

## Executive summary

# The Spanish tourism sector: no signs of cyclical exhaustion

Since Spain's tourism sector returned in 2023 to the peak levels of 2019, the sector has been showing no signs of cyclical exhaustion and it recorded strong growth in 2024. We estimate that some 94 million foreign tourists visited our country last year, marking an increase of 9 million over 2023 (10% growth), driven by the recovery of British and long-haul tourism. On the other hand, the contribution of domestic tourists was less significant, as this group has been moderating the number of trips taken within the country in favour of travel to international destinations. Thus, in 2024, the number of trips abroad taken by residents in Spain exceeded the level of 2019 for the first time.

Looking ahead in 2025, we expect Spain's tourism sector to grow at a slightly more moderate rate, although it still has significant support factors to continue expanding. In particular, we expect tourism GDP to grow by 3.6% in real terms in 2025, following the 6.0% estimated for 2024, once again outpacing the Spanish economy as a whole. This will lead to tourism GDP accounting for 13.2% of the economy as a whole, up from the estimated 12.9% for 2024.

This growth is based on solid foundations, an aspect that we analyse in the second article of this report. Specifically, we calculate the elasticity of international tourism demand in Spain with respect to the GDP of the main source countries, as well as the price elasticity of tourism services in Spain with respect to the prices of the main competitor countries. This analysis allows us to conclude that growth in 2025 will be supported by the economic expansion of the main source countries, as well as by the fact that Spain's tourism sector will maintain its price competitiveness.

Looking further ahead to the longer term, the growth of disposable income in the main source countries, as well as the rise of the middle class in emerging countries, suggests that international tourism demand will continue to grow. In this context, there is no doubt that sustainability criteria, both environmental and social, must play a central role in the growth strategy. In particular, it is essential to manage tourist flows efficiently in order to minimise the negative consequences on the

local population, while emphasising the preservation of the natural and cultural resources that constitute our country's main tourist attraction.

We dedicate the third article of this report to analysing a key aspect of this strategy of seeking greater sustainability: reducing the seasonality of tourism. Using internal CaixaBank data on card payments, we analyse the degree of concentration of spending during the high season, distinguishing between Spanish tourists, based on demographic characteristics, and foreign tourists, according to nationality. The key conclusions are that the reduced seasonality of domestic tourism is mainly driven by middle-aged and middle- and high-income tourists. On the other hand, Italians, Britons and Germans are the nationalities that have contributed the most to the reduction in seasonality between 2019 and 2024. The trend towards reduced seasonality is a very encouraging one, as it makes it possible to avoid increased congestion at the main tourist sites and to increase the use of the installed capacity outside the peak season, while also improving working conditions for workers in the sector through a reduction in temporary employment.

In the final article we present an analysis of the catering sector in Spain based on information from millions of card transactions processed in catering establishments in 2024. Our analysis reveals that the main customer for the restaurant sector is local consumers (contributing 62% of the sector's turnover), although foreign tourists are the top contributors in the most touristic provinces, most notably in the Balearic Islands (54% of the turnover in catering establishments in the region comes from foreign cards). Also, the average ticket value of foreign tourists (31.2 euros per transaction) exceeds that of Spanish tourists. We also note that the catering sector is highly seasonal: 40.5% of the total turnover of the average Spanish restaurant is concentrated in just four months of the year. The strength of the tourism sector anticipated for 2025 will be important in ensuring that the catering sector continues to enjoy its current level of buoyancy.