

Snap | 1 September 2023

SPAIN

## Spanish tourist season on track to beat pre-Covid levels for the first time

10.1 million foreign tourists visited Spain in July, surpassing the levels seen before the Covid-19 pandemic in July 2019. With such strong figures, it's very likely that more foreign tourists will visit Spain this year than in 2019 – but global warming could soon begin to cloud the possibility of further growth



Tourists in Benidorm, Spain

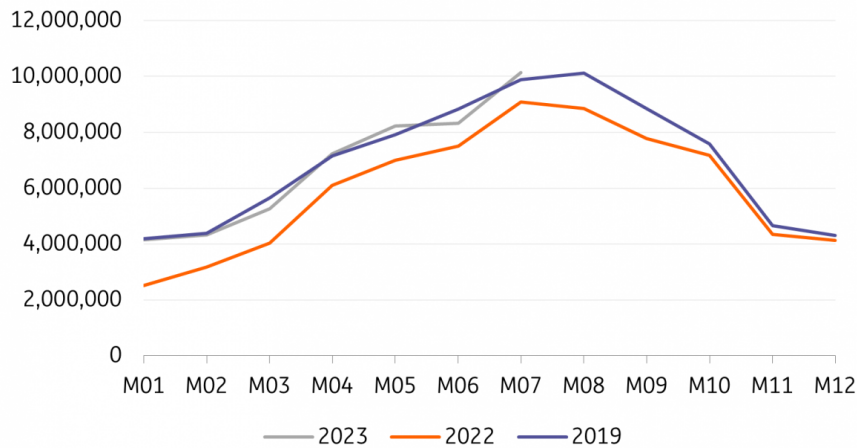
### Number of foreign visitors above pre-covid levels in July

Spain is well on its way to matching or even surpassing its 2019 tourist season. According to figures released this morning by Spain's statistical services, 10.1 million foreign tourists visited Spain in July compared to 9.9 million in 2019, the last year before the Covid-19 pandemic. After two years of travel restrictions, Europeans are hungry to travel abroad again and for many, Spain is still an attractive destination.

The UK is still the main source country for Spain, accounting for one in five international visitors. Still, the number of UK visitors is lagging behind slightly, standing at 94% of its 2019 level in July. The weak lira may have convinced many British tourists to change their travel destination to Turkey. The number of German tourists is also still a lot lower than in 2019, but

this is more than offset by an increase from other countries.

## International tourists arriving in Spain



Source: INE

Spain welcomed 71.7 million international visitors in 2022, which was still 14% less than the number of tourists received in 2019. Spain seems on track to shake off the effects of the pandemic and match the number of foreign visitors in 2019. With the tourism industry holding a significant pace in Spain's economy, it is also currently boosting the country's growth.

A surge in international tourist arrivals often leads to increased consumption, ranging from accommodation and transportation to dining and shopping. It also stimulates job creation. As a result, we expect decent growth of 0.3% quarter-on-quarter again in the third quarter of this year. Thanks in part to resurgent tourism, Spain remains one of the leaders in the eurozone after the Netherlands plunged into recession and Germany continues to flirt with one.

## Global warming could hit Spanish tourism sector

For now, Spanish tourism seems little affected by the country's drought and extreme weather conditions, but this could change in the coming years. A recent [report](#) by the European Commission estimates that global warming could lead to a shift in European tourist flows away from the southern coastal regions to more northern shores. They estimate that in the most pessimistic scenario, a rise in temperature of either 3°C or 4°C could reduce the number of tourists during the summer season by 10% in southern coastal cities, while more northern coastal cities would see their numbers grow by 5%. Southern Spain in particular would be hardest hit in such a scenario.

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit [www.ing.com](http://www.ing.com).