

UNIVERSIDAD DE OVIEDO

Facultad de Comercio, Turismo y Ciencias Sociales Jovellanos

TRABAJO FIN DE GRADO GRADO EN COMERCIO Y MARKETING

EXPENDITURE OF FOREIGN TOURISTS IN SPAIN

AUTOR: Sergio Fernández García

Gijón, 28 de mayo de 2024

DECLARACIÓN DE AUTORÍA Y ORIGINALIDAD DEL TRABAJO FIN DE GRADO

(de acuerdo con lo establecido en el artículo 8.3 del Acuerdo de 5 de marzo de 2020, del Consejo de Gobierno de la Universidad de Oviedo, por el que se aprueba el Reglamento sobre la asignatura Trabajo Fin de Grado de la Universidad de Oviedo)

D. Sergio Fernández García, con DNI

DECLARO QUE:

El Trabajo Fin de Grado titulado (Expenditure of Foreign Tourists in Spain) que presento para su exposición y defensa, es original y he citado debidamente todas las fuentes de información utilizadas, tanto en el cuerpo del texto como en la bibliografía.

En Gijón, a 28 de mayo de 2024

Firmado: Sergio Fernández García

ABSTRACT:

This study analyses the average expenditure of foreign tourists in Spain in the pre-, during and post-pandemic periods. First, we will discuss the importance of the tourism sector for the Spanish economy, highlighting the relevance of foreign tourism. Then, we analyse the impact that COVID-19 had on this sector, and more specifically on the average daily expenditure per tourist. To do so, we conduct a descriptive analysis in which 5 Autonomous Communities are examined in detail. We consider information on average expenditure per person from tourists coming from six different countries. We find that average daily expenditure fell during the pandemic, although this decline is heterogeneous depending on the Autonomous Community, considered; in some cases it even increased. Once the pandemic was over, tourists spent more again, even surpassing the figures before the pandemic. These results underline the complexity of foreign tourists' spending patterns during periods of economic crisis and subsequent recovery.

INDEX

1. INTRODUCTION.....	1
2. CONCEPTUAL FRAMEWORK	2
3. DATA AND ANALYSIS	6
3.1. DATABASE	6
3.2. DESCRIPTIVE ANALYSIS BY AUTONOMOUS COMMUNITY AND COUNTRY OF ORIGIN.....	8
3.2.1. Andalusia.....	8
3.2.2. Balearic Islands	10
3.2.3. Canary Islands.....	11
3.2.4. Catalonia	13
3.2.5. Community of Valencia.....	15
4. CONCLUSIONS.....	16
5. BIBLIOGRAPHIC REFERENCES:.....	19

1. INTRODUCTION

The tourism sector is of vital importance to the Spanish economy. It is worth highlighting the importance of foreign tourism, based on the percentage of its expenditure over GDP, which in 2019 was 7.68% on average. Especially notable is the importance of this sector in the Balearic and Canary Islands, with 45.72% and 36.89%, respectively. In Catalonia (9.33%), the Valencian Community (8.67%) and Andalusia (7,80%), the weight of expenditure by the foreign tourists is also higher than the average recorded in Spain. The relevance of tourist expenditure over GDP by residents is comparatively lower, representing 2.66% of the GDP, in the year preceding the pandemic (Cabrer-Borrás and Paz Rico, 2020).

The high contribution of the tourism sector to the GDP, with rates exceeding 12%, has been fundamental for Spain's economic growth in the years prior to the pandemic. However, the COVID-19 pandemic and the associated travel restrictions and contagion risks caused the contribution of the tourism sector to GDP to fall sharply. In 2020, the tourism industry represented 'only' 5.5% of GDP, which translates into a drop of 55% compared to the previous year (Mendieta-Aragón, 2022). Specifically, between March and June 2020, the forced cessation of tourism activity due to the confinement and closure of international borders caused losses of 43,460 million euros in terms of economic activity (Exceltur, 2020). To study how the pandemic affected the economic returns of tourism, in this project we will analyse the evolution of expenditure of foreign tourists in Spain, comparing the results before, during and after the pandemic.

To reach our study purpose, we will consider 5 of the most important Autonomous Communities in terms of tourism demand, which are Andalusia, the Balearic Islands, the Canary Islands, Catalonia and the Valencian Community; and 6 countries of origin, namely Germany, France, Portugal, Italy, the United Kingdom and Switzerland. The goal is to study the differences in average daily expenditure per region and country of origin, comparing its values before, during and after the pandemic. In doing so, the analysis will compare observed outcomes with the forecasts about daily expenditure drops by foreign tourists made by Cabrer-Borrás and Paz Rico (2020). Accordingly, the article will study the impact of the pandemic crisis on average expenditure and potential differences by region and origin country. Importantly, we will not focus on the variation in the number of tourists, as done by Ríos Rodríguez et al. (2022), but on the variation in foreign tourists' average daily expenditure.

The sample period of our study spans from the first quarter of 2018 to the third quarter of 2023, thereby distinguishing between the pre-pandemic, during the pandemic, and post-pandemic periods. The data is drawn from the Spanish Statistics Institute. Methodologically, we will conduct a descriptive analysis in which we analysis the key trends and patterns in the data, using custom-made bar charts to illustrate the differences.

One of the main conclusions we can get from this study is that the average daily expenditure of tourists fell during the pandemic by around 3.5%. The most affected autonomous communities were Andalusia and Catalonia, with a drop in spending of 8.92% and 15.49%, respectively. In contrast and quite surprisingly, the Balearic Islands (6.43%) and the Canary Islands (4.83%) experienced an increase in spending during the pandemic. On the other hand, once the pandemic was over, tourists spent 8.76% more than before the pandemic and 12.68% more than during the pandemic, with French tourists standing out with an increase of 25.05% compared to what they spent during the pandemic.

The rest of the study is structured as follows: following this introduction, in Section 2 we will explain the conceptual framework of our analysis, focusing on the importance of tourism in Spain and the repercussions of COVID-19 at both the national and international levels. In Section 3, we will provide a description of the database, followed by a descriptive analysis of foreign expenditure by Autonomous Communities, categorized by the tourists' country of origin. The study concludes with the main conclusions, followed by the bibliographical references.

2. CONCEPTUAL FRAMEWORK

Tourism, considering its different typologies, is a key sector of the Spanish economy, establishing itself as one of the main economic engines due to its weight in both Gross Domestic Product and employment, as highlighted in a recent study by Ríos Rodríguez et al. (2022). In fact, the Tourism Satellite Accounts provided by the National Statistics Institute (INE, 2022) reveal that in 2019 the tourism sector employed 2.67 million people, representing 2.7% of total employment. In addition, the tourism industry contributed with 157,355 million euros to the Gross Domestic Product, representing approximately 12.6 per cent of the total in 2019. In certain regions specialized in the tourism industry, these

figures were even higher. For example, in IBESTAT (2022), the Official Institute of Statistics of the Balearic Islands, in the Input-Output Framework (2014), estimated that the tourism sector accounts for 34.8% of the GDP of the Balearic Islands. (Vayá et al., 2023).

According to Hernández de Cos (2024), Spain is also the leading European country in receiving international tourists. It is the number one destination for tourists from Germany, England, France, and Italy. Additionally, four Spanish tourist destinations (Mallorca, Barcelona, Tenerife, and Málaga) are among the top ten most popular in Europe.

The significance of the tourism sector was strongly affected by the existence of the COVID-19 pandemic in the year 2020, as we will later analyse in detail. However, its end facilitated, after two years of intense crisis, a gradual recovery. Thus, the increase in tourist activity in 2022 was 58.6%, contributing 4.5 percentage points (pp) to the 5.8% GDP growth that year. In 2023, available indicators confirm the continuation of the sector's recovery, with its contribution to GDP surpassing pre-pandemic levels (12.8%, compared to 12.6% in 2019).

In parallel, there has been a significant increase in tourist expenditure. In particular, the total nominal expenditure of international tourists from January to November 2023 was 16.9% above pre-pandemic levels. Although rising prices significantly contributed to this increase, the expenditure of foreign tourists in real terms excluding transportation and tour packages rose by 6.8% compared to the same period in 2019.

Overall, in the first three quarters of 2023, real tourism exports were 5.7% higher than in 2019, while the recovery of tourism imports has been more gradual, so that they are still slightly below pre-pandemic levels. As a result, the tourism surplus exceeded €50 billion in the accumulated total of the last four quarters, a magnitude that surpasses the entire deficit in the external balance of goods trade.

By country of origin, the dynamism has been centred on tourists from Europe, with the exception of the Nordic countries. By autonomous communities, Andalusia, Catalonia, and the Valencian Community were the main destinations for travelers residing in Spain in 2023, while the archipelagos were chosen by non-residents. (Hernandez de Cos, 2024).

In this context, it is undeniable that the existence of the COVID-19 pandemic had an unprecedented impact on the global economy, especially on the tourism sector (Škare et al., 2021). Indeed, the year 2020 has been deemed the worst in history for the tourism sector by the World Tourism Organization (WTO) (WTO, 2021).

The COVID-19 pandemic had a devastating impact on this sector, with mobility restrictions and border closures drastically reducing tourism flows. Authors such as Yang et al. (2020) argue that infectious disease outbreaks, including coronavirus, pose a significant threat to the tourism industry due to its dependence on human mobility. On the economic front, the motive for precautionary saving during economic recessions, such as the COVID-19 pandemic, could lead to a lower propensity of tourism consumption (Kimball, 1990), as well as a shift in tourist preferences, with tourists actually beginning to lean towards more expensive options, possibly due to a perception of higher quality associated with higher prices, as revealed by Kim et al. (2021). As a result of all this, tourists became less sensitive to price changes and more willing to pay higher prices to guarantee quality standards (Rao, 2005). In any case, it became clear that both tourism supply and demand were affected, with a decrease in travel due to increased infection risk and the collapse of tourism supply because of measures taken to contain the spread of the virus (Benítez-Aurioles, 2021).

Spain, being one of the world's leading tourist destinations, has suffered particularly due to its dependence on tourism, as travel and mobility restrictions led to minimal hotel activity during the summer; outbreaks in August conditioned the planned reopening, thus generating a serious tourism crisis that ultimately reinforced the importance of domestic tourism. During the pandemic, we witnessed an increase in domestic travel and longer stays in local destinations (Benítez-Aurioles, 2021). As Cabrer-Borrás and Rico (2020) highlight, the COVID-19 health crisis had an unequal impact on the economic sectors and regions of Spain, with tourism being one of the most affected and experiencing a slower recovery due to measures such as social distancing and border closures. Measures taken to contain the spread of the virus, such as the closure of establishments and movement restrictions, led to the temporary or partial closure of many tourist accommodations, increasing unemployment and negatively affecting the sector's economy. Moreover, Spain's dependence on international tourism led the country to experience the largest GDP decline in the EU, 9.8 percent during the COVID-19 times, according to the European Statistical Office (Eurostat).

Those regions that mainly relied on international tourism were the most affected, particularly the Balearic and Canary Islands, where the tourism industry represented 66.5% and 74.8% of their GDP, respectively, before the pandemic (Vayá et al., 2023). During COVID-19, these regions experienced a loss of travellers of 85.7% in the Balearic Islands and 67.1% in the Canary Islands as compared to 2019, with this percentage rising to 90% in the Balearic Islands and 69.7% in the Canary Islands in the case of overnight stays. These losses in Catalonia reached 68% in terms of tourist numbers and 71.3% in terms of overnight stays (Ríos Rodríguez et al., 2022).

The average daily expenditure of a resident tourist is less than half that of a foreign tourist. Moreover, the number of overnight stays of foreign tourists is twice that of domestic tourists. Therefore, at that time, the promotion and attraction of foreign tourism was of crucial importance. However, the recovery of this group was much more challenging than that of domestic tourism. Researchers argued that it was necessary, at least in the short term, to boost domestic tourism expenditure and to channel efforts to regain the confidence of foreign tourists (Cabrer-Borrás and Rico, 2020). On a related note, after the pandemic, an increase in economic inequality among different groups of travellers was also observed, along with a modification in the travel habits of residents in Spain, as they now seek flexibility and security when planning their trips, and increasingly use online channels to book tourist services (Mendieta-Aragón, 2022).

The negative effects of the pandemic on the sector have resulted in a higher level of indebtedness. Using data from the sample of companies from the Integrated Balance Sheet Central (CBI) for the year 2022, it is observed that the debt ratio (measured as external debt with interest over REB) in these tourism branches would still remain above pre-pandemic levels, although the good performance of results in 2023 should have allowed for a gradual reduction of this indicator. Additionally, Spain is exposed to physical risks, which are accentuated by the significant weight of the sun and beach segment, which increases the climate dependence of the tourism sector, and by the negative externalities caused by saturation in some destinations, such as the archipelagos or the Costa del Sol (Malaga). These vulnerabilities underline the need to achieve sustainable tourism growth, for which it is essential to provide a predictable framework for energy transition (Hernandez de Cos, 2024).

For all these reasons, the tourism sector has had to undergo a process of transformation and reinvent itself with new tourism models, modifying the supply of goods and services to meet the new demand of tourists. Researchers assert that, to

avoid experiencing such a negative impact in the future, it will be necessary to continue promoting and contributing to the activation and establishment of other destinations that promote sustainability and are more integrated with the environment (Ríos Rodríguez et al., 2022). In a study conducted for Asturias, Baños-Pino et al. (2021) provide solid evidence that while tourists spent the same amount overall, their length of stay decreased after the pandemic (1.26 nights on average), representing a 23.8% decline. Expenditure on transportation and other elements, such as cultural events or outdoor activities, increased by 0.54% and 0.12%, respectively, while expenditure on accommodation decreased by 1.34%. The pandemic therefore forced a transition from mass tourism to sustainable tourism, with tourists prioritizing outdoor activities and private transportation. This required destinations to adapt their offerings to meet the changing preferences of social distancing.

In conclusion, asserted by Vayá et al. (2023), given Spain's strong dependence on tourism, it is crucial to implement measures that ensure its sustainability and diversify the economy to mitigate vulnerability to health, economic, or tourism-related crises.

3. DATA AND ANALYSIS

In this section, we undertake a descriptive analysis of the evolution of foreign tourists' expenditure pre, during and post-pandemic. The purpose is to compare and analyse the difference between these three periods across Spanish regions and depending on the country of origin.

3.1. DATABASE

Firstly, we need to choose the Autonomous Communities and the countries of origin of the tourists we want to analyse. We choose the five regions with the largest number of international tourists (in millions) in 2023 according to Statista (2024), namely: Catalonia (18.2), Balearic Islands (14.4), Canary Islands (13.9), Andalusia (12.2) and Community of Valencia (10.5). In relation with the countries of origin, we select Germany, France, Portugal, Italy, the United Kingdom, and Switzerland. In our view, these are the most relevant to analyse, in terms of proximity and relevance. To demonstrate the relevance of the chosen countries, we have computed the percentage of expenditure

they represent over the total, for each selected Autonomous Community. Expenditure by foreign tourists from these six countries amounts to 47.31 per cent in Andalusia, 65.59 per cent in the Balearic Islands, 63.43 per cent in the Canary Islands, 54.03 per cent in Catalonia, and 49.93 per cent in the Community of Valencia. As we can observe, the chosen countries account for a large percentage in all cases, thereby showing that these origin countries are the most relevant.

The main source of information from which the data is extracted is the Spanish National Institute of Statistics. In particular, the data is obtained from the Experimental Statistics section of the INE website. Experimental Statistics covers ongoing projects that are in some way innovative, whether through their information sources, statistical methods, study scope or way of disseminating the results. This section provides detailed information about total expenditure and average expenditure per person made by foreign visitors for each Autonomous Community. The objective of this experimental statistic is to provide quarterly information on the actual expenditure at the destination made by foreign visitors during their visits to Spain, to obtain a greater disaggregation than that provided by the Tourist Expenditure Survey (EGATUR), both by countries of residence and by the destination regions.

The data is available at the quarterly and at the annual frequency. As we want to obtain the most detailed information possible, we will focus on the quarterly data. The selected sample period starts in the first quarter of 2018 and ends in the third quarter of 2023 (due to data availability reasons at the moment of starting this project). This temporal frame will allow us to compare average expenditure before, during and post-pandemic.

It is important to note that there is no information available for the second quarter (April, May and June) of the year 2020. This is because at that moment the state of alarm and lockdown measures decreed by the Spanish government from March 15th until June 21st precluded foreign tourists to visit the country. Measures such as curfews, restrictions on movement between Autonomous Communities and the closure of businesses prevented the collection of tourist data during that period.

Our key variable of interest is the “Average daily expenditure per visitor by Autonomous Community and country of residence”. Although there is information about the total expenditure by origin and destination, we prefer to examine average expenditure per tourist. This is because we consider this variable to be easier to compare across

regions and origins as it is not affected by size effects. This variable is expressed in nominal euros.

As we introduced before, our goal is to compare the differences in average expenditure per person by foreigners before, during and after the pandemic in each destination and depending on the origin. For this purpose, we group the sample period in three: before, during and post pandemic as follows.

Keeping in mind that the pandemic started in March 2020, we consider the “pre-pandemic” stage from the first quarter of 2018 (first quarter with available data) to the first quarter of 2020. Acknowledging that there is missing data for the second quarter of 2020, the “during” period starts at the third quarter of 2020 and lasts until the last quarter of 2021. We consider the period between the first quarter of 2022 to the third quarter of 2023 the “post-pandemic” period. We nonetheless recognise that the adopted thresholds are rather arbitrary.

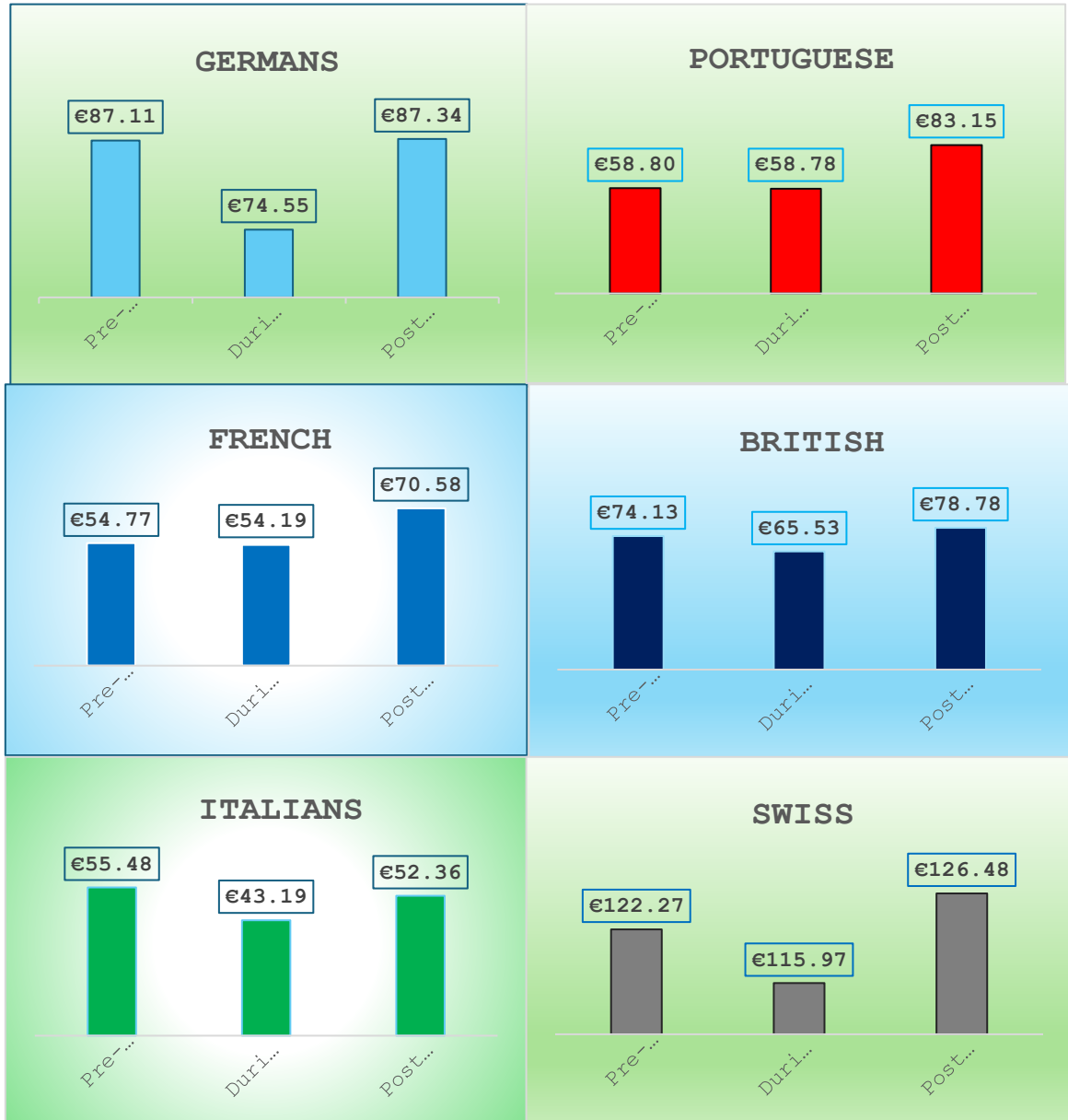
3.2. DESCRIPTIVE ANALYSIS BY AUTONOMOUS COMMUNITY AND COUNTRY OF ORIGIN

In this section, we discuss the differences in average expenditure per origin in the abovementioned three periods for each Autonomous Community of destination.

3.2.1. Andalusia

Graph 3.1. presents bar plots showing the mean levels of expenditure in each of the three periods per origin country in Andalusia. Before the pandemic, the tourists who spent the most money were the Swiss and the Germans, with mean daily expenditures of €122.27 and €87.11, respectively. In contrast, the French spent €54.77 per day, while Italians and Portuguese spent €55.48 and €58.80, respectively. The differences between the Swiss and Germans and the rest are quite notable.

Graph 3.1. Average expenditure by origin country in Andalusia pre-, during and post-pandemic



During the pandemic, there was a significant drop in tourist spending of around €7. However, the French and Portuguese experienced a comparatively lower decrease, spending only €0.58 and €0.02 less, respectively. This can be attributed to less stringent restrictions on accessing Spanish destinations by road and the proximity of Andalusia for Portuguese tourists. Despite these changes, the ranking by country remains largely unchanged, except that now the Italians have the lowest expenditure, averaging €43.19.

After the pandemic, expenditure increased significantly and almost returned to pre-pandemic levels. Portuguese tourists experienced a notable rise, placing them in the third position with an average expenditure of €83.15 (€4.19 less than the Germans). This represents a 41.46% increase compared to during the pandemic, making it not only the highest percentage increase in Andalusia but in all the Autonomous Communities analysed. On the other hand, Italians are the only ones who have seen a decrease compared to their pre-pandemic expenditure. After COVID-19, they spent €3.12 less on average.

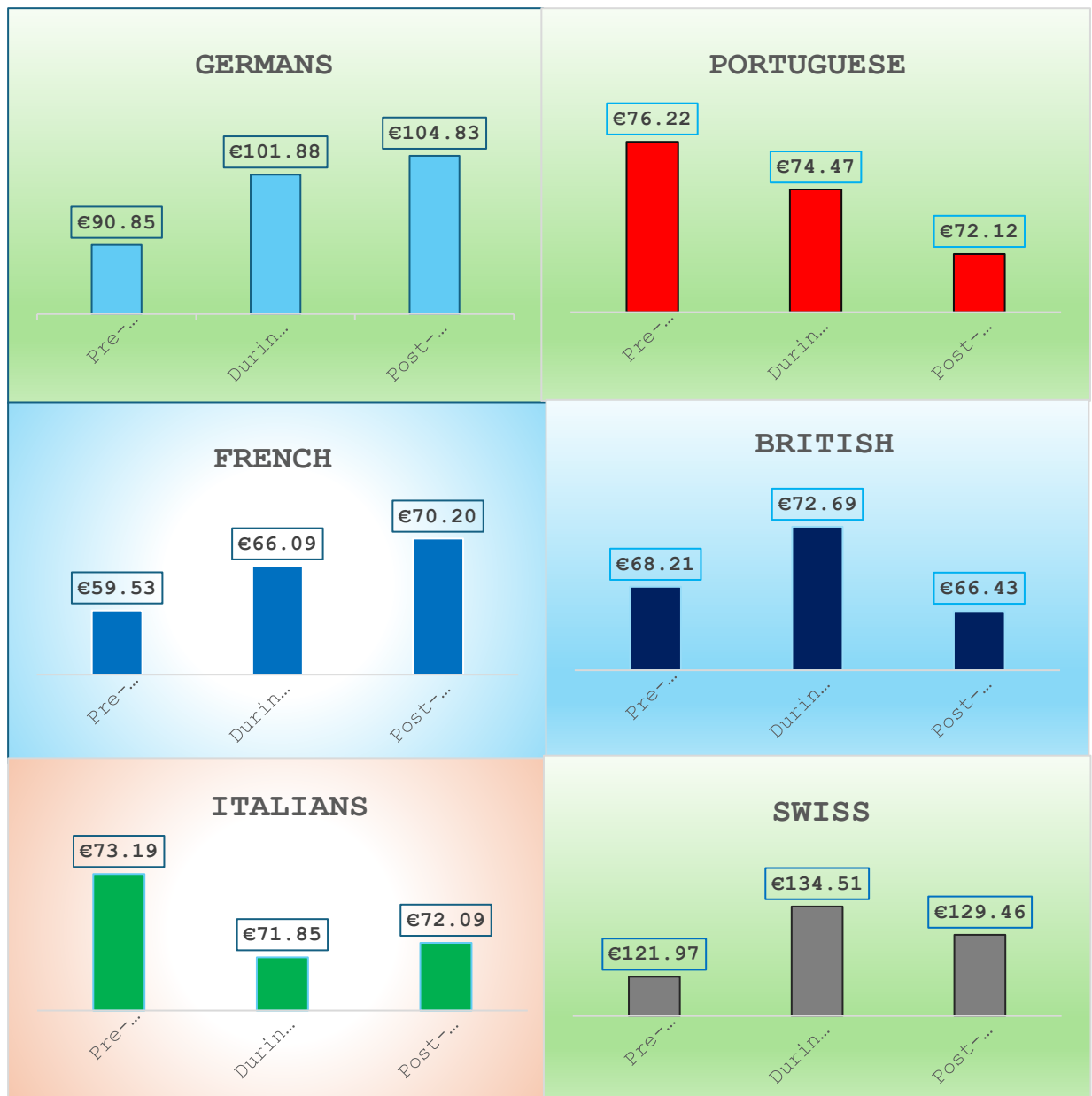
3.2.2. Balearic Islands

Graph 3.2. presents bar plots showing the mean levels of expenditure in each of the three periods per origin country in Balearic Islands. Before the pandemic began, the highest spenders were again the Swiss, with a daily average of €121.97, followed by the Germans, with €90.85. On the opposite side, French (€59.53) and British (€68.21), were the ones who spent the least. Portuguese tourists spent an average of €76.22, while Italians spent €73.19, placing them in the middle of the spending rankings.

During the peak of the pandemic, contrary to expectations, the French, British, Germans and Swiss increased their average expenditure. The increase of the latter two were particularly notable (€11.03 and €12.54, respectively). This result could be affected by compositional effects associated with only wealthy tourists keeping travelling to the Islands during the hardest phases of the pandemic. In contrast, the Portuguese (€74.47) and the Italians (€71.85) are found to spend less than before.

Once the pandemic was over, the most notable aspect we document from Graph 3.2 is the decline in the average expenditure by British and Swiss tourists, with reductions of €6.26 and €5.05, respectively. Interestingly, the British now fall to the last position in the country ranking. In contrast, both Germans (€104.83) and French (€70.20) increased their expenditure, exceeding their pre-pandemic figures by more than €10 each.

Graph 3.2. Average expenditure by origin country in Balearic Islands pre-, during and post-pandemic



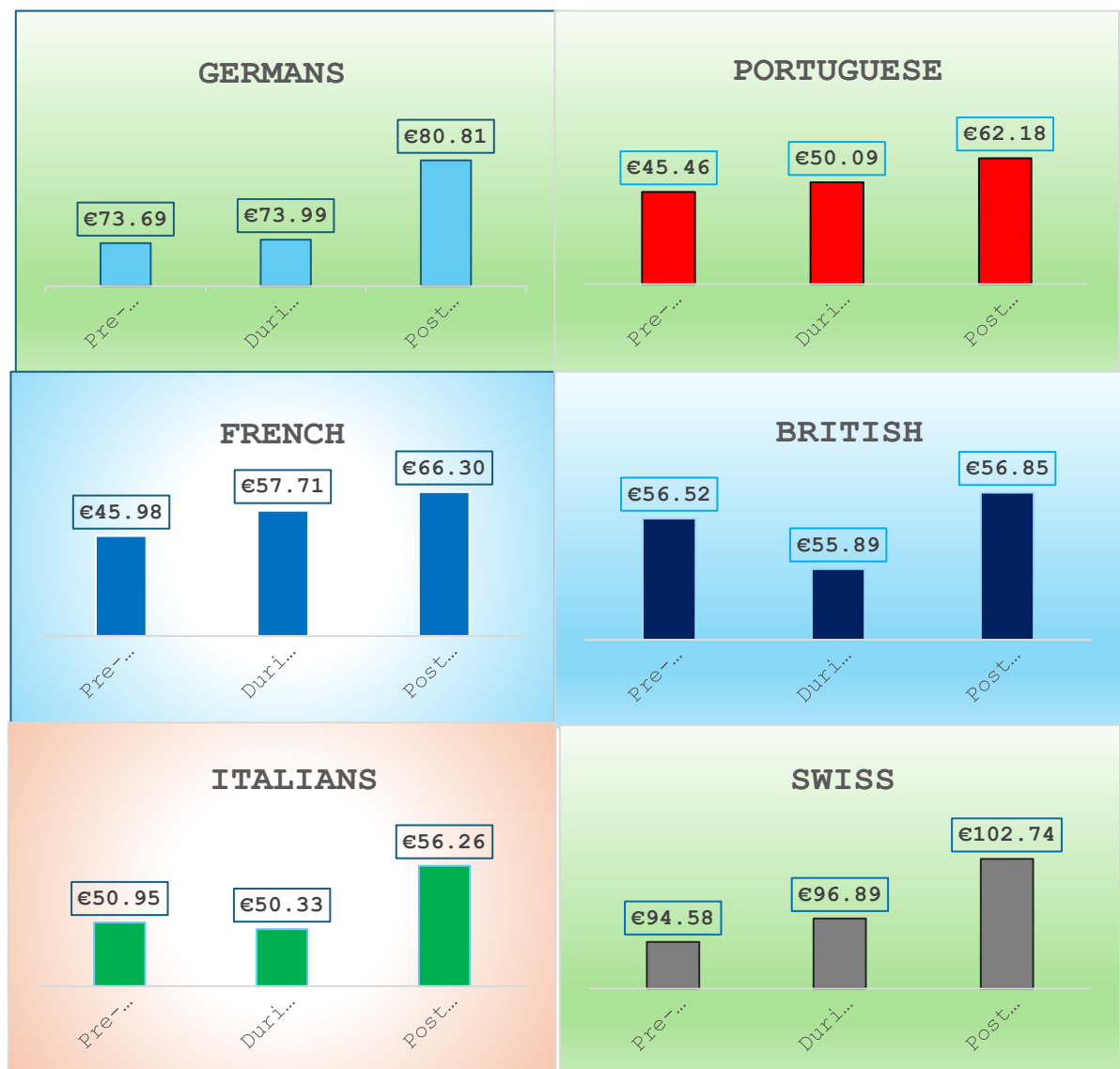
3.2.3. Canary Islands

Graph 3.3. presents bar plots showing the mean levels of expenditure in each of the three periods per origin country in Canary Islands. Prior to the pandemic, the Swiss (€94.58) and the Germans (€73.69) were the biggest spenders, followed by the British

(€56.52) and the Italians (€50.95). The French (€45.98) and the Portuguese (€45.46) instead spent the least. During the course of the pandemic, the notable increase in spending by French tourists stands out, placing them in third position with an average expenditure of €55.89. Both the British and Italians spent slightly less, with reductions of €0.63 and €0.62, respectively. Despite an increase in spending to €50.09, the Portuguese still remain in last position.

After the pandemic, Swiss (€102.74), German (€80.81), and French (€66.30) tourists continue to increase their daily spending compared to pre-pandemic levels. Portuguese tourists, with an increase of €12.09 compared to their spending during the pandemic, are placed in fourth position, with an average expenditure of €62.18. Despite increasing their spending, British and Italian tourists remain at €56.85 and €56.26, respectively.

Graph 3.3. Average expenditure by origin country in Canary Islands pre-, during and post-pandemic



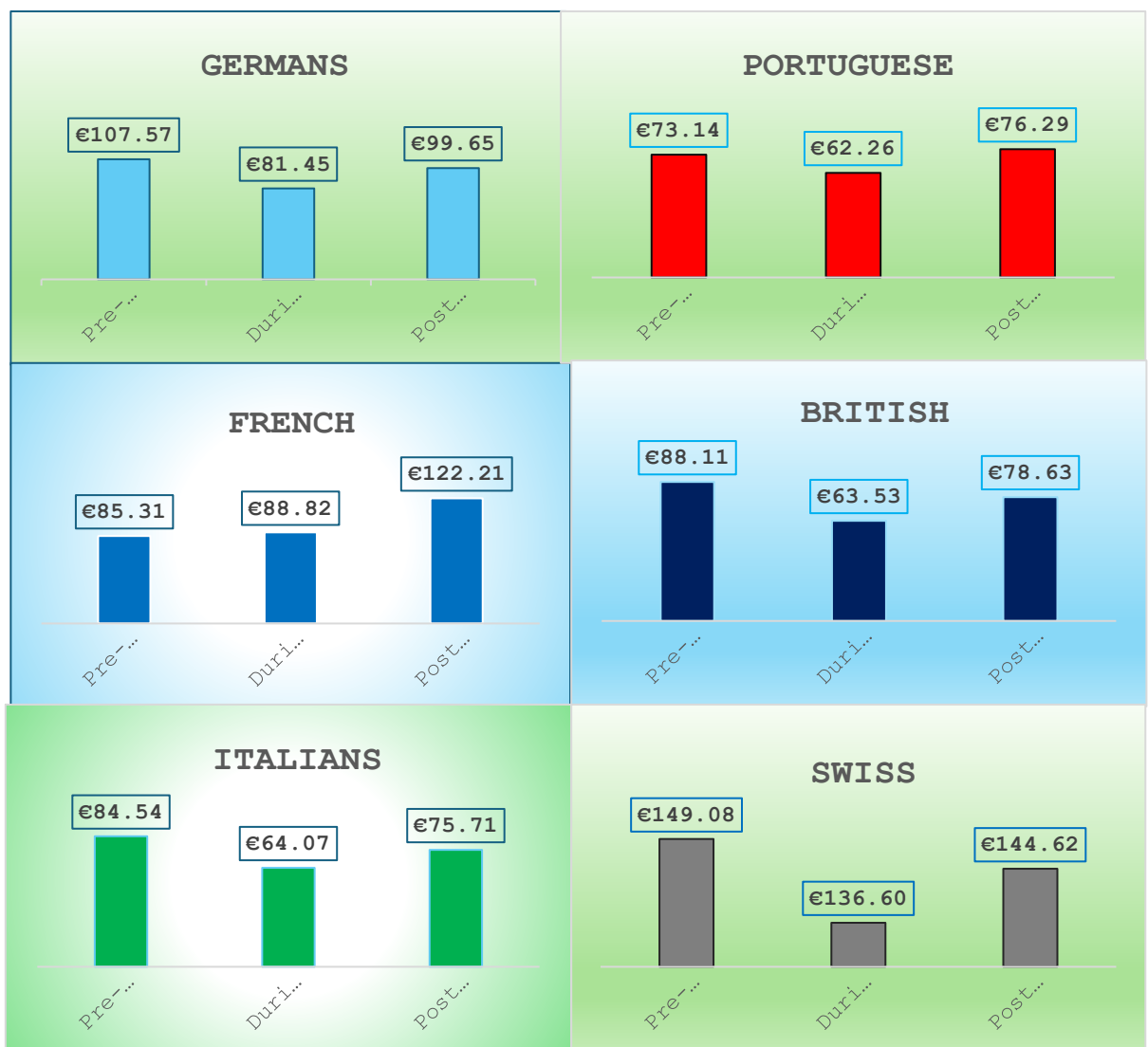
3.2.4. Catalonia

Graph 3.4. presents bar plots showing the mean levels of expenditure in each of the three periods per origin country in Catalonia. Prior to the pandemic, Swiss tourists, with an average of €149.08 (the highest among all Autonomous Communities), and German tourists, with €107.57, stand as the highest spenders, followed by British (€88.11), French (€85.31) and Italian tourists (€84.54). At the bottom of the ranking locate Portuguese tourists, with €73.14 per day.

COVID-19 pandemic caused a significant drop in foreign tourists' expenditure in Catalonia; Germans spent €26.12 less on average, the British €24.58 less, and Italians €20.47 less. The only group to improve their figures were the French, who spent €3.51 more on average, placing them in second position.

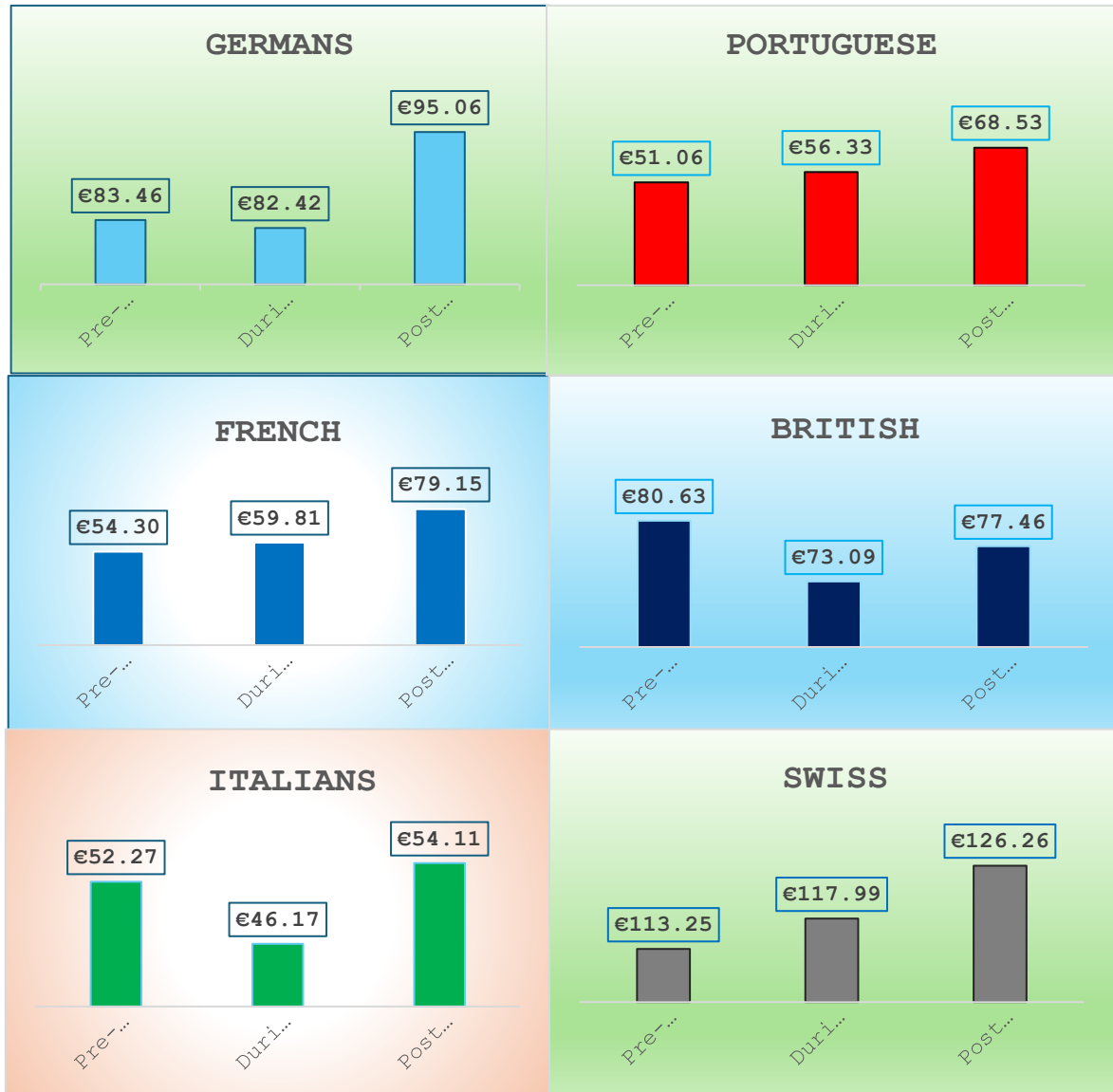
In the aftermath of the pandemic, the spending of tourists increased in general (€16.73 more per day on average). The largest increase took place among French tourists, who, compared to before the pandemic, spend €36.90 more daily.

Graph 3.4. Average expenditure by origin country in Catalonia pre-, during and post-pandemic



3.2.5. Community of Valencia

Graph 3.5. Average expenditure by origin country in the Community of Valencia pre-, during and post-pandemic



Finally, Graph 3.5. presents bar plots showing the mean levels of expenditure in each of the three periods per origin country in the Community of Valencia. Before the pandemic, there was a significant difference in spending depending on the country of origin. The Swiss were in the first position, with an average expenditure of €113.25, followed by Germans with €83.46 and then the British with €80.63. In contrast, the French, Italians, and Portuguese spent less, with average values of €54.30, €52.27, and 51.06, respectively.

During the pandemic, the ranking remained similar, although the Swiss (+€4.74) and the French (+€5.51) increased their spending, while Italians (-€6.10) and British (-€7.54) spent less. Italians become the lowest spenders (€46.17), as the Portuguese increased their average daily spending by €5.27.

After the pandemic, there was a general increase in spending, with the French seeing a notable rise of €19.34 compared to their spending during the pandemic. This moves them up to third place, while British tourists drop to fourth. Despite increasing their spending by €4.37 compared to their pandemic levels, they are the only ones who have not recovered the figures obtained before the pandemic.

4. CONCLUSIONS

The pandemic caused by COVID-19 has resulted in significant losses in the tourism sector. This is particularly the case of Spain, which stands as one of the countries that is most economically dependent on this sector. The limitations and restrictions on the movement of the population during much of 2020 and 2021, apart from causing a large drop in the transit of travellers, also negatively affected the average daily expenditure of international tourists. Our analysis suggests that such drop was particularly relevant for the Italians and the British, who spent 8.16 and 7.37 € less on average during the pandemic compared to pre-pandemic, respectively. In addition, the decline in foreign tourists' expenditure seems to be greater in those regions most specialized in international travellers like Andalusia and Catalonia.

Our descriptive analysis indicates that the two countries with the smaller drops in expenditure during pandemic times are France and Portugal. Indeed, the data shows that French even managed to increase their daily spending by €5.35 during the pandemic. By Autonomous Communities, it is noteworthy that both the Canary Islands and the Balearic Islands were "benefited" by the pandemic, as tourists spent €2.95 and €5.25 more on average compared to the pre-COVID period. This could be attributed to travel restrictions and the reduction in flight frequency, which limited the availability of transportation options. As a result, tourists who chose to travel to these regions during the pandemic faced higher prices due to lower supply and higher demand.

In contrast, Andalusia and Catalonia were the most negatively affected, as tourists spent €6.7 and €15.17 less, respectively, compared to before the pandemic. However, once the pandemic was over, it was Andalusia and Catalonia that recovered the best, as tourists ended up spending €14.41 and €16.73 more respectively. The Balearic Islands, despite its increase during the pandemic, is the only Autonomous Community that worsened its figures when the pandemic ended, with tourists spending €1.06 less on average. In relation to expenditure before the pandemic, it is noteworthy that all five Autonomous Communities analysed improved their figures, with an average daily increase per tourist of €6.8 (8.76%). This is consistent with the insights offered in the study by Hernandez de Cos (2024), who states that the total nominal expenditure of international tourists from January to November 2023 was 16.9% above pre-pandemic levels.

Once the pandemic is over, foreign tourists are current spending €10.93 and €9.66 more than before in the Valencian Community and the Canary Islands. In the Balearic Islands (due to the decrease in post-pandemic expenditure) and in Catalonia (due to the decrease in expenditure during the pandemic), average daily expenditure only increased by €4.2 and €1.56, respectively. In the case of Andalusia, it increased by €7.69. There is significant variability in tourist expenditure between the different regions analysed, suggesting the presence of various factors influencing this disparity. One possible explanation lies in the composition of tourists, as the pandemic affected the arrival of tourists and overnight stays differentially in each region. Since average expenditure is calculated per person and day, both the numerator (total expenditure) and the denominator (number of tourists) may have been affected differently depending on the origin and destination.

For instance, regions more oriented to sun and beach tourism, such as the Canary Islands, may have experienced a smaller drop in the number of tourists and overnight stays compared to destinations that also offer cultural and urban tourism, such as Catalonia and Andalusia. This could be because sun and beach destinations offer outdoor activities in natural environments, allowing for recommended social distancing and generating a perception of safety among tourists. These factors were considered to reduce the risk of virus transmission. In contrast, in urban destinations, population density is higher, and there are more interactions in enclosed spaces, which could have increased concerns about contagion. As a matter of fact, Catalonia and Andalusia are among the top 5 regions with the highest number of COVID-19 cases. This figure is more than three times the number in the Canary Islands (470,000) and the Balearic Islands

(320,000), according to Statista (2024). This helps to explain the increase in average daily expenditure in the archipelagos and the decrease in Catalonia and Andalusia.

In addition, factors such as the availability of tourist services – with cruise tourism being one of the tourism products that would take the longest to recover from the crisis caused by the pandemic (Patiño Romarís, 2022)–, the type of accommodation offered, and tourists' preferences may have contributed to the differences observed in expenditure.

As for the overall expenditure of international tourists, it should be noted that it increased considerably after the end of the pandemic, with an average increase of €6.8 compared to what they spent before the pandemic. Nonetheless, we should bear in mind that expenditure in real terms was smaller, as prices have risen in the last periods due to the high accumulated inflation. In this regard, we highlight the increase in spending by the French, who now spent €21.71 more. On the contrary, neither British nor Italians have yet recovered the figures obtained before the pandemic, spending €1.89 and €1.18 less, respectively.

In summary, this project has undertaken a descriptive analysis of foreign tourists' expenditure before, during and post-pandemic in the five most relevant Autonomous Communities. Surprisingly, expenditure only decreased in 18 out of the 30 analysed country-of-origin-Autonomous-Community combinations during the pandemic. Moreover, in some cases, foreign expenditure even increased.

5. BIBLIOGRAPHIC REFERENCES:

- Abc. (2019). Los franceses, los que más visitan Sevilla por motivos de ocio. *Diario ABC*. Available at: https://www.abc.es/sevilla/ciudad/sevi-franceses-mas-visitantes-sevilla-motivos-ocio-201908060939_noticia.html
- Afp_Tickers. (2020). Suiza incluye a España en la lista de países de riesgo por coronavirus. *SWI swissinfo.ch*. Available at: <https://www.swissinfo.ch/spa/suiza-incluye-a-espa%C3%B1a-en-la-lista-de-pa%C3%ADses-de-riesgo-por-coronavirus/45949422>
- Aragón, A. M. (2022). Efectos de la COVID-19 en el sector turístico de la Unión Europea: Análisis económico para el caso de España. *Revista universitaria europea*, 38, 41-70. Available at: <http://www.revistarue.eu/RUE/022023.pdf>
- Baños-Pino, J., Boto-García, D., Del Valle, E., & Sustacha, I. (2021). The impact of COVID-19 on tourists' length of stay and daily expenditures. *Tourism Economics*, 29(2), 437-459. Available at: <https://journals.sagepub.com/doi/10.1177/13548166211053419>
- Benítez-Auriol, B. (2021). El turismo interior en España ante la crisis de la COVID-19. *Boletín Económico de ICE*, 3139, 43-53. Available at: <https://doi.org/10.32796/bice.2021.3139.7285>
- Boto-García, D., & Baños-Pino, J. (2023). Preference Shifts During Health Shocks: Foreign Tourists' Expenditure–Price Elasticity Throughout the Pandemic. *Journal Of Travel Research*, 63(3), 642-658. Available at: <https://doi.org/10.1177/00472875231170223>
- Bruni, P. (2021). España exige estar vacunado o PCR a los que crucen la frontera terrestre desde Francia. *El Confidencial*. Available at: https://www.elconfidencial.com/espana/2021-06-09/espana-certificado-vacuna-test-francia-frontera-terrestre_3122647/
- Cabrer-Borrás, B., & Belda, P. R. (2021). Impacto económico del sector turístico en España. *Estudios de Economía Aplicada*, 39(1). Available at: <https://doi.org/10.25115/eea.v39i2.3599>
- Calveras, A., & Santana, M. (2022). El turismo en España ante el COVID-19: El efecto frontera en el turismo internacional e interregional. *Papeles de Economía Española*, 173, 161-179. Available at: https://www.funcas.es/wp-content/uploads/2022/11/PEE-173_Calveras.pdf
- Consejería de Turismo, Cultura y Deporte de Andalucía (2022). Turismo británico en Andalucía. Available at: https://www.juntadeandalucia.es/sites/default/files/2023-04/britanicos_22.pdf

- De Miguel, R. (2020). El Reino Unido vuelve a imponer cuarentena a los viajeros procedentes de España. *El País*. Available at: <https://elpais.com/sociedad/2020-07-25/el-reino-unido-vuelve-a-imponer-cuarentena-a-los-viajeros-procedentes-de-espana.html>
- Europa Press. (s. f.). Andalucía espera superar este 2024 en un 5,5% los registros máximos de turistas alemanes de 2019. *europapress.es*. Available at: <https://www.europapress.es/esandalucia/sevilla/noticia-junta-espera-superar-ano-2024-55-registros-maximos-turistas-alemanes-2019-20240305112828.html>
- Exceltur (2020). Impacto del Coronavirus sobre el sector turístico español. *Perspectivas Turísticas*, Vol.73.
- IBESTAT (2022). Institute of Statistics of the balearic islands (IBESTAT). Input-Output Framework of the Balearic Islands. Available at: https://ibestat.caib.es/ibestat/page?&p=px_tablas&nodeId=1fd68a0c-76ad-4d7e-acaf-db32e51c7ba7&path=economia%2Fcomptes-economiques%2Fmarc-input-output&lang
- INE (2022). National Statistics Institute. Tourism Satellite Accounts of Spain. Available at: <https://www.ine.es/consul/serie.do?d=true&s=DCE4>
- INE - Instituto Nacional de Estadística. (s. f.). <https://www.ine.es/>
- Kimball, M. S. (1990). Precautionary saving in the small and in the large. *Econometrica*, 58(1), 53-73. Available at: <https://doi.org/10.2307/2938334>
- Kim, J., Lee, J., Jhang, J., Park, J., & Lee, J. C. (2021). The impact of the COVID-19 threat on the preference for high versus low quality/price options. *Journal Of Hospitality Marketing & Management*, 30(6), 699-716. Available at: <http://dx.doi.org/10.1080/19368623.2021.1884163>
- Morillo, I. (2021). Andalucía abre sus puertas de par en par: ni cierre perimetral ni toque de queda. *El Confidencial*. Available at: https://www.elconfidencial.com/espana/andalucia/2021-05-06/andalucia-levanta-restricciones-cierre-perimetral-toque-queda_3067943/
- Pascual, R. (2023). La brecha salarial entre los países europeos se reduce a la mitad desde 2010. *El País*. Available at: <https://elpais.com/economia/2023-08-21/la-brecha-salarial-entre-los-paises-europeos-se-reduce-a-la-mitad-desde-2010.html>
- Pérez-Efe, D. (2022). El turismo británico en la Costa del Sol se resiente tras el brexit y el covid. *El Mundo*. Available at: <https://www.elmundo.es/andalucia/2022/11/04/6365516ffdddff63a68b45c5.html>
- Rao, A. R. (2005). The Quality of Price as a Quality Cue. *Journal Of Marketing Research*, 42(4), 401-405. Available at: <https://doi.org/10.1509/jmkr.2005.42.4.401>

- Ríos Rodríguez, N., Nieto Masot, A., & Cárdenas Alonso, G. (2022). The effects of COVID-19 on the tourism sector in Spain's autonomous communities. *Boletín de la Asociación de Geógrafos Españoles*, (94). Available at: <https://doi.org/10.21138/bage.3279>
- Sánchez, R. (2021). Alemania declara a toda España zona de riesgo por el aumento de casos de Covid-19. *Diario ABC*. Available at: https://www.abc.es/sociedad/abci-alemania-cataloga-toda-espana-como-zona-riesgo-covid-19-202107091325_noticia.html
- Škare, M., Ribeiro, D. E., & Porada-Rochoń, M. (2021). Impact of COVID-19 on the travel and tourism industry. *Technological Forecasting & Social Change*, 163. Available at: <https://doi.org/10.1016/j.techfore.2020.120469>
- Spanish Chamber of Commerce in the United Kingdom | Cámara de Comercio de España en el Reino Unido. (s. f.): <https://spanishchamber.co.uk/es/>
- Statista. (2024). Coronavirus: número de casos confirmados por región en España en 2023. Available at: <https://es.statista.com/estadisticas/1100641/regiones-afectadas-por-el-covid-19-segun-los-casos-confirmados-espana/> [accessed 18 May.2024].
- Statista. (2024). Inbound tourism volume in Spain 2023, by region of destination. Available at: <https://www.statista.com/statistics/447801/foreign-tourists-visiting-spain-by-destination-region/> [accessed 26 Abr.2024].
- UNWTO. (2021). 2020: Worst year in tourism history with 1 billion fewer international arrivals. Available at: <https://www.unwto.org/news/2020-worst-year-in-tourism-history-with-1-billion-fewer-international-arrivals>
- Vayá, E., García, J. R., Suriñach, J., & Pons, E. (2023). Effects of the COVID-19 tourism crisis on the Spanish economy. *Tourism Economics*, 0(0). Available at: <https://doi.org/10.1177/13548166231185899>
- Yang, Y., Zhang, H., & Chen, X. (2020). Coronavirus pandemic and tourism: Dynamic stochastic general equilibrium modeling of infectious disease outbreak. *Annals Of Tourism Research*, 83, 102913. Available at: <https://doi.org/10.1016%2Fj.annals.2020.102913>