

BUSINESS REPORT

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Spain sees signs of trouble in tourism

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By Dominique Orin

Madrid - Tourists are no longer flocking to Spain's beaches in record numbers because of mounting competition from neighbouring countries as well as a strong European currency, prompting the Spanish government and tourism industry to rethink their strategy in that sector.

The traditional form of beach holiday is "on the way out and experiencing difficulties", said tourism minister Jose Montilla.

Although he believed holiday makers - most of them Britons and Germans - would continue to invade the sun-drenched coastline and once-wild Balearic and Canary Islands en masse, Montilla said the sector was showing signs of trouble this year.

Spain needed to make an effort to ensure that tourism was no longer only seasonal and was attractive year-round, he said.

Spain is the second most popular tourist destination after France and tourism accounts for 12 percent of gross domestic product.

Montilla said tourism centred on gastronomy, cultural events, spas and nautical sports could be developed along with business travel.

His concerns were shared by Exceltur, which groups 29 Spanish tourism companies.

Its vice president, Jose Luis Zoreda, last month said a mere 1.4 percent increase in tourists was expected this season.