

Spain's tourism trap

Sun and sand are helping drive the country out of crisis, but is too much reliance placed on them?

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La Carihuela beach in Torremolinos, Málaga, in the middle of August. / GARCÍA-SANTOS

On a recent evening at around 8pm, families pushing baby buggies and clutching towels clogged up the staircase leading up from the beach at Torremolinos in Málaga province. They were heading back to their hotels and apartments, while others went out in search of further amusement in a popular shopping and restaurant area located on San Miguel street.

It is peak season in one of Spain's best-known resorts, whose population more than triples in the summer. And so far this year there has been an 8.5 percent increase in hotel and apartment bookings, according to Andalusia's business confederation.

Spain's [tourism sector is booming](#). The increase in visitor numbers to the Costa del Sol is reflected throughout the country: [in 2013 there were 60.6 million overseas visitors](#), and this year looks set to beat that figure. What's more, there has been an increase of up to 15 percent in Spaniards vacationing within Spain.

Encouraged by the figures, the government is talking about the tourism sector as the driver of recovery. But the truth is that sun, sea and sand have been driving Spain's economy for the last

half-century. As early as a decade ago there was already talk about the need to find alternatives to generate quality jobs and growth, because apart from in the Canary Islands, tourism in Spain remains a summer phenomenon, creating demand for temporary jobs between June and September. But nothing seems to have changed.

In figures

Economic impact. The tourism sector generated 10.9 percent of Spanish GDP in 2012, and 11.9 percent of jobs.

Number of visitors. Spain received 60.7 million overseas visitors in 2013, a record that is expected to be beaten this year with 63 million arrivals.

Global destination. These 60.6 million visitors make Spain the third most-visited tourism destination in the world after France and the United States. Spain occupies second place in terms of foreign revenue: the sector earned €45 billion in 2013.

Europeans. Britain: 23.6 percent; Germany: 16.3 percent; France: 15.7 percent.

Beaches. Andalusia, the Balearic Islands, the Canaries, Catalonia and Valencia attract 84.3 percent of visitors.

Domestic visitors. Around 55 percent of overnight stays are by Spaniards. Numbers have grown by up to 15 percent following a four-year-long decline.

Up to June, tourism created 65,309 new jobs, a 4.6 percent increase over the same period in 2013. But as Pablo Beramendi, a lecturer in political science at Duke University in the US, points out, these jobs create little tax or social security revenue. He says that Spain is still trapped by short-term economic cycles, and suffers from inequality and low productivity: “The problem is that the other things required for sustainable growth are not being done: in fact R+D, health and education spending are being cut.”

“There is no denying that sun and beaches are still our strong point, and attract three out of four tourists,” says a Tourism Ministry spokesman, noting at the same time that there has been a 15 percent increase in visitor numbers to inland areas. Spain’s tourism industry contributes 10.9 percent of GDP and employs 12 percent of the

workforce, while making a major contribution to the balance of payments: “The tourism surplus for 2013 was three times the size of the €11.6 billion trade deficit,” says the ministry.

“With the crisis, there has been a return to whatever works, which is sun and beaches at low prices,” says Ricard Santomá, head of Ramon Llull University’s Sant Ignaci tourism school.

Spain has benefited from the instability in other low-cost destinations such as Egypt and Tunisia, says Miguel Sánchez, who owns a four-star hotel in Torremolinos.

Jens Kristian Steen Jacobsen of Stavanger University in Norway agrees that Spain’s reputation as a place where people are out on the streets until late into the night, and where foreign tourists are

likely to meet compatriots is a big factor for many people when choosing where to take a vacation. Last year saw record numbers of Norwegians and Swedes (3.2 million) visiting, while [Russians also make up a growing proportion of visitors](#), although it remains to be seen whether this can be sustained in the face of EU sanctions and a weakening ruble.

But Germany, Britain and France remain the main source of tourists, with visitor numbers constant throughout the crisis: 33.7 million in 2013, and 14.4 million up to June of this year, representing 55 percent of the total.

Yet Jacobsen says that Spain's tourism sector needs to improve if it is to hold on to its position. He says service is mediocre, and that while other destinations are working hard to stand out, many of Spain's resorts look the same and are characterless, "with rows of identical shops and restaurants."

Spain's tourist industry is a race to the bottom, which requires ever-greater visitor numbers to turn a profit

A walk along the seafronts of Salou, Benidorm, Gandía, Magaluf or Maspalomas shows them to be virtually indistinguishable from those in the Carrihuela area of Torremolinos: a succession of tatty souvenir shops offering low-priced, made-in-China beach towels and swimwear; or else restaurants and bars vying with each other to offer the cheapest meals and drinks. In other words, it is a race to the bottom, which requires ever-greater visitor numbers to turn a profit: quantity versus quality. Overall tourist figures may be up by around seven percent in Spain, but earnings have risen by just 0.5 percent, say sector sources.

Taxi drivers, store owners and restaurateurs in Torremolinos all tell the same story: there are more people than ever, but they spend less money than they did before the crisis, and in the case of overseas visitors, they are spending less than they did before Spain joined the euro in 2002. At the nearby Álamos beach last week, several restaurants on the seafront were virtually empty at lunchtime, while families crowded on to any patch of grass they could find to set out their picnics, eating food they had prepared at home.

José Luis Zoreda, executive vice president of Exceltur, which represents the country's leading tour operators, says that only the Balearics and the Canaries are profitable. Why? Because they have applied the measures that Spain's tourism ministry has been recommending for the last decade: offering visitors more than simply sun and sand, such as gastronomy, culture, history, eco-tourism and sports, measures that have helped attract visitors throughout the year. "It just isn't sustainable to have massive growth for three months of the year, and then nothing" says Zoreda.