

# Tourism

## Sector Report

1/2023

A new stage for  
Spain's tourism industry

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How strong  
is Spain's  
tourism industry?

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The factors that  
lie behind tourism's  
price rises

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The opportunities  
offered by the  
camping sector  
in Spain



## **SECTOR REPORT**

### **Tourism First Semester 2023**

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

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Closing date for this issue: 18 July 2023

# Summary

## 1/2023

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### 02 HOW STRONG IS SPAIN'S TOURISM INDUSTRY?

Spanish tourism has made a strong start to 2023. International tourist arrivals have returned to the levels of 2019 while records have been broken by international tourism expenditure. Domestic tourism has continued to grow since 2022 but with less momentum due to a combination of reduced purchasing power and greater outbound travel.



### 09 THE FACTORS THAT LIE BEHIND TOURISM'S PRICE RISES

The industry is no stranger to inflationary shock. Prices are rising steeply and the hotel sector is recording increases above the historical average.



### 17 THE OPPORTUNITIES OFFERED BY THE CAMPING SECTOR IN SPAIN

The pandemic was a watershed for this type of accommodation and it has been rediscovered by a large number of travellers who've encountered a much more modern sector.

«Live your life by a compass,  
not a clock.»

ERICA JONG





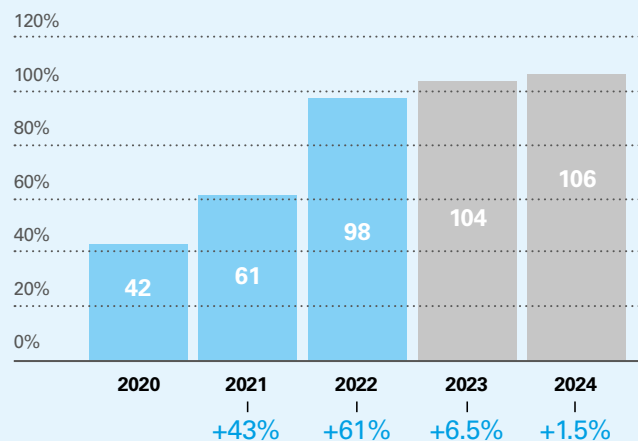
# Tourism

## CAIXABANK RESEARCH FORECASTS FOR SPAIN'S TOURISM INDUSTRY



### TOURISM-RELATED REAL GDP

Index (100 = 2019)



### Scenario 2023-2024: positive on balance but with potential risks



**Very positive inertia** in the most recent data.



**Recovery in long-haul tourist arrivals.**



**Loss of purchasing power** among European households.



**Upturn in Spanish tourism** abroad.



**Fierce competition** from other Mediterranean destinations.

## PRICE RISES IN THE TOURISM INDUSTRY

Tourism-related prices are growing rapidly, especially in the hotel sector where the increases have been unprecedented.

### HOTEL PRICE INDEX

**+16.8%**  
in 2022

**+10.2%**  
ear-on-year in the  
first 5 months  
of 2023

### CAUSES:



**Costs:** high exposure to food, construction, energy and, above all, wage costs.

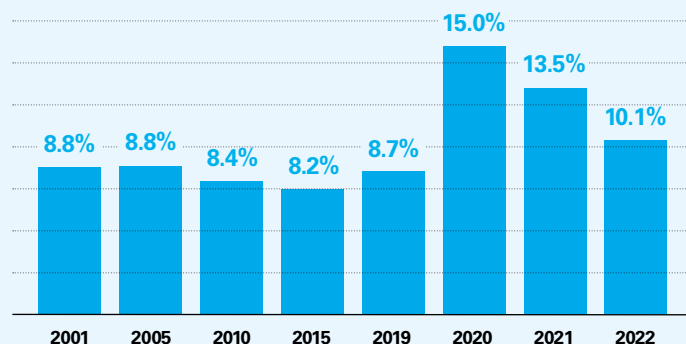


**Resilience of demand: pent-up demand:** has filled the market in spite of the higher prices, helping to keep them high.

## FOCUS ON THE CAMPING SECTOR

After the pandemic, the camping sector has been turned around and increased its share of the market.

### Share of campsite demand in the tourist accommodation market



Source: CaixaBank Research, based on data from the National Statistics Institute.



The sector is **modernising** by leaps and bounds, **attracting investment** and focusing on **higher quality tourism**.

## Executive summary

# A new stage for Spain's tourism industry

So far in 2023, the tourism industry has been a source of good news for the Spanish economy. Having managed to regain the longed-for pre-pandemic figures last year, there was an uncertain start to 2023 due to the macroeconomic scenario of our main inbound markets. However, our examination of tourism indicators in the first article of this Report provides a very positive view of the sector's performance, which is showing great signs of resilience. Demand remains firm in spite of the inflationary environment and the sector is handling the weakness observed in some of its traditional inbound markets such as the UK, attracting others with greater potential, for instance the US and Latin America. As a result, we've seen surprisingly positive growth in the first half of the year, both in volume and revenue.

Looking ahead, the second half of 2023 will be affected by the summer months, for which we expect particularly good figures, as suggested by Google search data, albeit with one exception: the United Kingdom. Nevertheless, with regards to the end of this year and early 2024, we expect the sector's performance to dip slightly and become less buoyant. Currently, several factors can be observed that will cool down the sector's growth rate and are likely to become more evident as we approach Q4 2023. In particular, these are the tightening of the macro-financial environment, greater competition from Turkey for Spain's market share and the upturn in long-haul travel by Europeans, including Spaniards. Taking all this into account, we expect tourism-related GDP in 2023 to continue recording very positive figures, up

by 6.5% per year and thereby exceeding the levels of 2019, mainly thanks to the good inertia created in the first half of the year and a positive summer. However, we estimate this growth will moderate considerably in 2024, down to 1.5% year-on-year, affected by the headwinds facing the tourism industry in the coming quarters. Nevertheless, Spain's tourism industry will continue to grow in the next few years thanks to the fact that it's still managing to find new levers for growth and because it remains one of the most competitive sectors in the world.

This Report also examines the inflationary episode occurring in the hotel sector, with particularly steep price rises observed in 2022 and so far in 2023. Our analysis shows that the factors behind these higher prices are not homogeneous in nature but rather due to an accumulation of shocks of differing origins (related to both demand and supply) that have pushed up and continue to push up tourism prices.

Finally, this Report also looks at the camping sector, dedicating a specific article to this type of accommodation. This examines the sector's most recent performance, which has been excellent, far exceeding the figures posted by the other types of accommodation. We expect the positive performance by this sector to expand, thanks to its commitment to modernising its infrastructures and to increasing the professionalism of its management, as well as its focus on a higher quality service and greater reach within the market.



## Situation and outlook

# How strong is Spain's tourism industry?

Spanish tourism has made a strong start to 2023. International tourist arrivals have returned to the levels of 2019 while records have been broken by international tourism expenditure. Domestic tourism has been growing since 2022 but with less momentum due to a combination of reduced purchasing power and greater outbound travel. Although tourism is currently one of the drivers of the Spanish economy, several headwinds are likely to appear in the coming quarters. The complicated macroeconomic outlook in the countries of origin of inbound tourists, the reactivation of more distant destinations for European and Spanish tourists, and competition from more economical destinations point to a slowdown in Spain's tourism industry as we approach 2024.

## Strong growth in arrivals, overnight stays and prices

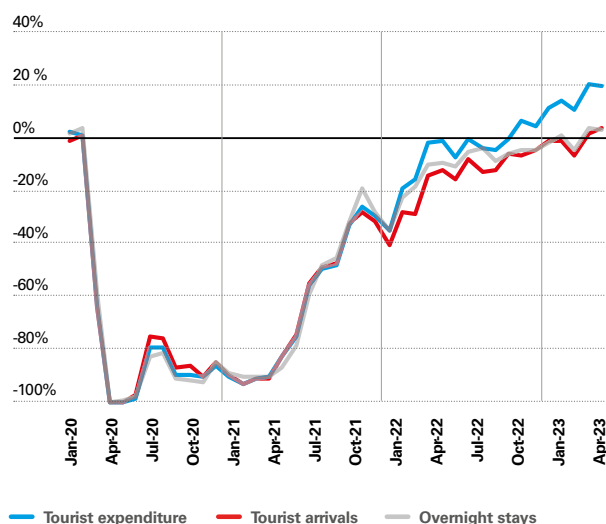
In the first half of 2023, tourism strengthened its position as one of the drivers of the Spanish economy, beating the records set in 2019. Tourism has completed its recovery after a total standstill in 2020, insufficient improvement in 2021 and a revival in 2022. The activity indicators produced by the National Statistics Office show that, in 2023, real tourism demand (excluding the effect of prices) exceeded that of 2019, supported by a strong recovery in international tourism. Overnight stays in hotel and non-hotel accommodation in the first four months of 2023 exceeded the number recorded for the same period in 2019 by 2.2%. This excellent figure is further consolidated by the strength of domestic tourism, which was 7.3% above its 2019 figure, and by a strong recovery in international tourism, just 0.5% below its 2019 level.



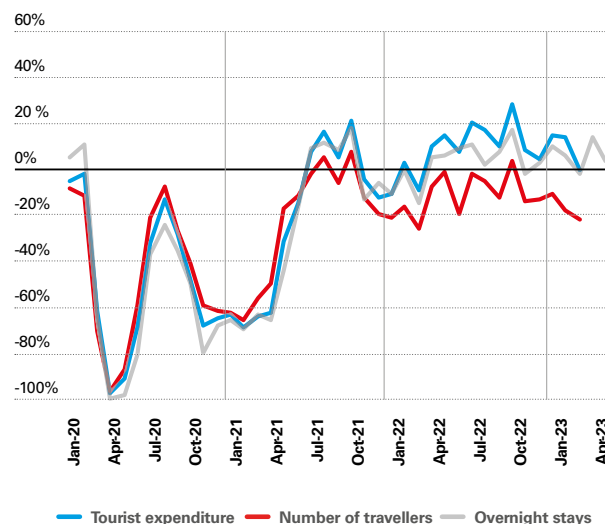
## Tourism demand indicators

Change over the same month in 2019

### International tourism



### Domestic tourism



Note: Tourist overnight stays in hotels, rural tourist establishments, tourist apartments and campsites.

Source: CaixaBank Research, based on data from the National Statistics Institute.

Expenditure by international and domestic tourists is performing even better. Significant price increases in 2022 and 2023 have pushed up tourism expenditure to record levels in 2023,<sup>1</sup> posting figures 12% higher than in 2019 in the first five months of 2023. The main reason for this increase in tourism expenditure is the rise in prices which, according to CPI data for the services most closely linked to tourism, in May were 15% higher than the 2019 prices. The rise in accommodation prices has been particularly steep, accumulating an increase of 24% over the same period.

① See the article «The factors that lie behind tourism's price rises» in this Report for more details on the increases.

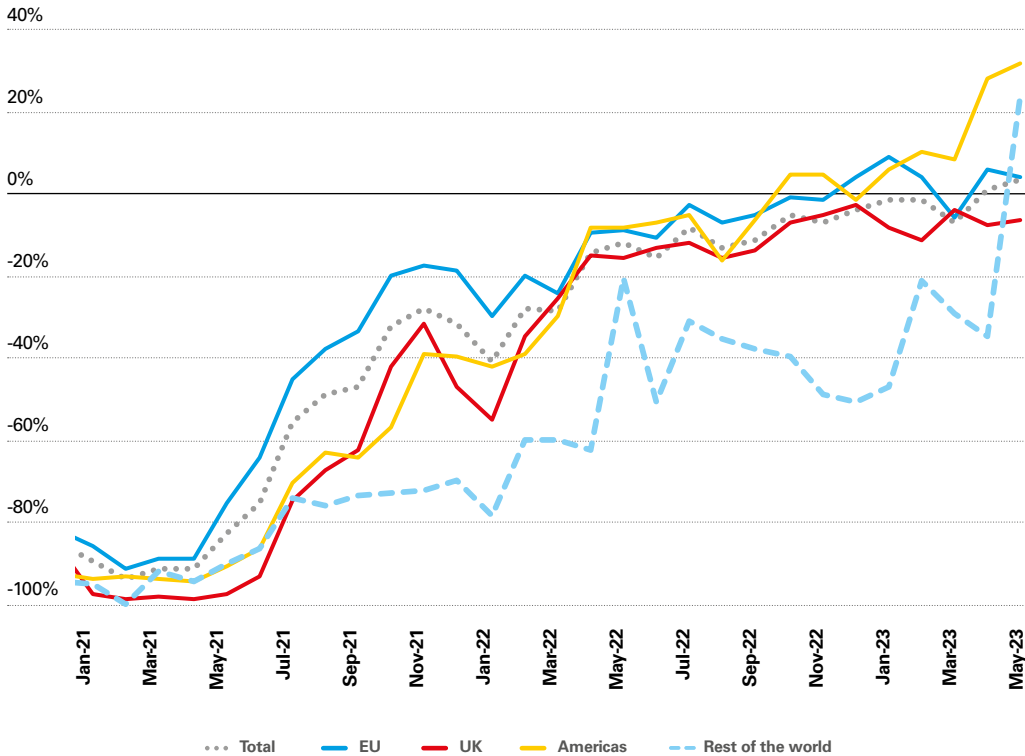
The trends in international tourist arrivals are considerably heterogeneous, however. There has been a spectacular recovery in tourism from the Americas which, in May 2023, was 32% above its May 2019 level, while a more modest recovery was recorded in the more traditional markets. In particular, tourism from the United Kingdom is showing signs of weakness and was still 7.4% below its 2019 level in the first five months of 2023.

**Tourism from the United Kingdom is showing signs of weakness and was still 7.4% below its 2019 level in the first five months of 2023**



## Tourist arrivals by country/region

Change over the same month in 2019



Source: CaixaBank Research, based on data from the National Statistics Institute.

## The short-term outlook depends on the macroeconomic situation in Europe

The indicators regarding people's interest in travelling to Spain reflect the complexity of the international macroeconomic situation at the moment. In June, interest in travelling to Spain fell sharply in the United Kingdom to 12.5% below its benchmark level. The country's poor macroeconomic performance, sharply rising interest rates and the weakness of the pound sterling have all eroded the disposable income of the British people and, with it, the ability of households to spend on tourism. In addition, data from other competing destinations such as Turkey, Greece and Portugal suggest they're becoming more competitive in attracting British demand, a factor that's acting as an additional brake.

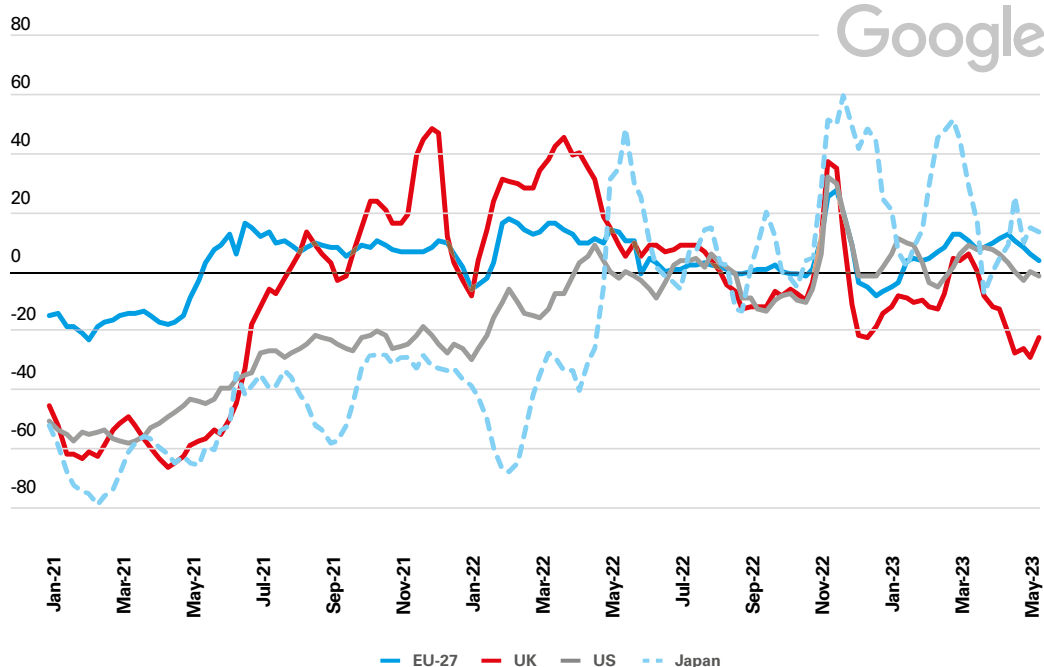
In contrast, EU tourists' interest in travelling to Spain is holding up remarkably well and, in the first five months of 2023, was 4.6% above its benchmark. When we break down these EU figures by country, the Italians and Dutch appear to be particularly interested in travelling to Spain and are 3.3% and 15.2% above their benchmark rates, respectively. However, the indicators for France and especially Germany look weaker, reflecting a relatively more fragile macroeconomic situation.

Looking at tourists from the US, we can see that interest in travelling to Spain is still moving back towards its pre-pandemic level, suggesting very good arrival figures for the summer. The interest indicator also points to strong growth in Japanese interest in travelling to Spain, standing at 22.6% above its benchmark level. These data are consistent with the significant rise in tourism from the Americas and Asia observed in recent months.



## Weekly searches in Google for trips to Spain

Change over the benchmark



**Notes:** Data are used from searches for the word «Spain» within the travel category, in the United Kingdom, Germany, France, Italy, Netherlands and US and in the official language of each country. Expected searches consist of the projected searches carried out based on data from one year previously using an ARIMA model (1, 1, 1)52.

**Source:** CaixaBank Research, based on data from Google Trends.

## A sunny summer in 2023 but are there clouds on the horizon?

Despite the strength of Spain's tourism industry observed in the first few months of 2023, and which we expect to continue throughout the summer, there are some headwinds gathering on the horizon that will slow down this growth in tourism later on in the year and particularly in 2024.

The first factor of note is the competition from markets with lower prices than Spain. Using Eurocontrol data, we've observed a considerable rise in flights to Morocco and Turkey, two destinations with very competitive prices. The favourable trend in these competitors' volumes of tourism is particularly understandable given Europe's declining incomes in real terms in 2022 and 2023 due to inflation. In other words, falling European wages are a factor that will limit tourism growth in Spain in late 2023 and 2024. We should remember that, before the pandemic, Turkey, Tunisia, Egypt and Morocco were already beginning to emerge as major competitors for Spain's tourism industry in the Mediterranean.<sup>2</sup>

② See the article «The fight for international tourism in the Mediterranean» in the *Tourism Sector Report* for the first half of 2020.

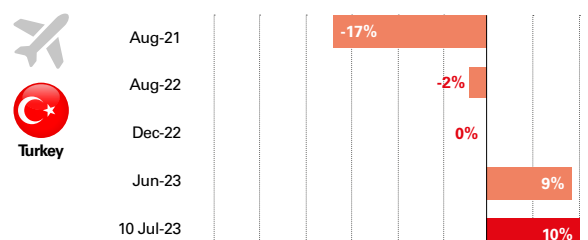
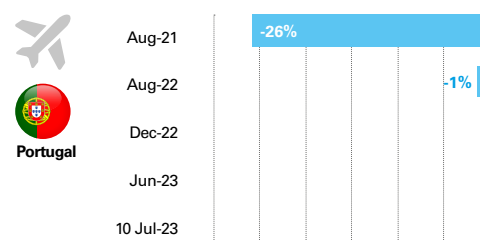
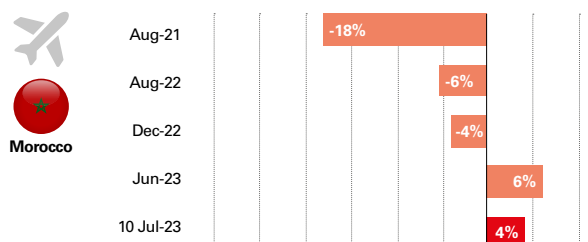
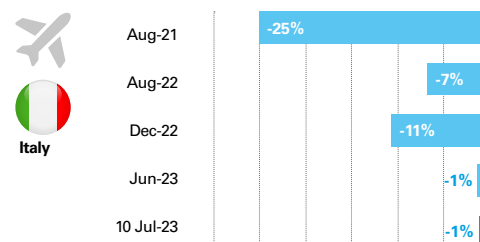
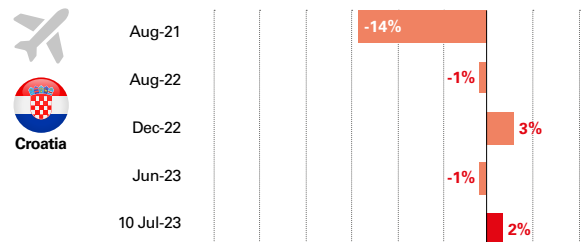
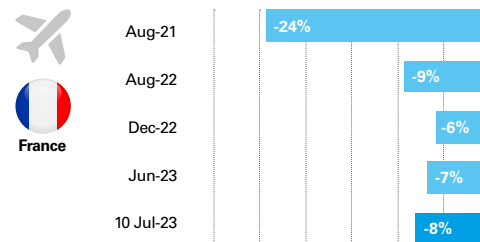
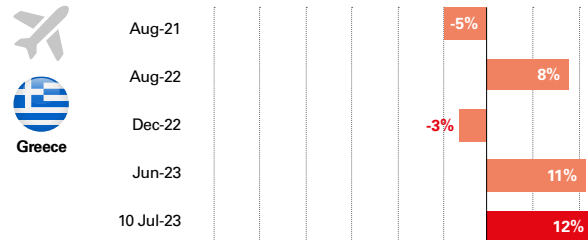
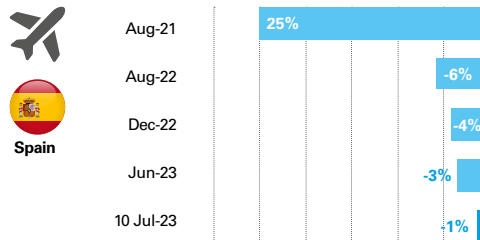
In contrast to the data from Morocco and Turkey, we believe that the positive records posted by Greece and Portugal are moderately encouraging for Spanish tourism. Although Greece and Portugal are markets that compete with Spain, there is also a high correlation between them all (traditionally, when other EU destinations grow, so does Spain). Therefore the fact that demand in both countries is looking strong indicates good inertia for demand in the domestic market.



# Tourism

## Flights operated by country

Change over the same period in 2019



Source: CaixaBank Research, based on data from Eurocontrol.

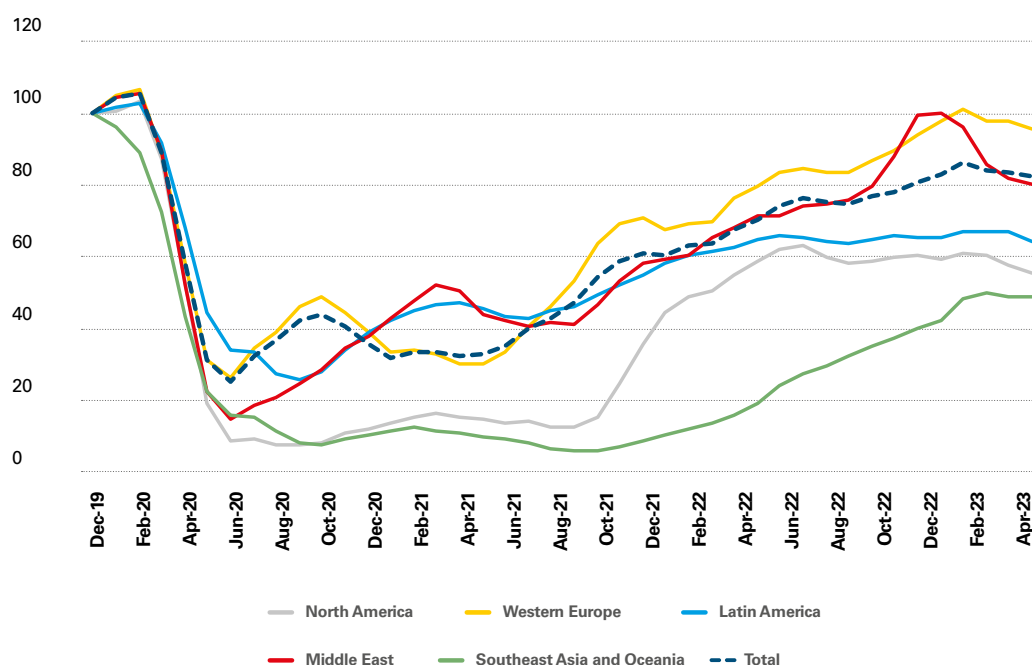
Another of the factors we've identified that limit growth is related to post-pandemic travel. As travel restrictions were lifted throughout 2021 and 2022, tourism recovered strongly but, in the first instance, there was a preference for relatively close destinations. However, foreign travel and long-haul destinations are now gaining in strength, a trend which could pose an additional risk for Spain's domestic tourism as it might lose part of the demand it had gained, albeit under extraordinary circumstances due to the restrictions on international travel.

**With the lifting of post-pandemic restrictions, tourism recovered strongly but, in the first instance, there was a preference for relatively close destinations**

As we can see in the chart below, according to payments with CaixaBank cards abroad, tourism expenditure by Spaniards recorded a dramatic drop in 2020 (–61% in the cumulative period from April to December) and it has undergone a mixed and bumpy recovery since then. In 2023 there are signs of an almost total recovery in foreign travel to Europe. This contrasts with longer-haul destinations, such as Southeast Asia and Latin America, where we can see that expenditure in these destinations is still well below 2019 levels. Specifically, last May expenditure in these destinations was, respectively, 51% and 45% below the same month in 2019. Looking ahead to the coming months, we expect to see an upturn in this type of expenditure as international travel by Spaniards gets back to normal.

## Tourism expenditure by Spaniards abroad

Index (100 = same month in 2019)



Note: For more details on this indicator, see [realtimedataeconomics.caixabankresearch.com](https://realtimedataeconomics.caixabankresearch.com).

Source: CaixaBank Research, based on CaixaBank's internal data.

## CaixaBank Research forecasts for the tourism industry in Spain

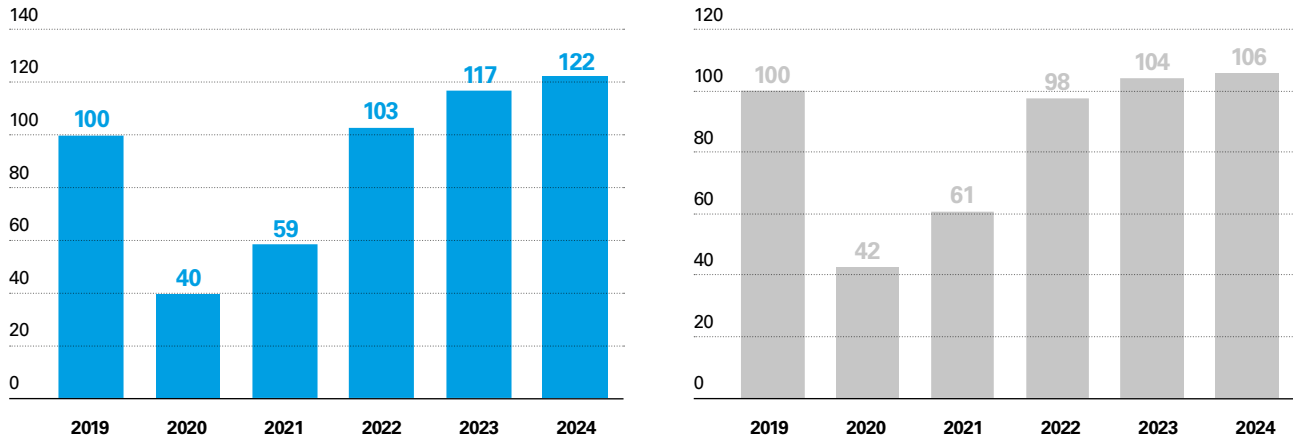
Despite these headwinds, a review of the industry's key indicators still results in a relatively positive scenario for 2023, for which we predict considerable growth. We expect these headwinds to come into play mainly towards the end of 2023 and in 2024, when we believe that tourism GDP growth will still be positive but more moderate due to the complex macroeconomic outlook in two of Spain's major tourist inbound countries (the UK and Germany), as well as greater price competition from other destinations in the Mediterranean and the risk of both domestic and European tourism returning to longer-haul destinations. Even so, two factors will support tourism towards the end of 2023 and in 2024: the recovery in real wages in Spain and Europe plus the proven resilience of tourism demand from Europe in combination with a recovery in demand from long-haul markets such as Asia.



# Tourism

## Trends in nominal (left) and real (right) tourism GDP

Index (100 = 2019)



Note: Projections as from Q3 2021.

Source: CaixaBank Research, based on data from the National Statistics Institute.

Taking into account the current robust situation, the counteracting factors we've already noted and also the growth levers still in play, our forecast for tourism GDP is that, in real terms, year-on-year growth of 6.5% will be achieved in 2023, this being 4.1% above the 2019 level. For 2024 we predict more moderate growth of 1.5%, placing tourism GDP at 5.7% above its 2019 level.

By country of origin, we expect domestic demand to grow by 0.4% in 2023, posting a lower growth margin compared with 2022 when it had already regained its 2019 level. International arrivals are likely to grow by 11% and, for the first time after the onset of the pandemic, will regain their 2019 levels. Looking ahead to 2024, we expect international tourism to be the sector's main driver of growth, supported by the recovery in long-haul tourism.

Notably, in nominal terms, the strong upturn seen in tourism's prices in 2023 will bring nominal tourism GDP to a level 17% higher than in 2019. However, in 2024 we expect this growth in prices to slow down, as in the rest of the economy. We therefore predict 4.5% growth in tourism-related GDP in nominal terms.

Despite the complex macroeconomic situation, our belief is that the tourism industry will continue to grow and remain a key player in the Spanish economy and, in light of the particularly sharp rise in the sector's revenue, an important contributor to the growth of the surplus in Spain's balance of trade in goods and services.



Inflation and tourism prices

# The factors that lie behind tourism's price rises

The tourism industry is no stranger to inflationary shock. Tourism-related prices are growing strongly and, specifically, the hotel sector is posting price rises well above the historical average. As is often the case, there is no single reason for this inflation in tourism but rather a compendium of changes in both supply and demand that have resulted in tourists having to pay much more than before the pandemic. In this article we look at the factors that lie behind this episode.

In the Spanish economy's current inflationary cycle, which is mainly due to rising energy and food prices, the tourism industry has also played a leading role. According to CPI figures, the cumulative rise in prices for services linked to tourism (accommodation, hospitality, leisure and passenger transport) was 17.9% between May 2019 and May 2023, somewhat larger than the rise posted by fuel prices over the same period (+13.6%).

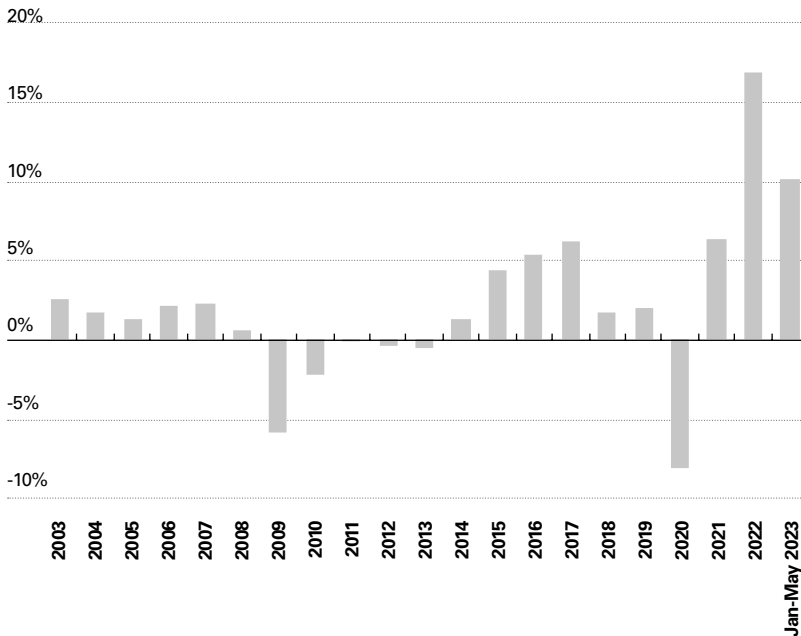
Within the tourism industry, the link in the value chain that has seen the greatest increase in prices has been the hotel sector. According to data from the Hotel Price Index (HPI) of the Hotel Occupancy Survey, in 2022 prices rose by 16.8%, well above the historical average and, in the first five months of 2023, this rate of increase remained in double digits (+10.2%). Prices have risen in general across the sector although there's one aspect in particular that has intensified this trend: the category (or number of stars) of the hotels. As can be seen in the chart below, the higher the category of hotel, the higher the inflation rates, these reaching year-on-year growth of 26% for top category hotels over the period from January to May.

**According to data from the Hotel Price Index (HPI) of the Hotel Occupancy Survey, in 2022 prices rose by 16.8%, well above the historical average**



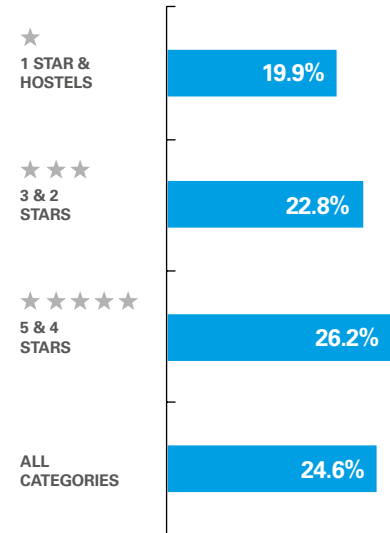
## Hotel price index (HPI)

Year-on-year change



## HPI by category

Change Jan-May 2023 vs. Jan-May 2019



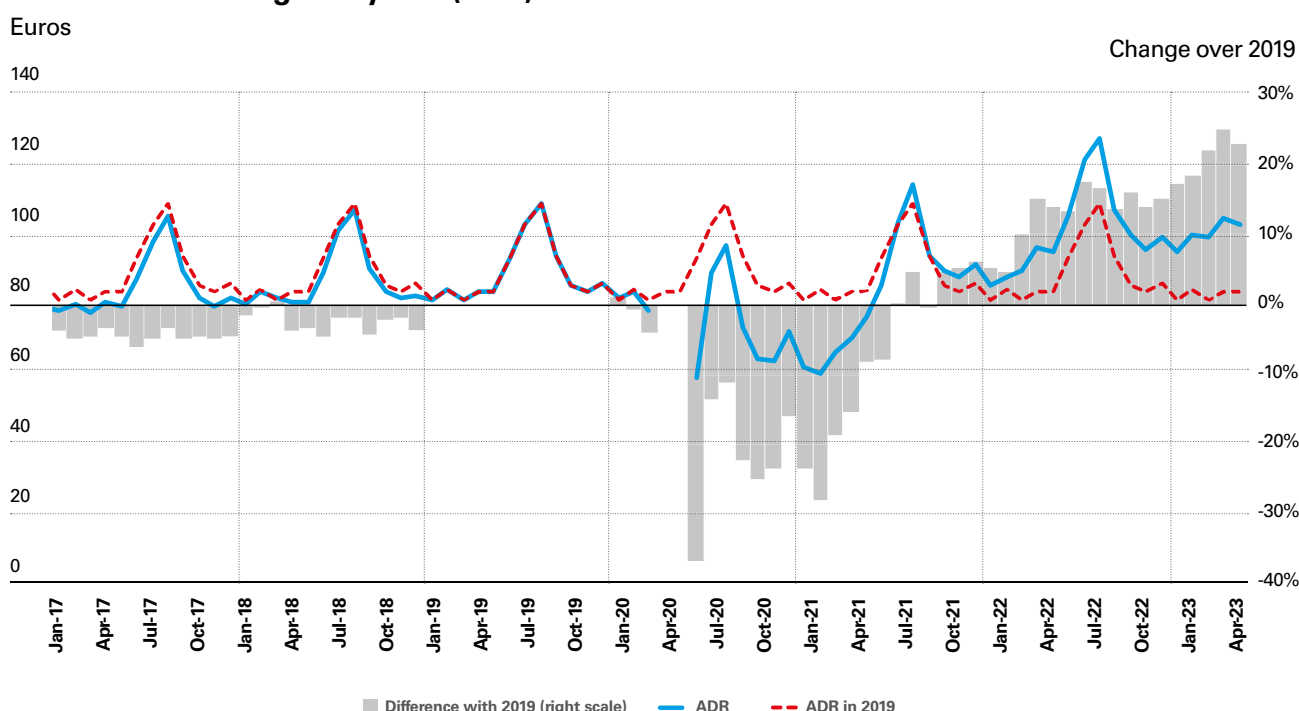
**Note:** The HPI is calculated based on the prices of the average basket of services offered by hotels in Spain.  
**Source:** CaixaBank Research, based on data from the National Statistics Institute.

The upward trend in hotel prices began in March 2022, just after the war in Ukraine erupted and also coinciding with the beginning of the strongest phase in the recovery of tourism since the start of the pandemic. In other words, the hotel market suffered from a supply shock (via costs) and a demand shock, both of which were particularly intense and pushing in the same direction: price rises.<sup>3</sup> As can be seen in the chart below, the average daily rate (ADR) went from just 4.7% higher in February 2022 than in the same month of 2019 to 16.8% higher than in August 2019. During the latter part of 2022, and despite the fact that the episode of energy price tensions had eased and the level of tourism demand had normalised, prices continued to escalate. In May this year, the ADR was 23.2% higher than its May 2019 level. So what lies behind this growth in hotel prices?

③ It has also been proposed that some of the hotels reopened after the pandemic after having made investments, so that part of this price hike would be due to improvements made in infrastructure.

**The hotel market suffered a supply shock (via costs) and a demand shock, both of which were particularly intense and pushing in the same direction: price rises**

## Trends in the average daily rate (ADR) for hotels over 2019



Source: CaixaBank Research, based on data from the National Statistics Institute (Hotel Occupancy Survey)

### The role played by rising costs

If we analyse the structure of intermediate consumption in tourist accommodation, we can see that, over and above the sector's exposure to energy costs, its sensitivity towards food product and construction costs also seems to have been crucial. According to data from the National Statistics Institute, in 2019 the accommodation sector spent 6% of its revenue on buying agrifood products and 9% on construction and real estate services, but only 3% to pay its energy bills. In this respect, the cost shock in the sector would not have ended after energy prices got back to normal since the tensions in food prices are still having an effect today and construction prices are still very high, despite the fact that the latest data point to them stabilising. If we compare current food and construction prices with those of two years ago (before the beginning of the inflationary episode), according to the industrial price index (IPRI) for May, over this two-year period food prices have grown by 28% and beverages by 17%. Meanwhile, according to data from the Ministry of Transport, Mobility and Urban Agenda, construction costs grew by 18.3% between April 2021 and April 2023.

**The cost shock in the sector would not have ended after energy prices got back to normal since the tensions in food prices are still having an effect today and construction prices are still very high**



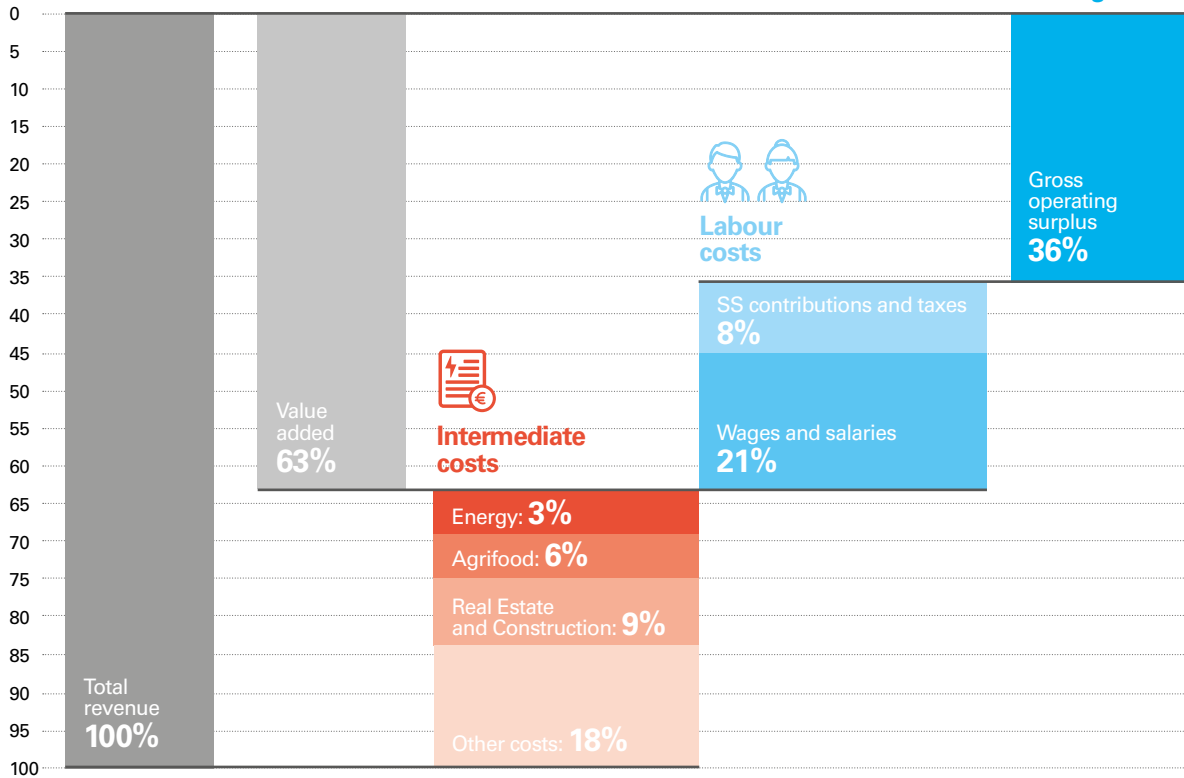
# Tourism

## Accommodation sector accounts

Share of total revenue



Earnings



Note: Data from 2019.

Source: CaixaBank Research, based on data from the National Statistics Institute.



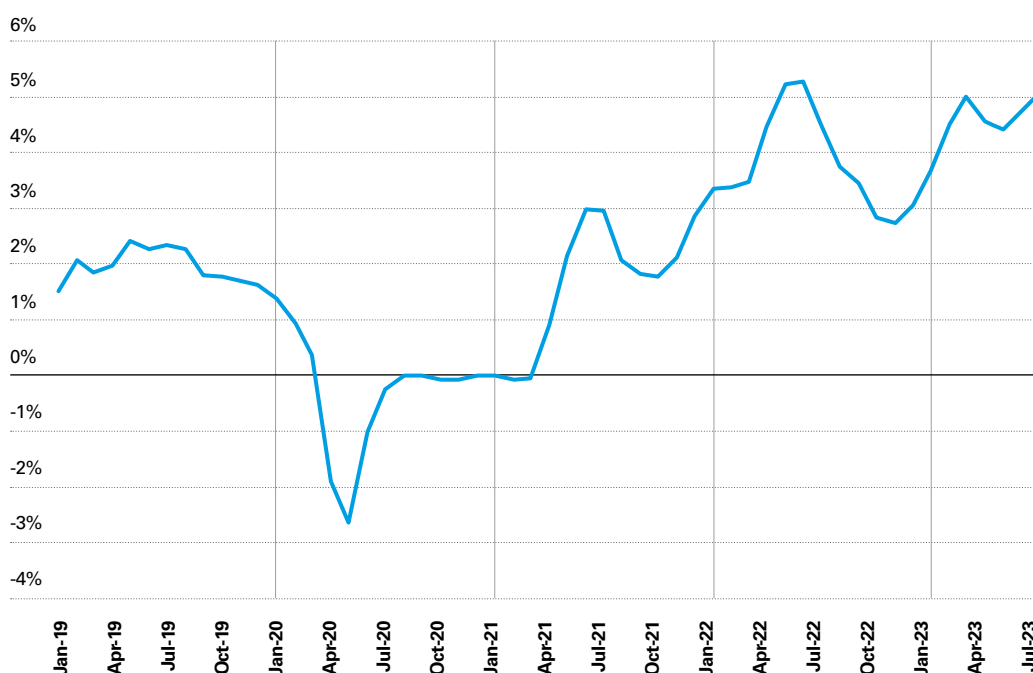


On the other hand, it should be noted that the major cost for the sector is not to be found among the consumption of intermediate goods but in labour costs. As shown in the previous chart, the relative weight of labour costs in 2019 was equivalent to 29% of the sector's total revenue. The sector is therefore exposed to the risk that wage growth could intensify significantly, given the current inflationary environment and pressures to restore workers' purchasing power as soon as possible rather than over a somewhat longer time frame. While this risk does not seem to have materialised for the time being, it may have helped to push up hotel prices due to expectations: faced with the risk of steep wage rises in 2023 because of the inflationary environment, hotel managers may have marginally raised their prices in 2022 as a precautionary measure. As long as these risks don't materialise, and as suggested by the most recent data, this should help to contain further price hikes.

The most recent data provided by CaixaBank's wage indicator, which shows the median change in the wage income of its customers, indicate that wages in the tourism industry grew by 5.0% year-on-year in June, remaining relatively stable at this level since March. This stabilisation is a good sign and will help to shift market expectations away from the possibility of significant second round effects.

### CaixaBank Research wage indicator for the tourism services sector

Year-on-year change



Source: CaixaBank Research, based on CaixaBank's internal data.



**According to the National Statistic Office's Hotel Occupancy Survey, the hotel occupancy rate recovered quickly in 2022 but failed to equal its 2019 figures at any time**

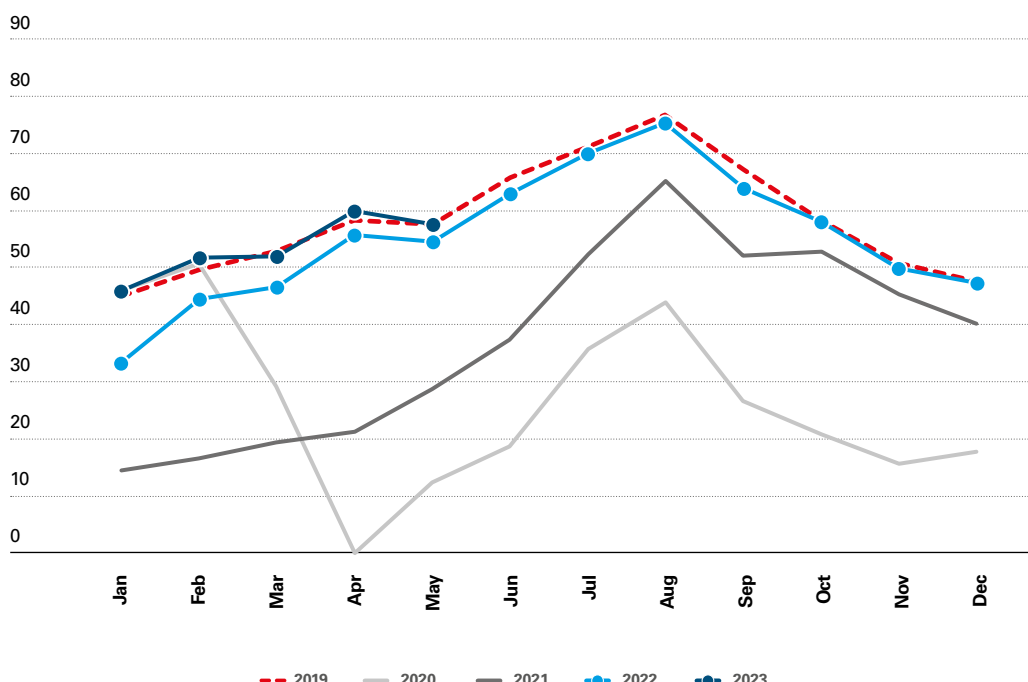
### **The boom in demand**

Along with the cost shock, the other factor that could explain the rise in prices is the incredibly strong demand. According to statistics from the National Statistics Office's Hotel Occupancy Survey, the hotel occupancy rate recovered quickly throughout 2022 but failed to equal its 2019 figures at any time. For instance, an average occupancy rate of 75.4% was achieved in August 2022, slightly below that of the same month in 2019 (76.9%). It should be noted that, as of January 2023, the occupancy rate did exceed the pre-pandemic records, albeit only slightly (in April the occupancy rate stood at 59.8%, a mere 1.6 pp higher).

Given these figures, we cannot claim that the rise in prices has been fuelled by greater occupancy in the market than usual. However, we believe there's more subtle evidence of pressure from demand: namely its resilience in spite of the rising prices. We can see a demand shock when we compare the hotel occupancy figures with the sharp rise in prices (recall that, in 2022, ADR was more than 15% above the 2019 level). Consequently, it's very likely that, if there hadn't been a change in demand conditions (pent-up demand, a preference for travel in Europe by EU tourists, a preference for domestic tourism among Spaniards, etc.), occupancy rates would have reached similar levels to those observed given the price hikes we've experienced.

## Hotel occupancy rate

(% of vacancies occupied out of all vacancies)



Source: CaixaBank Research, based on data from the National Statistics Institute (Hotel Occupancy Survey).

## Quantifying the size of the shock

To illustrate the extent to which supply and demand shocks have changed the historical relationship between prices and demand in the hotel market, we've carried out a very simple statistical exercise, shown below in the charts. Based on the historical relationship between the occupancy rate and ADR, controlling for hotel category, we've calculated the price that would've been seen in a market with post-pandemic occupancy rates if there hadn't been any supply or demand shocks.<sup>4</sup> From the differences between the estimated ADR and the observed ADR, we can quantify the change in market conditions that has been caused, on the one hand, by cost shocks in the sector (energy, construction, food and expected wage increases) and, on the other, by the demand shock of a change in preference among domestic and EU tourism, as well as the impact of pent-up demand.

<sup>4</sup> We've estimated the following regression:  $ADR_t = \alpha + \beta_1 \text{ foreign occupancy rate}_t + \beta_2 \text{ resident occupancy rate}_t + \xi_t$ , estimated with data between January 2017 and December 2019. With this estimate, we've calculated the projected ADR for January 2020 onwards and attributed the error in the forecast ( $\xi_t$ ) to shocks in supply (costs) and demand (preferences).

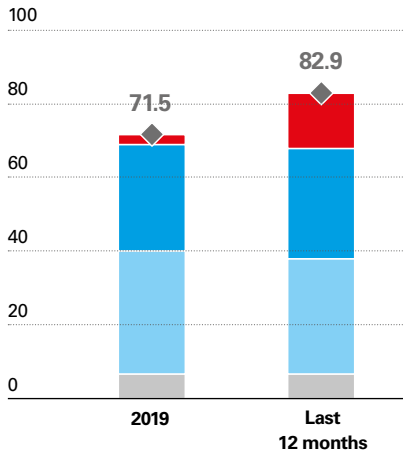
**Based on the historical relationship between the occupancy rate and ADR, we've calculated the price that would've been seen with post-pandemic occupancy rates if there hadn't been any supply or demand shocks**



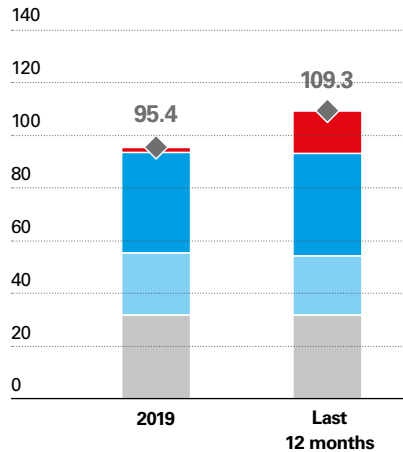
## Contribution to the average daily rate of hotels by demand and supply factor

Euros

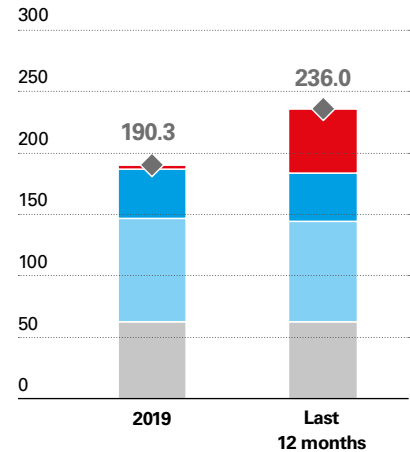
### 3-star hotels



### 4-star hotels



### 5-star hotels



■ Base price ■ Foreign demand ■ Domestic demand ■ Supply/demand shocks ◆ ADR

**Notes:** The contribution to ADR has been estimated based on the coefficients of the following linear regression:  $ADR_t = \alpha + \beta_1 \text{ foreign occupancy rate}_t + \beta_2 \text{ resident occupancy rate}_t + \xi_t$ , estimated with data between January 2017 and December 2019. In using these coefficients to estimate ADR from 2020, it's assumed that any supply shocks (costs and margins) that impact prices have been captured in the residual of the regression ( $\xi_t$ ).

**Source:** CaixaBank Research, based on data from the National Statistics Institute (Hotel Occupancy Survey).

As can be seen in the charts, and based on the average occupancy rate for the past 12 months with available data (up to May 2023), the price level consistent with pre-pandemic conditions would've been in a slightly lower ADR than in 2019 for all three hotel categories due to a lower contribution by foreign demand to prices and a very contained increase in occupancy caused by domestic demand. The supply and demand shocks described above would've generated a price increase of 22.3% in the 3-star market, 17.1% in the 4-star market and 28.3% in the 5-star market. Looking ahead, we don't expect, as the shocks subside, the relationship between demand and price to return to what it was before the pandemic, as prices tend to be resistant to any downward adjustment. Our forecast is for prices to grow at a slower pace and, in the medium term, to rebalance with respect to the purchasing power of the tourists visiting Spain, which should gradually recover over the next few years.



Camping trends and prospects

# The opportunities offered by the camping sector in Spain

Camping has traditionally been a type of accommodation aimed at less profitable and eminently domestic tourism, with a relatively moderate share of the tourism industry. However, the pandemic represented a watershed for this model and it has been rediscovered by a large number of travellers who've found a much more modern sector thanks to the heavy investment being made, as well as a type of accommodation that offers high quality, an extensive range of complementary services and attractive locations. In this article we analyse the latest trends and prospects for the sector.

Accommodation is the main sector within the tourism industry, generating around 21.5% of total tourism consumption in Spain. Within accommodation, the most important branch is the hotel industry, although after the outbreak of the pandemic other branches have emerged due to their greater growth potential. This is the case of camping, which has posted the best records post-pandemic. According to data from the Campsite Occupancy Survey produced by the National Statistics Institute, the camping sector is registering excellent growth in demand. In May, overnight stays were 25.7% higher than in the same month of 2019, thanks to the good performance by domestic demand which grew by 31.0% compared with May 2019, as well as the dynamism of international demand, up by 21.0% compared with the same month in 2019.

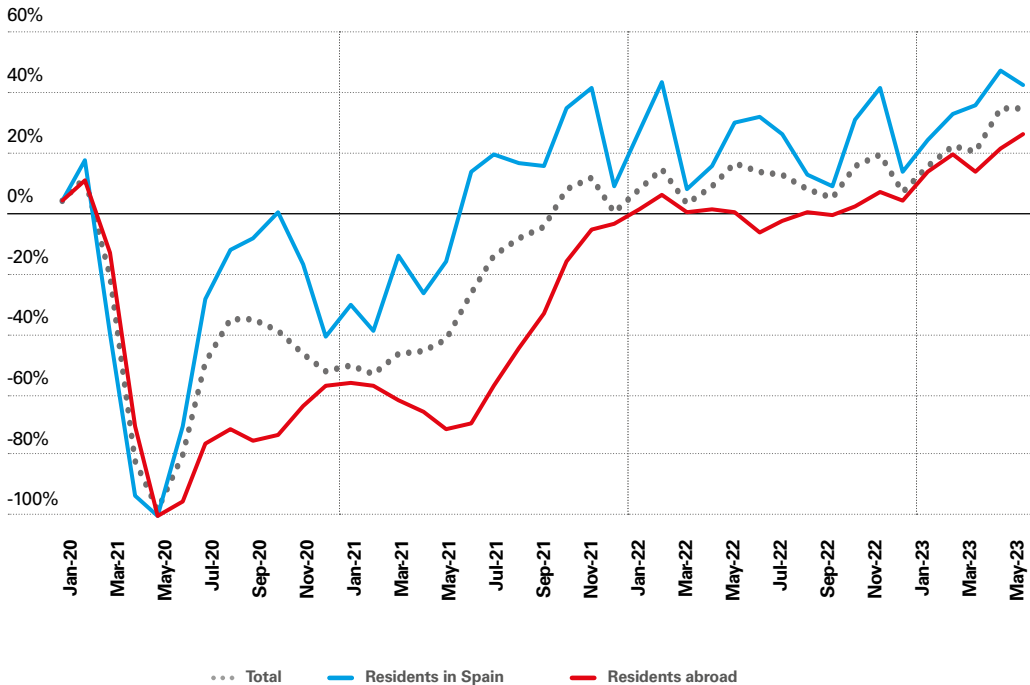
However, it should be noted that, although demand for campsites has performed very positively, it has not been unaffected by the macroeconomic trends. Demand by the British, which is noticeably one of the weakest when analysing the tourism industry in Spain as a whole, has also suffered considerably in the case of campsites. As of May, there was still a 9.6% drop compared with the same period in 2019.

**Camping is the branch that has posted the best records post-pandemic. In May, overnight stays were 25.7% higher than in the same month in 2019, thanks to the good performance by domestic demand**



## Overnight stays at campsites by country of origin

Change over the same month in 2019



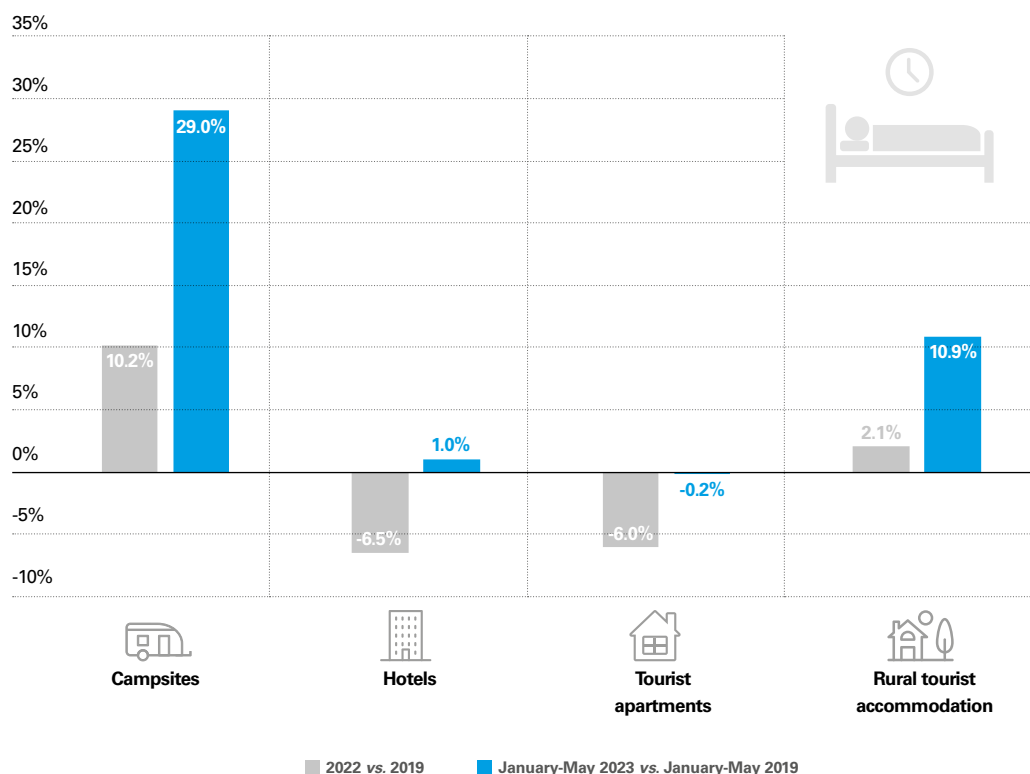
Note: A two-month moving average is applied to the series in levels before calculating the rate of change.  
Source: CaixaBank Research, based on data from the National Statistics Institute.

When comparing these figures with those of other types of accommodation, it can be confirmed that the growth in the camping sector has been differential. As shown by the chart below, the volume of overnight stays at campsites in the first five months of 2023 was 29.0% higher than the level recorded in the same period in 2019. In contrast, growth was just 1.0% in the hotel market, in themselves very positive figures given that they suggest the sector has regained a very high level of demand, and even more so considering that 2019 was a highly favourable year for the sector. This situation is similar with the tourist apartment market, which has not yet got back to its 2019 levels.

**The volume of overnight stays at campsites in the first five months of 2023 was 29.0% higher than the level recorded in the same period in 2019**

## Growth in overnight stays by type of accommodation

Percentage change



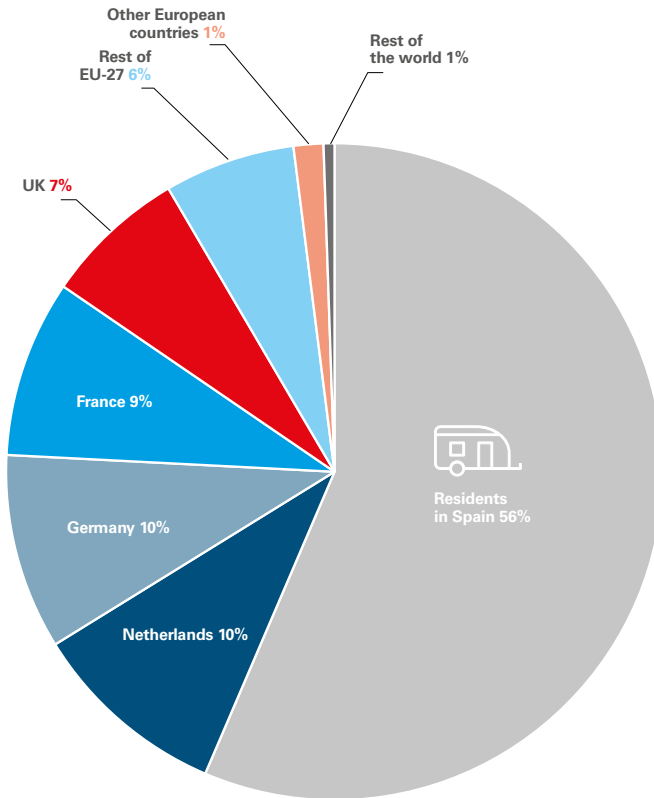
Source: CaixaBank Research, based on data from the National Statistics Institute.

The good figures for the camping sector are not only due to the fact that they attract a relatively larger proportion of domestic tourism, which recovered earlier and more strongly than international tourism. As shown by the chart below, it's true that domestic demand is the main driver for camping, accounting for 56% of total overnight stays in the last 12 months for which data are available (up to May 2023). However, what this figure reveals is that share of international demand is also very important and that, in addition, this has performed much more positively for campsites than hotels across almost all inbound markets. The traditional inbound countries for Spain's tourism industry are particularly of note as they are very well-established, such as Germany and France, which account for 9.6% and 8.7% of total overnight stays, respectively and have recorded growth of more than 65.8% and 24.5% so far this year compared with the same period in 2019. Also notable is the preponderance of the Netherlands, which is the sector's main source of inbound tourism, with 9.7% of total overnight stays (well above the 3% for the hotel market), and which has also grown by 28.3% compared with 2019 in the first five months of the year. On the other hand, the weakness of the British market is much more evident in the camping sector, where it has posted a 19.8% drop (whereas overnight stays are rising in the hotel market, albeit only slightly).

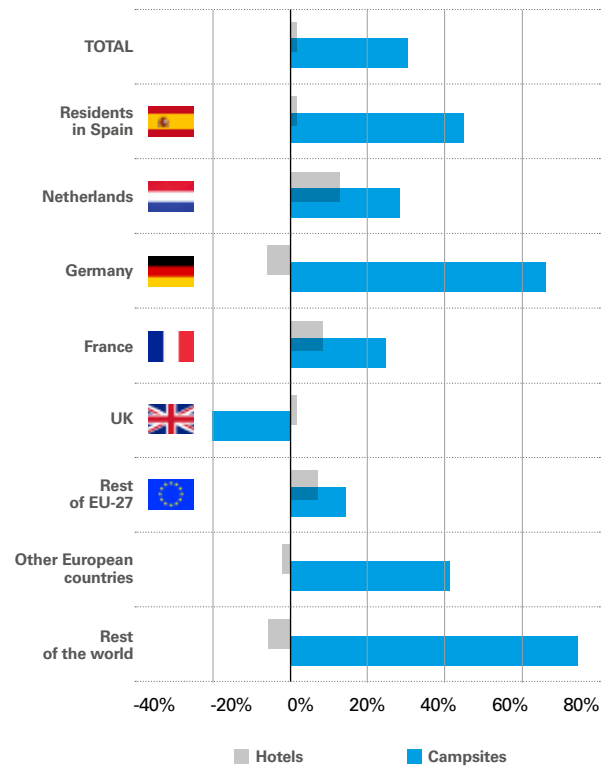


# Tourism

## Overnight stays at campsites by country of origin % of total



## Growth in overnight stays in the first 5 months of 2023 Change over the same period in 2019



Note: Cumulative for the last 12 months with available data (May 2022-April 2023).  
Source: CaixaBank Research, based on data from the National Statistics Institute.

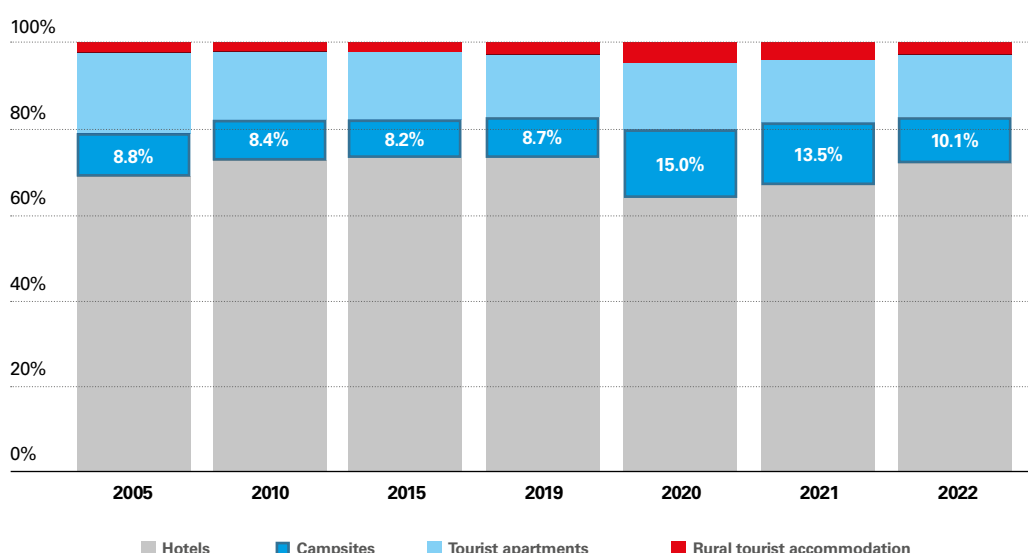
Without doubt, the post-pandemic figures for the camping sector are generally positive. This is due to the fact that, in the early stages of tourism's post-pandemic recovery, camping was very appealing because tourists were looking for nearby destinations that could ensure greater social distancing. However, the sector continued to perform well once the pandemic was over, which leads us to believe that the growth observed since 2022 is being supported by factors more closely linked to its competitiveness. Firstly, during the pandemic period the camping market was discovered by customers who had not previously considered it, perhaps eliminating some prejudices towards the sector and thereby broadening its potential client base. Secondly, this increase in demand has occurred during a period of great transformation for the sector, in which its management is becoming more professional and the rate of investment has increased significantly, seeking to improve the quality of its supply in order to compete for a larger market. The result has been that, after the pandemic, some tourists have not only found a type of accommodation with attractive services and facilities but have done so at a time when its competitiveness and quality is on the up. This has meant that the exceptional spike seen in demand during the pandemic has become much more structural.



One of the questions that emerges from this analysis is the extent of the sector's potential growth. Looking back, before the pandemic camping had not increased its share in the accommodation market for 20 years. As can be seen in the chart below, between 2001 and 2019 it absorbed between 8.2% and 8.8% of the total demand. With the outbreak of the pandemic, however, this market share increased to 15.0% in 2020, thanks to the fact that it was quickly able to regain levels of domestic demand similar to those of 2019. In subsequent years, due to the recovery in tourism demand in the rest of the accommodation market, we can see that camping's market share normalised, reaching 10.1% in 2022, a figure that remains stable when we look at the last 12 months with available data (10.0% between May 2022 and April 2023).

### Breakdown in demand for accommodation by type

% of total overnight stays



Source: CaixaBank Research, based on data from the National Statistics Institute.

Looking ahead to the next few years, we would expect the sector to continue to attract a larger share of the market. In order to know to what extent, it's useful to break down the data by region, in which we can observe some models to follow and where we would expect part of the sector to move towards.

**Looking ahead to the next few years, we would expect the sector to continue to attract a larger share of the accommodation market**





















As mentioned above, in Spain as a whole the relative weight of the camping sector stands at 10.1% (data from 2022). However, by autonomous region there are six cases in which this share lies between 20% and 25%. Moreover, these are not regions where the tourism sector is relatively small and uncompetitive and where presumably the camping sector would have found it "easier" to absorb a good portion of the market. These regions are Catalonia, Murcia and the Community of Valencia, which are among the most developed tourist destinations in Spain and Europe. These three examples illustrate that, with good management and clear commitment, camping has the capacity to attract more markets, especially in those autonomous regions where its share is somewhat smaller but where very high growth rates are also being recorded. A case in point is the great growth potential in Andalusia, where tourism is already very well-established and the camping sector is growing very rapidly (overnight stays in 2022 were 25.5% higher than in 2019) but it still has a relatively small market share (8.6%). This is also the case in other regions in which tourism is less important, such as Asturias, where the camping sector is already relatively well-established (16.9% of the market), or in Castile-La Mancha, Castile & Leon and Galicia, with a somewhat smaller share but a great capacity for growth in rural and nature tourism, types of tourism historically associated with camping.

**With good management and clear commitment, camping has the capacity to attract more markets, especially in those autonomous regions where its share is somewhat smaller but very high growth rates are also being recorded**

## Share and recent trends in the camping sector by autonomous region

% of total overnight stays and rate of change between 2022 and 2019

Relative weight of campsites in the accommodation market					
Autonomous region	2022	2019	Change (in pp) 2022 vs. 2019	Growth in overnight stays at campsites (2022 vs. 2019)	Growth in overnight stays at other accommodation (2022 vs. 2019)
 La Rioja	25.5%	26.0%	▼ -0.5	-8.2%	-5.7%
 Cantabria	25.4%	26.1%	▼ -0.7	-2.5%	1.2%
 R. of Murcia	24.3%	22.0%	▲ 2.3	6.3%	-6.8%
 Catalonia	23.5%	20.6%	▲ 2.9	8.2%	-8.3%
 Navarre	20.4%	16.9%	▲ 3.5	22.2%	-3.5%
 C. of Valencia	19.4%	17.9%	▲ 1.5	5.3%	-5.0%
 P. of Asturias	16.9%	13.5%	▲ 3.4	29.0%	-1.3%
 Aragon	16.8%	14.9%	▲ 1.9	11.9%	-2.4%
 Basque Country	11.3%	9.9%	▲ 1.4	19.1%	3.2%
 SPAIN	10.1%	8.7%	▲ 1.4	10.2%	-6.1%
 Galicia	9.8%	9.0%	▲ 0.8	12.7%	2.2%
 Andalusia	8.6%	6.4%	▲ 2.2	25.5%	-8.4%
 Castile & Leon	8.0%	7.0%	▲ 1.0	11.0%	-4.0%
 Extremadura	7.8%	8.2%	▼ -0.4	-3.3%	1.2%
 Castile-La Mancha	7.3%	6.3%	▲ 1.0	19.7%	2.3%
 C. of Madrid	3.9%	3.2%	▲ 0.7	9.3%	-11.9%
 Balearic Islands	0.4%	0.3%	▲ 0.1	6.0%	-3.7%
 Canary Islands	0.2%	0.1%	▲ 0.1	3.7%	-7.0%

Source: CaixaBank Research, based on data from the National Statistics Institute.

In short, Spanish tourism is diverse and this is, in fact, one of its great strengths. The development of Spain's camping sector is very good news for the competitiveness of its tourism industry, even more so since this development stems from the sector's extensive modernisation, both in terms of its management (with new capital) and its business model (wider range of complementary services and facilities). Looking ahead to the coming years, we expect this upward trend to consolidate, creating opportunities in less developed tourist destinations and resulting in a better distribution of the wealth generated by the tourism industry.



## Main indicators of the tourism industry

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

	Average 2000-2007 <sup>1</sup>	Average 2008-2014 <sup>2</sup>	Average 2015-2019 <sup>3</sup>	Average 2020	Average 2021	Average 2022	2023 <sup>4</sup>	Trend <sup>5</sup>	Date latest figure
<b>Economic activity indicators</b>									
Total GDP	3.4	-1.2	2.6	5.5	5.5	5.5	4.2	☀	Q1 2023
Tourism-related GDP	1.7	-0.7	4.6	-56.8	49.1	54.9	-	☀	2021
<b>Labour market</b>									
Total affiliated workers	3.5	-2.3	4.1	2.6	2.6	3.9	11.4	☀	Jun-23
Affiliated workers in the tourism industry	4.4	-1.0	4.0	2.4	2.4	10.4	20.6	☀	Apr-23
Accommodation services	4.9	-0.8	4.9	5.1	5.1	23.2	40.9	☀	Apr-23
Food and beverage services	4.6	0.9	4.0	2.2	2.2	10.6	21.6	☀	Apr-23
Travel agencies/tour operators	5.6	-2.8	5.7	-6.9	-6.9	7.8	6.3	☀	Apr-23
Other tourism services	4.1	-3.1	3.6	2.3	2.3	6.7	14.8	☀	Apr-23
<b>Balance of payments</b>									
Tourism receipts (% of GDP)	4.7	4.6	5.6	1.4	2.4	5.2	3.8	☁	Q1 2023
Tourism expenditure (% of GDP)	1.2	1.2	1.7	0.7	0.9	1.6	0.8	☁	Q1 2023
Total tourism (% of GDP)	3.6	3.4	3.9	0.8	1.6	3.7	3.0	☁	Q1 2023
<b>Tourism demand indicators</b>									
<b>International tourism</b>									
Number of international tourists	3.8	2.2	5.2	-77.4	64.7	129.8	17.6	☀	May-23
Origin: United Kingdom	-	4.6	3.5	-82.5	36.6	251.5	10.4	☀	May-23
Origin: Germany	-	5.7	1.6	-78.6	117.8	87.5	8.7	☀	May-23
Origin: France	-	11.1	1.4	-65.2	49.8	73.4	24.1	☀	May-23
Origin: Italy	-	14.1	4.8	-79.1	79.8	135.5	18.6	☀	May-23
Origin: United States	-	1.2	15.8	-87.9	97.8	251.1	38.8	☀	May-23
Origin: Rest of Europe	-	-	7.6	-77.5	82.7	118.0	2.8	☀	May-23
Origin: Outside Europe	-	-	13.0	-79.2	6.9	205.0	53.9	☀	May-23
Visitor exports	5.4	3.4	7.9	-78.5	76.4	149.7	20.8	☀	May-23
Average duration (days)	-	-	7.6	6.6	8.4	7.7	6.4	☀	May-23
Average daily expenditure per person (€)	-	-	141.7	104.0	133.3	158.8	185.0	☀	May-23
<b>Domestic tourism</b>									
Overnight stays	-	-	0.1	-30.6	23.7	9.1	-0.1	☁	Feb-23
Average duration (days)	-	-	3.5	4.3	3.6	3.7	2.5	☀	Feb-23
Average daily expenditure per person (€)	-	-	51.2	40.5	50.7	63.2	75.2	☀	Feb-23
<b>Hotel supply indicators</b>									
Number of available hotel places	3.3	1.2	1.3	-51.2	44.2	39.2	3.1	☀	May-23
Category: 4 or 5-star	9.7	3.6	3.0	-53.4	53.4	42.7	3.0	☀	May-23
Rest of categories	0.2	-0.8	-0.4	-48.7	34.8	35.2	3.1	☀	May-23
Hotel occupancy rate (percentage points)	-0.4	0.2	1.2	-31.9	16.7	18.4	0.5	☀	May-23
Category: 4 or 5-star	-0.6	0.6	0.7	-36.0	18.3	19.9	0.2	☀	May-23
Rest of categories	-0.5	-0.5	1.4	-27.2	14.7	16.3	0.8	☀	May-23
Average daily rate (ADR)	-	0.2	4.1	-28.7	31.6	20.8	8.1	☀	May-23
Category: 4 or 5-star	-	-0.8	4.1	-25.7	30.5	17.1	7.9	☀	May-23
Rest of categories	-	0.4	3.2	-31.6	27.5	25.9	8.6	☀	May-23
Revenue per available room (RevPAR)	-	0.6	6.9	-60.0	61.9	67.9	13.5	☀	May-23
Category: 4 or 5-star	-	0.4	5.6	-60.0	60.2	66.8	11.7	☀	May-23
Rest of categories	-	-1.3	7.6	-57.8	54.9	65.4	18.0	☀	May-23

**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 2016-2019. 4. Latest figures available for the year 2023. 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 the National Statistics Institute, the Ministry of Labour, Migration and Social Security, and the Bank of Spain.

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