and sand tourism has little in common with that of urban tourism but there is also a large amount of heterogeneity within each group. The sun, sea and sand group contains destinations such as Lloret de Mar, mainly focused on foreign tourists, and also municipalities such as Sanxenxo, aimed at domestic tourism. In the group of urban destinations are cities like Málaga, which has emerged as an urban tourism hub for sun, sea and sand destinations, as well as the city of San Sebastian, a more traditional urban tourism destination. However, the most heterogeneous group is that of inland tourism, including destinations focused on sports and leisure (such as Baqueira Beret) and also on historical and religious tourism (such as Santiago de Compostela), among others. In conclusion, we cannot say there is only one model of sun, sea and sand tourism or only one model of urban tourism, and of course there is more than one model of inland tourism.

Inland tourism is the most heterogeneous: it includes historical, gastronomic and wine-related tourism as well as sports and religious destinations. The seasonality of sun, sea and sand tourism and inland tourism is also heterogeneous, as it is affected by the location and the particular focus of each destination

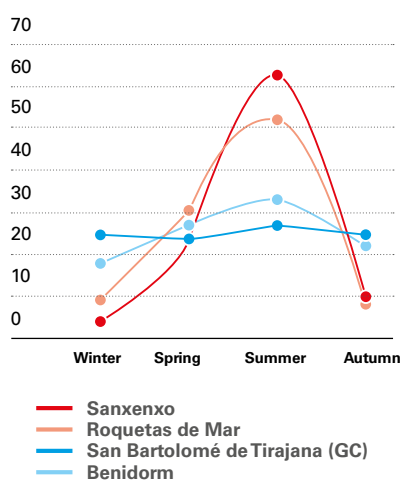
The differences within each of these models are noticeable when looking at specific data from different tourist destinations. An analysis of the specific demand for each destination highlights differences between basic factors such as seasonality, the country of origin of the tourists they attract and the consumption profile of their visitors.

As far as seasonality is concerned, sun, sea and sand destinations are highly heterogeneous. At one end of the spectrum we find destinations such as Gran Canaria and Benidorm, with surprisingly low seasonality, while at the other end are destinations such as **Sanxenxo, with over 62% of its demand in summer**. Urban destinations are less seasonal in general, although their high exposure to domestic tourism, which tends to be concentrated in spring and summer due to the holiday calendar, may increase the importance of the high season to some extent. As far as inland tourism is concerned, the many differences detected depend on the tourism focus of each destination. **Baqueira Beret, for instance, concentrates over 35% of its demand in winter while Granada has a higher concentration in spring, when temperatures are milder.**

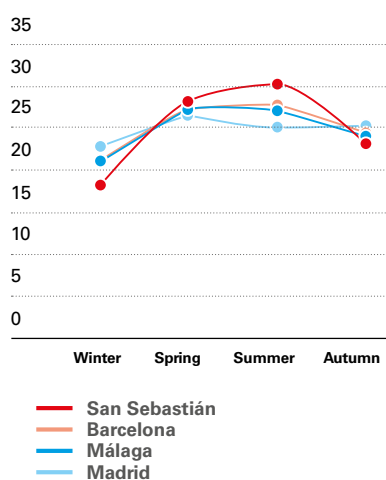
Distribution of tourism throughout 2018 by destination

(% of annual tourism)

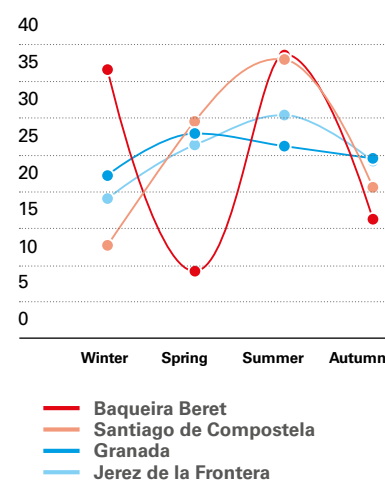
Sun, sea and sand



Urban



Inland



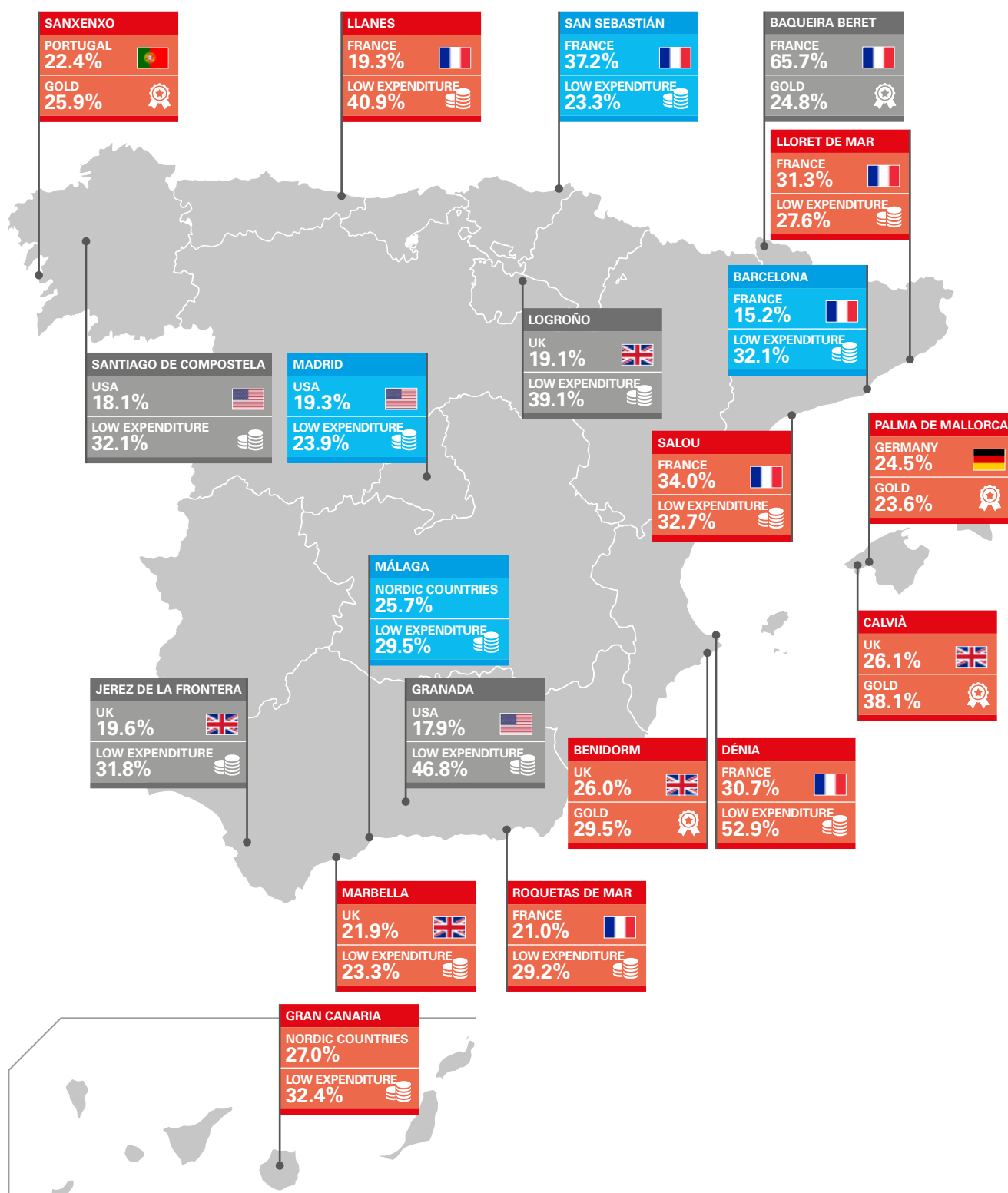
Note: The data for foreign and Spanish travellers come from the Hotel Occupancy Survey 2018.
Source: CaixaBank, based on data from the National Statistical Office (Hotel Occupancy Survey).

Significant diversification can also be seen with regard to the countries of origin for inbound tourism at the different destinations. According to data on foreign card payments at CaixaBank payment terminals, collected from a sample of 20 tourist municipalities, the United Kingdom, Germany and France are the main countries of origin for sun, sea and sand tourists. However, as shown in the following table, this top 3 is not repeated in any of the destinations that have been analysed, demonstrating once again the great heterogeneity between sun, sea and sand destinations. The situation is similar for urban destinations, in which US tourists are particularly important. Inland tourism, on the other hand, is highly heterogeneous due to the great differences between the type of tourist activities carried out at its destinations. However, we can see that small historical cities such as Granada and Santiago de Compostela are very attractive for North American, French and British tourists.



Tourism

Description of foreign tourist expenditure at the major sun, sea & sand, urban and inland destinations



Note: For more information on the definition of the different tourist profiles, see the article «International tourism in Spain: from quantity to quality?» in the Tourism Sector Report 2nd Semester 2019 published at www.caixabankresearch.com.
Source: CaixaBank Research.



Top countries of origin (% of total expenditure)



1.º



2.º



3.º

Sun, sea & sand destinations	United Kingdom 16.5%	Germany 16.3%	France 13.0%
Urban destinations	USA 15.6%	France 13.3%	United Kingdom 11.9%
Inland destinations	France 17.8%	USA 16.7%	United Kingdom 14.3%
Benidorm	United Kingdom 26.0%	France 18.4%	Netherlands 11.7%
Salou	France 34.0%	Russia 20.0%	United Kingdom 10.4%
Lloret de Mar	France 31.3%	Russia 25.4%	Eastern Europe 8.4%
Roquetas de Mar	France 21.0%	United Kingdom 13.4%	Eastern Europe 10.7%
Dénia	France 30.7%	Germany 15.0%	United Kingdom 10.2%
Sanxenxo	Portugal 22.4%	France 13.3%	United Kingdom 11.9%
Marbella	United Kingdom 21.9%	Nordic Countries 19.1%	Russia 11.2%
Calvià	United Kingdom 26.1%	Germany 20.5%	Nordic Countries 13.1%
Gran Canaria	Nordic Countries 27.0%	Germany 12.6%	Netherlands 12.1%
Llanes	France 19.3%	USA 17.8%	Belgium 11.1%
Palma de Mallorca	Germany 24.5%	United Kingdom 16.6%	Nordic Countries 15.0%
Barcelona	France 15.2%	USA 15.0%	United Kingdom 10.0%
Madrid	USA 19.3%	United Kingdom 16.1%	Ireland 9.3%
Málaga	Nordic Countries 25.7%	United Kingdom 14.7%	France 9.6%
San Sebastián	France 37.2%	USA 16.1%	United Kingdom 6.3%
Baqueira Beret	France 65.7%	United Kingdom 7.4%	USA 4.1%
Logroño	United Kingdom 19.1%	France 17.9%	USA 14.4%
Jerez de la Frontera	United Kingdom 19.6%	USA 16.3%	France 14.1%
Granada	USA 17.9%	France 17.2%	United Kingdom 13.8%
Santiago de Compostela	USA 18.1%	France 10.2%	United Kingdom 9.8%



Tourist profile (% of total tourists)



1.º



2.º



3.º

Low expenditure 25.3%	Gold 24.0%	House in Spain 15.5%
Low expenditure 29.5%	Gold 19.3%	House in Spain 15.2%
Low expenditure 38.4%	Gold 14.9%	House in Spain 13.2%
Gold 29.5%	Low expenditure 15.1%	I want to get to know Spain 13.8%
Low expenditure 32.7%	Gold 28.1%	Hotel life 11.9%
Low expenditure 27.6%	Gold 21.8%	House in Spain 11.2%
Low expenditure 29.2%	Hotel life 18.3%	Gold 15.2%
Low expenditure 52.9%	House in Spain 16.3%	Hotel life 11.7%
Gold 25.9%	Low expenditure 18.9%	I want to get to know Spain 17.9%
Low expenditure 23.3%	Payment in cash 18.9%	Gold 17.7%
Gold 38.1%	Low expenditure 17.9%	House in Spain 14.0%
Low expenditure 32.4%	Gold 18.1%	Hotel life 13.6%
Low expenditure 40.9%	Gold 16.1%	I want to get to know Spain 15.8%
Gold 23.6%	Low expenditure 22.4%	House in Spain 19.4%
Low expenditure 32.1%	Gold 18.5%	House in Spain 16.5%
Low expenditure 23.9%	Gold 23.0%	House in Spain 12.9%
Low expenditure 29.5%	House in Spain 14.5%	I want to get to know Spain 12.9%
Low expenditure 23.3%	Gold 20.3%	I want to get to know Spain 19.1%
Gold 24.8%	Leisure 22.2%	House in Spain 18.6%
Low expenditure 39.1%	House in Spain 16.0%	I want to get to know Spain 15.2%
Low expenditure 31.8%	House in Spain 20.8%	I want to get to know Spain 14.3%
Low expenditure 46.8%	Gold 13.1%	House in Spain 9.5%
Low expenditure 32.1%	Gold 18.8%	House in Spain 11.3%



Using data from payments made with foreign cards at CaixaBank payment terminals, we can apply machine learning methodology to group international tourists visiting Spain according to their spending patterns at the same 20 tourist destinations.³ This exercise reveals a great deal of relative weight concentrated in just two types of tourists, who curiously have radically different profiles: the low expenditure tourist, made up of visitors with a very moderate average daily expenditure who have probably paid for part of their trip at origin (tour operator tourism), and what we have called the gold tourist, with a high level of expenditure aimed particularly at restaurants, fashion and jewellery. Only a few destinations show some diversification in this respect, as is the case of Sanxenxo, Marbella, Palma de Mallorca, San Sebastian and Baqueira Beret. This also makes sense, since specialisation in a single type of tourist can boost the loyalty of those tourists who have already visited the destination and help to attract new ones with the same profile.

③ A K-means clustering methodology has been used based on a series of variables describing the behaviour of foreign cards that reflect time, geographical and expenditure patterns. For more information on this type of analysis, see «International Tourism in Spain: from quantity to quality?» in the *Tourism Sector Report. S2 2019*.

Using machine learning techniques, we have grouped the card expenditure of international tourists at the same 20 tourist destinations. The most concentrated spending profiles are, curiously, the most diametrically opposed: the low expenditure tourist and the gold tourist, who spends money on restaurants, fashion and jewellery

In conclusion, the tourist destinations located throughout Spain have different degrees of seasonality, specialise in tourists of different nationalities and have a specific type of supply to satisfy the preferences of their own particular tourists. In other words, no matter what type of tourism the Spanish market attracts, we find that the tourist supply is already diversified to some extent.

However, **continuing to invest in diversifying the tourism supply to an even greater degree will help to move towards more sustainable and higher quality tourism.** The data show that diversification can make the sector less seasonal and optimise the geographical distribution of tourism, thus generating wealth in as yet undiscovered tourist destinations and resolving tourist congestion in popular destinations. Nevertheless, sun, sea and sand tourism will still be the mainstay of the Spanish tourism industry since, without this, it would be hard to understand the success of other tourism models, given the appeal and reputation that coastal destinations bring to the Spanish market. For this reason, the future of Spain's tourism industry depends on diversifying its supply, maintaining its strength in sun, sea and sand destinations but focusing on improving the quality of its tourism, be it on the coast, in the city or inland.



Tourism

Main indicators of the tourism industry

Percentage change compared with the same period the previous year, unless otherwise specified.

	Average 2000-2007 ¹	Average 2008-2014 ²	Average 2015-2017 ³	Average 2018 ⁴	2019 ⁴	Trend ⁵	Date latest data
Economic activity indicators							
Total GDP	3.4	-1.3	3.0	2.4	2.1	☀️	Q3 2019
Tourism-related GDP	1.7	-0.7	6.0	-	-	☀️	2017
Labour market							
Total affiliated workers	3.5	-2.3	3.2	3.2	2.7	☀️	Oct.-19
Affiliated workers in the tourism industry	4.2	0.4	4.7	4.0	3.5	☀️	Sept.-19
Accommodation services	4.6	-0.9	6.0	4.1	2.5	☀️	Sept.-19
Food and beverage services	4.4	1.0	4.7	3.2	2.9	☀️	Sept.-19
Travel agencies/tour operators	5.2	-2.7	5.6	6.5	4.9	☀️	Sept.-19
Other tourism services	3.8	0.1	3.9	5.4	4.9	☀️	Sept.-19
Balance of payments							
Tourism receipts (% of GDP)	4.7	4.6	5.5	5.7	8.4	☀️	Q3 2019
Tourism expenditure (% of GDP)	1.2	1.2	1.6	1.9	2.8	☀️	Q3 2019
Total tourism (% of GDP)	3.6	3.4	3.9	3.9	5.6	☀️	Q3 2019
Tourism demand indicators							
International tourism							
Number of international tourists	3.8	2.2	9.6	1.1	1.1	☁️	Oct.-19
Origin: United Kingdom	-	4.6	9.3	-1.5	-1.9	☁️	Oct.-19
Origin: Germany	-	5.7	6.5	-4.1	-1.9	☁️	Oct.-19
Origin: France	-	11.1	3.4	0.2	-2.3	☁️	Oct.-19
Origin: Italy	-	14.1	5.8	3.9	3.6	☀️	Oct.-19
Origin: United States	-	1.2	19.2	12.2	12.7	☀️	Oct.-19
Origin: rest of Europe	-	-	12.4	3.8	-0.2	☁️	Oct.-19
Origin: outside Europe	-	-	18.2	5.6	11.3	☀️	Oct.-19
Expenditure of international tourists	5.4	3.3	10.8	3.2	2.9	☁️	Oct.-19
Average duration (days)	-	-	7.9	7.5	6.8	☀️	Oct.-19
Average daily expenditure per person (€)	-	-	132.7	144.9	161.0	☀️	Oct.-19
Domestic tourism							
Overnight stays (number)	-	-	2.8	-0.1	2.1	☁️	Jun.-19
Average duration (days)	-	-	4.0	3.8	3.0	☀️	Jun.-19
Average daily expenditure per person (€)	-	-	58.5	64.0	74.6	☀️	Jun.-19
Tourism supply indicators							
Number of available hotel places	3.3	1.2	1.3	1.3	1.1	☀️	Oct.-19
Category: 4 or 5-star	9.7	3.6	3.1	-0.3	2.5	☀️	Oct.-19
Rest of categories	0.2	-0.8	-0.4	1.5	-0.3	☁️	Oct.-19
Hotel occupancy rate (pp)	-0.4	0.2	2.1	-0.6	-1.5	☁️	Oct.-19
Category: 4 or 5-star	-0.6	0.6	1.6	-1.1	-1.6	☁️	Oct.-19
Rest of categories	-0.5	-0.5	2.3	-0.4	-1.6	☁️	Oct.-19
Average daily rate (ADR)	-	0.2	5.1	2.2	2.1	☀️	Oct.-19
Category: 4 or 5-star	-	-0.8	5.4	1.5	2.3	☀️	Oct.-19
Rest of categories	-	0.4	3.6	2.5	1.0	☀️	Oct.-19
Revenue per available room (RevPAR)	-	0.6	9.5	1.8	3.1	☀️	Oct.-19
Category: 4 or 5-star	-	0.4	8.3	0.5	2.7	☀️	Oct.-19
Rest of categories	-	-1.3	9.9	3.2	2.5	☀️	Oct.-19

Notes: 1. For the indicators related to the number of international tourists and total expenditure of international tourists, the average corresponds to 2004-2007. 2. For the indicators related to the number of international tourists by origin, the average corresponds to 2013-2014. 3. For the indicator related to overnight stays, the average corresponds to 2016-2017. 4. Average for the year up to the latest data available. 5. A sun denotes above the average growth in 2015-2017 minus 1/4 standard deviation; a sun with cloud denotes above the average growth in 2015-2017 minus 1 standard deviation; a cloud denotes negative growth or above the average growth in 2015-2017 minus 2 standard deviations; and rain denotes below the average growth in 2015-2017 minus 2 standard deviations.

Source: CaixaBank Research, based on data from Turespaña, the Spanish Statistics Institute and Bank of Spain.

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