



Situation and outlook

The tourism sector once again breaks records and consolidates its role as a driver of growth

In 2024, tourism GDP experienced another year of significant growth, with an estimated increase of 6% in real terms, roughly doubling that of the economy as a whole. This performance was driven by a sharp rise in the number of foreign tourists and their average spending, thanks to a recovery of British and long-haul tourism. On the other hand, Spanish tourists are now travelling abroad again, resuming pre-pandemic levels. In this favourable context, the hotel sector continues to enjoy very strong demand, which has allowed it to continue to raise its occupancy levels and its profitability to new highs. Looking ahead in 2025, Spain's tourism sector will grow at a slightly more moderate rate, although it still has significant support factors to continue expanding and we expect it to remain one of the main growth drivers of the economy as a whole.

In 2024, Spain's economy has once again exceeded expectations, supported by the pattern of inflation and interest rates which, while still high, have steadily declined. GDP growth has been significant, at around 3.0%. In this clearly expansive context, there is no doubt that the tourism sector has been one of the best performers, with an estimated growth of 6.0% in 2024, following an increase of 7.9% in 2023.

Foreign tourism set new records for the second consecutive year, while Spaniards returned abroad

Since the main indicators of tourism activity returned in 2023 to the peak levels of 2019, the sector has been showing no signs of cyclical exhaustion and has even maintained its appeal, especially among international markets. In 2024, we estimate that around 94 million foreign tourists arrived in our country, some 9 million more than the previous year (10% growth over 2023), and they also increased their spending above inflation in tourism services (the average tourist spent 1,342 euros in 2024, some 245 euros more per tourist than in 2019).¹

¹ The data for international tourist spending compare the cumulative total to November, which is the latest available data at the closing date of this report, with the same period for 2023 and 2019.

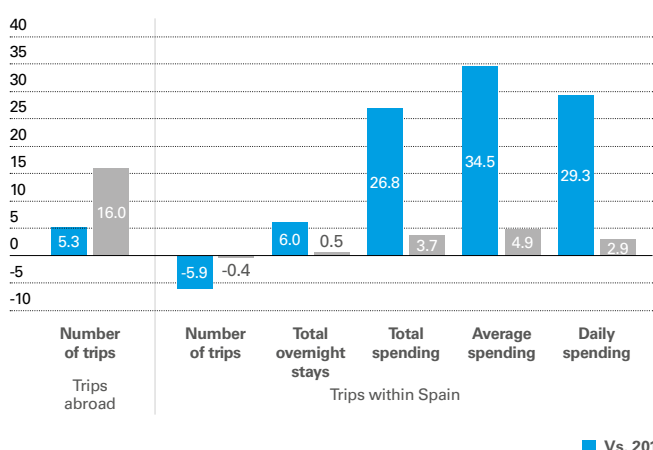
Resident tourists, meanwhile, have been steadily moderating their trips within the country and resuming travel to international destinations, such that 2024 was the year in which domestic tourists recovered the volume of trips abroad recorded in 2019. National accounting data corroborate this trend: spending by resident households in the rest of the world in Q3 2024 was 14% higher than the pre-pandemic level (four-quarter cumulative data). On the other hand, as their presence has increased in international destinations, domestic tourists have reduced their impact on the Spanish market: in 2024 the number of trips within Spain recorded a slight decline. Domestic tourism spending, in contrast, continues to record strong growth.²

② The indicators for resident tourism compare the cumulative total for the year to Q3 2024 (the latest available data in the INE's Resident Tourism Survey) with the same period for 2023 and 2019.

Resident tourists are once again travelling to other destinations, while international tourists are setting new highs

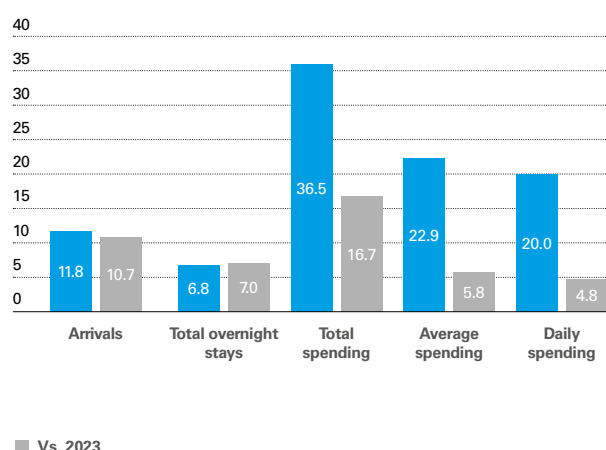
Resident tourism indicators

Change in the year 2024 (%)



International tourism indicators

Change in the year 2024 (%)



Note: The data for resident tourism correspond to January to September; while those for international tourism cover January to November.

Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE).

In 2024, British and long-haul tourist arrivals have recovered, such that all the relevant markets for the Spanish sector have now recovered their pre-pandemic levels

In addition to the record number of international tourist arrivals, 2024 has been the year in which all the major source markets for the Spanish sector definitively recovered. The last market to do so was that of British tourists, the main market of our tourism sector (representing 19.7% of arrivals and 18% of spending), as well as long-haul tourists (currently the fastest-growing market). The former has been weighed down by the indirect consequences of Brexit and the difficult times that the British economy has been going through since the outbreak of the pandemic. The latter, which includes Asian tourism, has been adversely affected by the continent's late emergence from the pandemic, the stricter mobility restrictions imposed there and the problems in air traffic caused by the conflict in Ukraine.³

③ European airlines have closed the airspace to cross through Ukraine and Russia, so routes to Asia are now longer and more expensive, reducing the number of connections between Spain and the Eastern continent.



The only two markets that have not recovered pre-pandemic levels are Russian tourism (no data have been available since the outbreak of the war) and Nordic tourism, although both markets are of limited importance (they account for just 6.7% of arrivals). In contrast, the best performing source countries within Europe are the Netherlands and the Eastern European markets, while in the case of longer-haul markets the US and the rest of the American continent lead the ranking.

Tourist arrivals for business and professional purposes have not yet recovered their pre-pandemic volumes and there is room for improvement in the medium and long term

As for the reason for travelling, arrivals visiting for business and professional reasons (so-called «business tourists») are the only ones that have not yet recovered their pre-pandemic levels (there is a gap of 198,000 arrivals with respect to those levels) and they are also growing at lower rates. Their recovery is particularly important, given that this category of tourists contributes the most amount of money to the sector: in 2024, around 1,400 euros per tourist (100 euros more than a holiday tourist) and 240 a day (50 euros more per day).

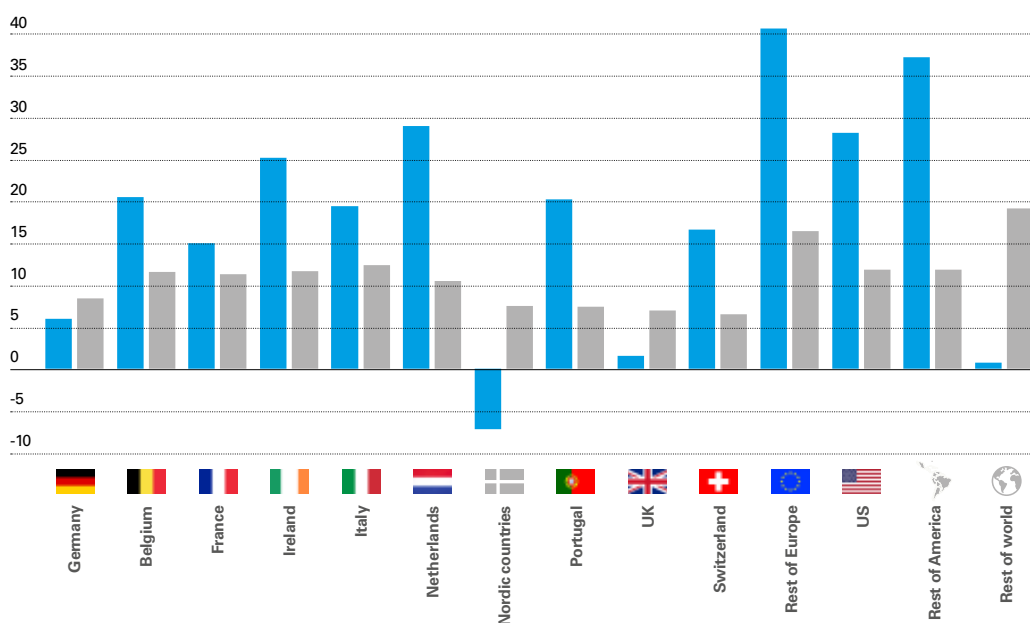
On the other hand, it is notable that arrivals under the category «Other reasons» have surged by 45% compared to 2019. This category includes trips encompassing visits to see family and friends, studies, medical treatments or religious pilgrimages, among others, and now represents 8.2% of all arrivals in our country, 2 points more than in 2019.

Finally, it is worth noting the increase in overnight stays (among both residents and non-residents) in non-hotel establishments: there has been a significant increase in demand for rural tourism apartments and, above all, campsites, which registered the biggest increases in overnight stays compared to 2019.

Arrivals of foreign tourists according to origin, reason for travel and type of accommodation

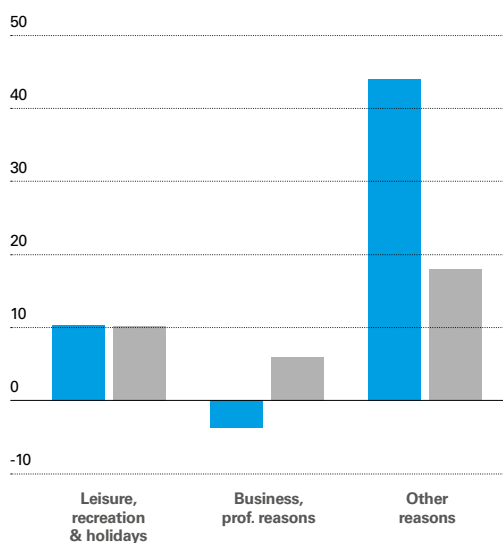
Tourist arrivals according to their origin

Change in the year 2024 (%)



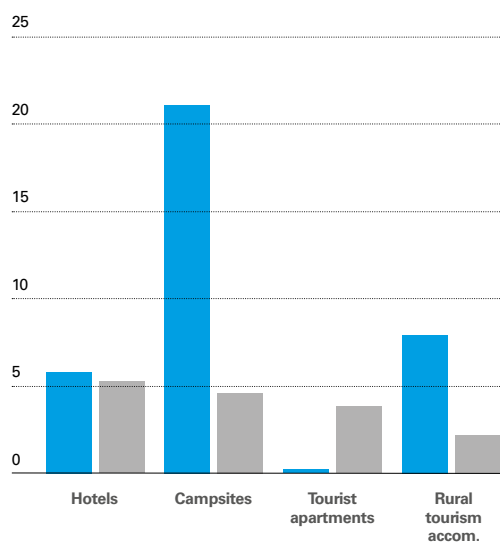
Tourist arrivals according to the reason for the trip

Change in the year 2024 (%)



Tourist arrivals according to the type of accommodation

Change in the year 2024 (%)



■ Vs. 2019 ■ Vs. 2023

Note: Cumulative data for the period January to November (latest available data in 2024), for all years.

Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE).



2024 has been another excellent year for Spain's hotel sector

The hotel sector continues to enjoy buoyant demand, growing at an annual rate of 5% in 2024 and consolidating the gains of 2022 and 2023. The demand indicators clearly reflect the disparate behaviour between resident tourists (similar to that of the pre-pandemic period 2015-2019) and non-resident tourists, with the latter continuing to record rapid growth even in 2024 and setting new records (see charts below).⁴

On the other hand, the hotel supply remains less dynamic than demand. Firstly, there are 265 fewer hotel establishments than in 2019 (around 14,800 hotels in 2024). However, the number of rooms is increasing at a rate of 2% annually (there are around 18,000 more rooms in 2024 than in 2019), suggesting that there are fewer establishments, but their average size is increasing. The data by category reveal the Spanish sector's shift towards luxury tourism since the outbreak of the pandemic: 5-star establishments have recorded the biggest increase in room supply compared to 2019; however, this is the category where the occupancy rate has increased the least in these years (see charts on the following page).

The combination of rapidly increasing demand and more tepid supply is resulting in an occupancy rate that continues to climb (69.5% in 2024, 2.6 pps more than in 2023). In addition, the high season was particularly successful: between July and September, the occupancy rate exceeded 75% on average and surpassed the excellent records of 2023 by just over 1 pp. Moreover, comparing the occupancy rate with the period 2015-2019 reveals a slight reduction in seasonality, that is, the occupancy outside the high season increases relatively more than in the months of July to September. In this same report we analyse in depth the change in seasonality of the sector in recent years in the article «What factors have contributed to the reduced seasonality of tourist spending in Spain?».

This improvement in occupancy is accompanied by increased profitability, which continues to grow at double-digit rates: the sector earned an average of 83 euros per available room in 2024 (RevPAR hotel profitability index), 10% more than in 2023 and 38% more than in 2019 (around 23 euros more per room). In addition, the high season (from July to September) was the most profitable in the sector's history, with an average income of 107 euros per room, about 9 euros more than in 2023 and about 30 more than in 2019.

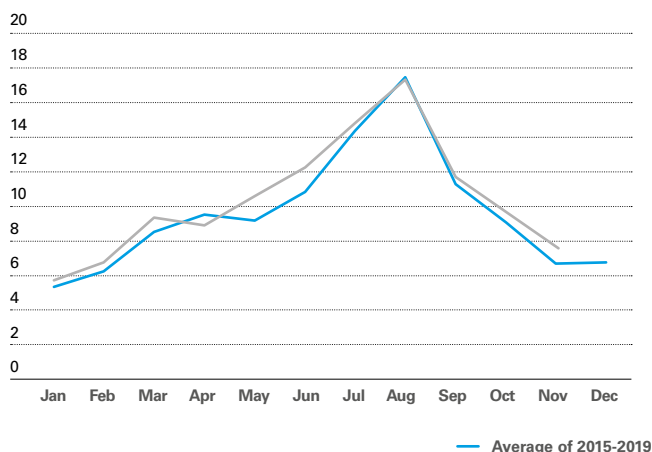
④ The indicators for demand, supply, occupancy and profitability of the hotel sector for 2024 correspond to the average figure for the trailing 12 months to November, which is the latest available data at the closing date of this report.



Activity and profitability indicators for the hotel sector

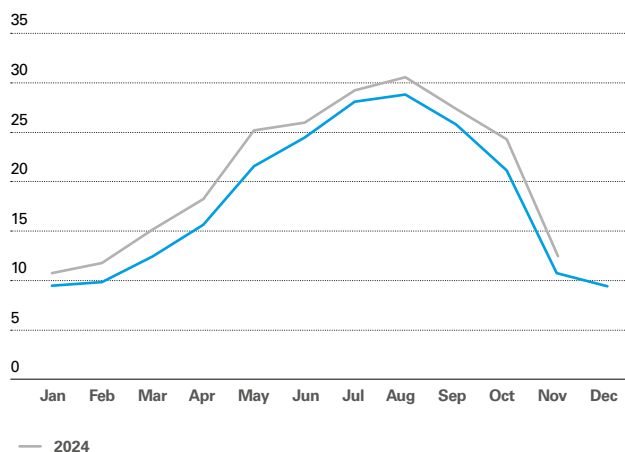
Hotel overnight stays by resident tourists

Number of stays (millions)



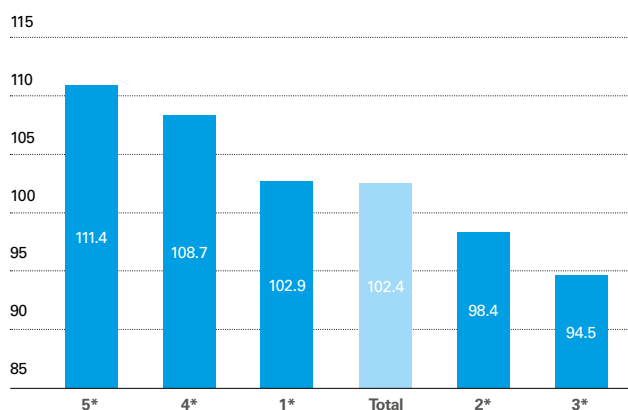
Hotel overnight stays by non-resident tourists

Number of stays (millions)



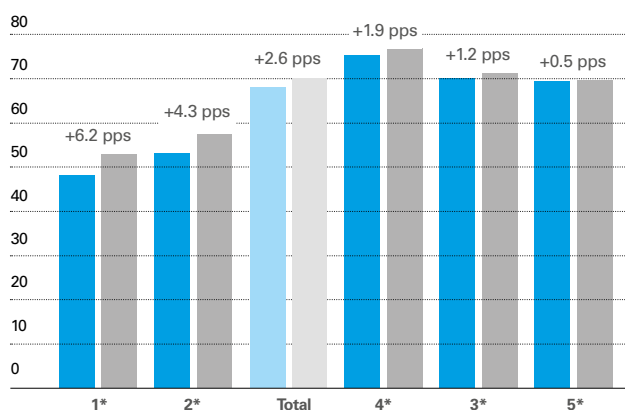
Rooms available in 2024

Index (100 = 2019)



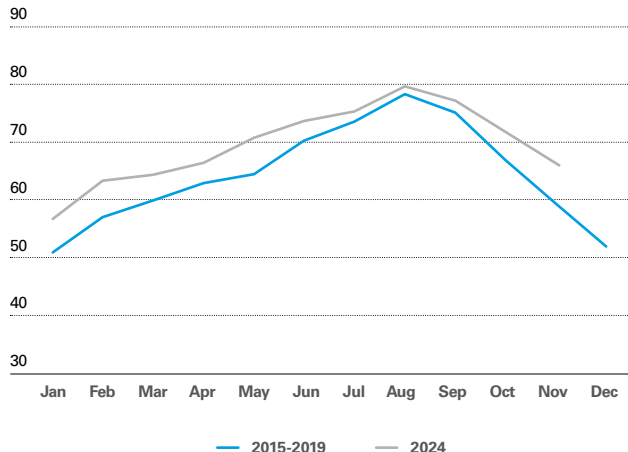
Occupancy rate by category

Categories ordered according to the difference in the rate between 2019 and 2024



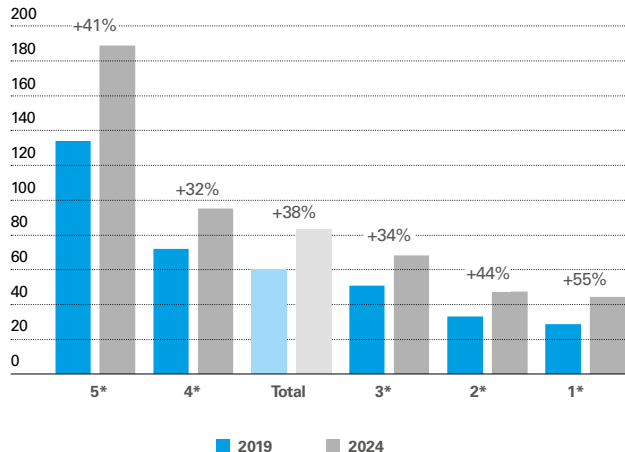
Hotel occupancy rate

Occupancy per available room (%)



RevPAR hotel profitability index

Euros per available room



Note: The data on available rooms, occupancy rate and profitability index correspond to the January-November average.

Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE).



Among regions, the Community of Valencia remains the top performer

Up until the flooding that ravaged the region in October, the Community of Valencia had consolidated its position as the region that had increased its appeal among foreign tourists the most in the post-pandemic period: between January and November, some 11.3 million foreign tourists visited the region, 1.5 million more than in 2023 and 2.2 million more than in 2019. Tourist spending has reached 15.2 billion euros a year (5.6 billion more than in 2019), making it the region with the biggest increase with respect to 2019), while expenditure per tourist reached 1,255 euros (average of the trailing 12 months to October), some 70 euros more than in 2023 and 260 euros more than in 2019. This makes it the region that has recorded the third biggest increase, surpassed only by Madrid and Andalusia.

It is difficult to estimate the impact that the October floods, which were particularly devastating for the province of Valencia, have had on the tourism sector. On the supply side, the destruction of productive capital has been concentrated within a small area, at a time of the year when the tourist infrastructure is underutilised. In addition, most of the tourism supply in the Community of Valencia is concentrated on the Costa Blanca (74% of the supply of hotel rooms), which was less affected by the storm. On the demand side, data on spending with foreign cards in the municipalities affected by the storm allow us to approximate the degree to which the tourism sector was affected.⁵ In the first week after the disaster, spending by foreigners plummeted in the «ground zero» area (–90% year-on-year) and the recovery is still very much incomplete (–34% year-on-year in the week of 25-31 December). Spending in the rest of the affected municipalities recorded a smaller decline in the first week (–25% year-on-year), but shows few signs of improvement. However, the impact for the Valencia province as a whole is limited (2% year-on-year in the week of 25-31 December), and this effect ought to dissipate over time as the damaged infrastructure is repaired and the negative impact of the news about the disaster dissipates.⁶

Among the other regions, a comparison between the occupancy levels of 2024 and those of 2019 allows us to highlight the current boom in the sector in Asturias, the two Castiles, Extremadura and Aragon, where the model is less based on mass tourism and more oriented towards green and active tourism. This higher occupancy is not necessarily accompanied by a significant increase in profitability, except in the case of Asturias (see the following charts). The hotel sector in the Community of Madrid is a particularly noteworthy case, as it is a region where city, cultural and business tourism predominates (the model that has taken the longest to recover after the pandemic). This is a region in which occupancy levels have fallen since the outbreak of the pandemic, but it has also registered one of the biggest increases in profitability in the sector.

⁵ According to internal CaixaBank data, international tourist spending in the municipalities hardest hit by the flooding (ground zero) represented, before the disaster, 7.3% of the international tourist spending in the province (the city of Valencia itself accounts for 33%). The mix of international and domestic tourist spending is practically even in the province.

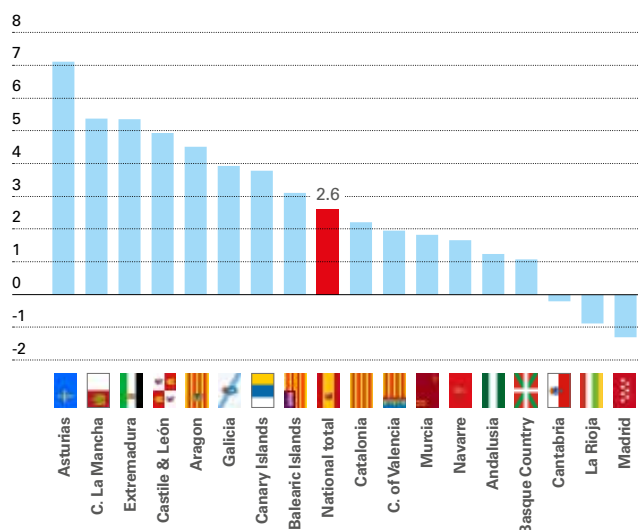
⁶ Latest week with available data at the time of writing this article. The CaixaBank Research Consumption Tracker contains weekly updates of this data and can be found at: CaixaBank Research Consumption Tracker.

With the devastation caused by the flooding, spending by foreigners plummeted in «ground zero» (–90% year-on-year) and the recovery is still very much incomplete

Occupancy and profitability of the hotel sector by autonomous community region

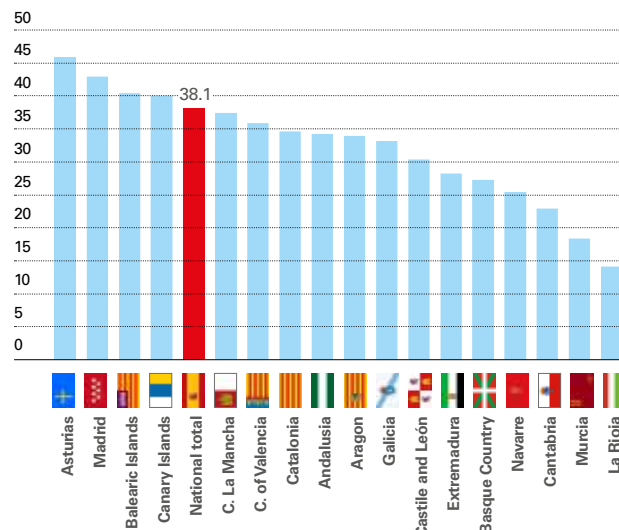
Change in the hotel occupancy rate by region

Difference between 2019 and 2024 (pps)



Profitability index (RevPAR)

Change between 2019 and 2024 (%)



Note: The data correspond to the average for January to November compared to the same period of 2019.

Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE).

The labour market continues to create jobs at a rapid rate, albeit with a slight slowdown versus 2022 and 2023

The tourism sector is creating employment at very dynamic rates (3.6% in 2024), above those of the economy as a whole (2.8% in 2024) and exceeding 3 million employees in 2024 (a job creation of 106,000 workers with respect to 2023). An analysis by sub-sector reveals how the various branches associated with the sector are performing in this post-pandemic period. Firstly, all tourism sub-sectors have created jobs since the outbreak of the pandemic, with the exception of the air transport sector and, above all, the rental sector (-2.6% between 2019 and 2024). This latter sub-sector includes vehicle rentals, which has been slow to recover after the pandemic due to problems in the automotive sector, although the increase in the number of vehicle registrations over the course of 2024 suggests that things could improve in the coming months. On the other hand, leisure, cultural and sports activities are the sub-sectors that are creating the most employment and which are seeing their share of the total registered workers increase the most. This reflects the shift in post-pandemic consumption patterns, with a surge in activities involving greater social interaction and the consumption of experiences.

The high demand for tourism services means that prices in the sector continue to grow at a rapid rate

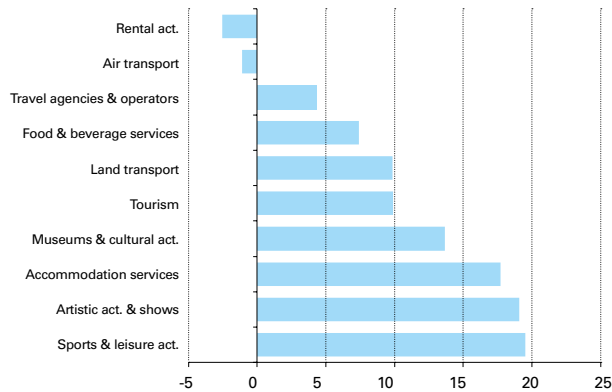


Tourism

The sector continues to create employment at a rapid rate, although there are significant differences between subsectors

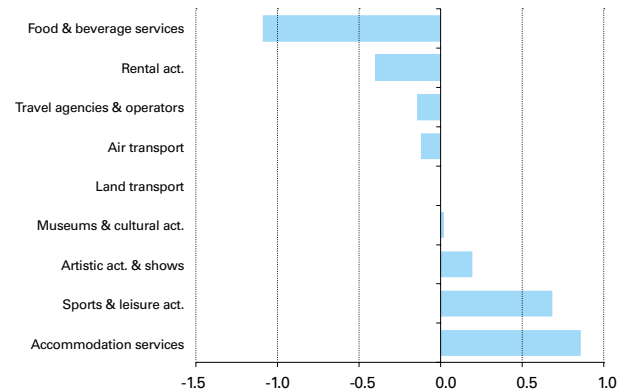
Job creation in the tourism sector

Change between 2019 and 2024 (%)



Proportion of the total tourism sector

Change in the proportion between 2019 and 2024 (pps)



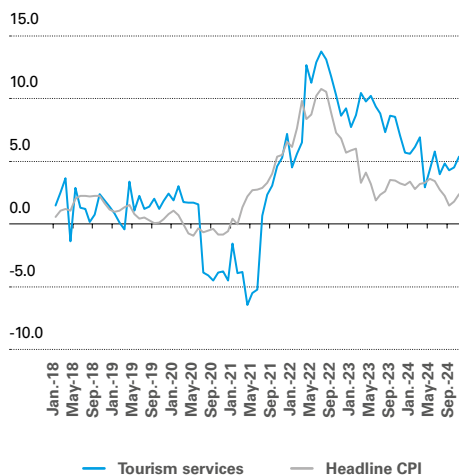
Source: CaixaBank Research, based on data from the Ministry of Inclusion, Social Security and Migration (MISSM).

Inflation in the tourism sector continued to steadily moderate throughout 2024, moving away from the peaks of 2022 (when double-digit year-on-year rates were recorded between April and October). However, inflation in the sector still stood at 5.4% in November, well above that of the economy as a whole (2.4%), with sea transportation, tour packages with a national destination and domestic and international flights recording the biggest price increases. Of particular note is the rise in sea transportation prices since 2019 (+60% on a cumulative basis), largely reflecting an increase in demand for tourism based on cruises (there are around 2 million more passengers on cruise ships than before the pandemic) and, possibly, the increase in fuel prices.

Prices of tourism services continue to moderate, but remain high

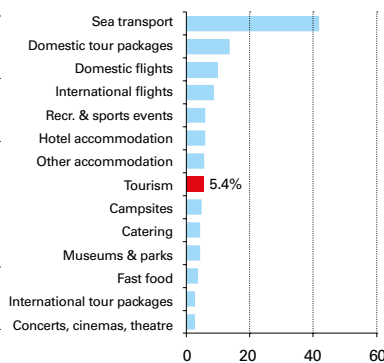
Headline CPI and tourism services CPI

Year-on-year change (%)



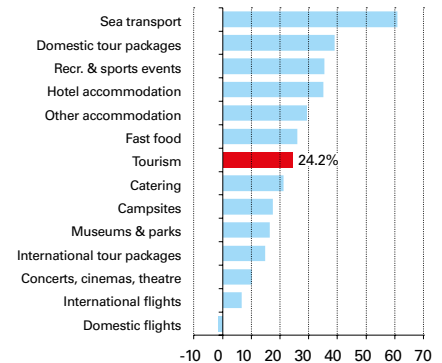
Annual change in 2024*

(%)



Cumulative change between 2019 and 2024*

(%)



Note: (*) The data for 2024 correspond to the average for the trailing 12 months to November.

Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE).

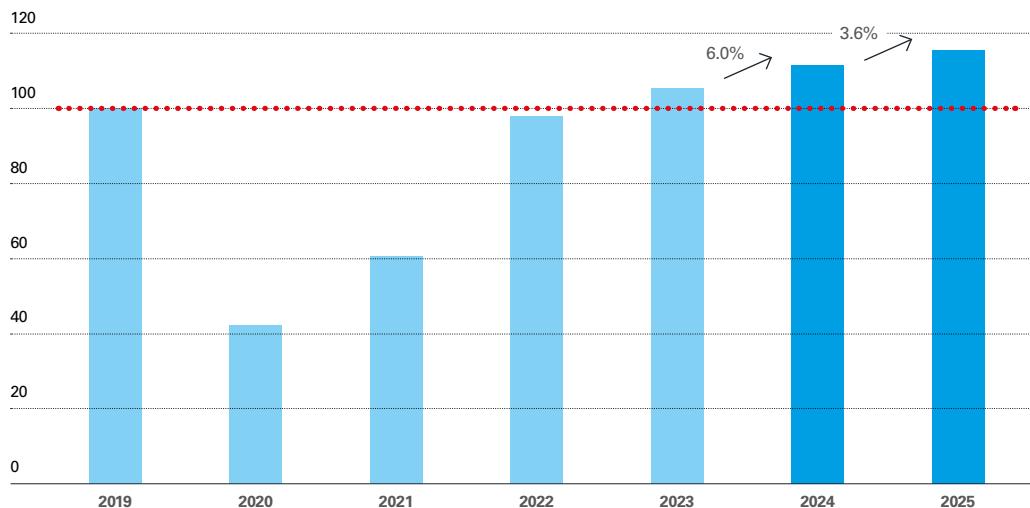
Good outlook for the sector in 2025

The sector's robust performance throughout 2024, in which new record highs have once again been set in the indicators for international tourists, shows that the sector is reaching high levels of utilisation of its productive capacity. Therefore, we can expect to see a moderation in the pace of growth compared to the previous year. Nevertheless, we still see certain factors that will allow it to continue to steadily grow in the current forecast horizon. Abroad, the recovery of disposable income in the source countries as the impact of inflation dissipates, together with the perception of geopolitical stability in Spain, will continue to propel the tourism sector in the coming quarters. This trend is expected to continue to drive a reduction in the seasonality of tourism, with greater growth outside the peak season, which will help make the sector's growth more sustainable.

On balance, we estimate tourism GDP growth of 3.6% in 2025, following the 6.0% estimated for 2024, once again outpacing the Spanish economy as a whole (2.3% according to our current estimates for 2025). We expect domestic tourism to grow slightly above the 2024 rate (1.2% in 2025 vs. 0.8% in 2024), based on the expectation that foreign trips taken by Spanish tourists will stabilise around the same levels of 2024, while international tourism will grow by 4.5% (8.6% in 2024). In this context, the share of tourism GDP would grow, rising to 13.2% of the total economy, compared to the 12.9% estimated for 2024.

Real tourism GDP in Spain

Index (100 = 2019)



Source: CaixaBank Research, based on data from the Spanish National Statistics Institute (INE) and own estimates.