



24 de Agosto de 2004

Marketing Spain: it's more than the beach

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Tuesday, August 24, 2004

MADRID With empty hotel rooms lining Spanish shores for a second consecutive summer, government and industry officials say it is time to scrap the recipe that has built Spain into the No. 2 tourist destination in the world.

"The model of beaches and sun has been exhausted," said an official in the Ministry of Industry, Tourism and Commerce. "We need to look at alternatives."

When the government returns from vacation in September, the official said, the ministry will begin exploring ways to make Spain less reliant on beach-based tourism, the driving engine of the industry for decades.

The change could have far-reaching consequences for the Spanish economy, whose tourism industry accounts for 12 percent of gross domestic product and supports 10 percent of the Spanish labor force.

The government's shift comes as tourism executives voice growing concern over the future of their industry, and amid expectations that summer tourism here is headed for its second consecutive decline.

More than 60 percent of hotels on the coasts expected summer sales to drop this year, according to Exceltur, an association of Spanish tourism companies. Government figures for June, the latest available, show that foreign visits to Spanish hotels were down 4.6 percent in June compared with the same month a year ago. Bloomberg News, meanwhile, reports that hotels were 63.3 percent full in July, the lowest occupancy rate for that month since 1992, as the number of beds for rent rose faster than the number of hotel stays.

Last year, the number of summer tourists coming to Spain fell nearly 3 percent, to about 24.5 million, according to the tourism ministry.

Travel executives say that the consecutive slowdowns have been a severe blow to many hotels on the coasts. "In some cases it's a tragedy, because some hotels get 80 percent of their business in the summer," said Domingo Luján, general manager of the Hotel Spa Porta Maris in Alicante, on the southeastern coast.

In the full year, Spain draws more than 50 million foreign tourists, more than any country except France, according to the World Tourism Organization. About half of them come in the summer.

Government officials say that the shift does not mean they will abandon the coasts, and they stress that beaches will remain the country's most important tourist draw. But they say that the only way to keep the industry growing is to promote other attractions, such as Spain's Gothic cathedrals, Moorish palaces, Roman walls and aqueducts, its art and its history. The United Nations says Spain has more of the world's major cultural and natural landmarks than any nation in the world except Italy.

It is not yet clear how much money the government is willing to spend to diversify the industry. So far, it has talked only of vague plans such as new marketing campaigns and efforts to help the industry evolve toward higher-end tourism that brings in more money per visitor.

Some industry executives question such efforts. "The beach is fundamental to Spain," said Rafael Villegas, chief of reservations at the Hotel Balcón de Europa in Nerja, on the southeast coast. While other kinds of tourism are important, he said, "the reason people come here is because we offer the sun." The critics also point out that tourism in Spain's low seasons has been on the rise, helping to offset the summer drops.

Two summers of decline, critics say, is hardly a crisis, but government and industry officials remain worried.

In the last two years, new competitors have cropped up in countries where costs are much lower than in Spain. "Countries on the Adriatic Sea, like Croatia, offer sunshine and very low prices," said a tourism ministry official. "Spain cannot compete with them by lowering prices."

Besides Croatia, the most important newcomers are Tunisia, Turkey and Bulgaria.

These countries always had the natural advantages for attracting tourists, but "they fell behind because of political instability," said Luján, the manager of the spa in Alicante. "Now they are more stable, and they are back."

Some Spanish hotel executives began noticing the changes years ago, and have already begun adapting. Luján's hotel, for example, caters to business customers and to active tourists who want more than just sun. It offers the beach, he said, but also conference facilities, exercise equipment and extensive spa services.

International Herald Tribune