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End of an affair: How British package tourists are staying away from Spain

Cheaper rivals and holiday homes push costas into decline

Giles Tremlett in Marbella Friday August 13, 2004 The Guardian

Spain's 50-year-old bonanza of "sun, sea and sangria" package tourism has gone into what experts warn is irreversible decline, taking with it a great British institution, as hotel rooms go begging up and down the country's Mediterranean coast this summer.

Hotel-building has ground to a halt in many resorts while older hotels on the Balearic islands, including Majorca, are waiting for permission to be gutted, turned into blocks of flats and sold off.

"If someone tried to give me a hotel now I wouldn't want it, unless I knew I could sell the thing," Jaume Moll, a tourism millionaire on Majorca told El País newspaper this week.

With the Majorcan resort of Calvi à leading the way by tearing down its worst hotels, experts now warn that the only way to stop the package tourism rot will be to cull up to 30% of hotels in some Spanish resorts.

Almost 5% fewer package tourists arrived in Spain in the early part of this season compared with last year, while tourism in most of the world is booming, according to the Spanish lobby group Exceltur.

Competition

"It is a model that is exhausted and in difficulties," Spain's tourism minister, José Montilla, admitted recently.

The traditional costa package holiday, immortalised by Carry On films and a generation of stand-up comics, was invented in the 1950s when former warplanes transported ration-weary Britons to what were then small, quaint fishing villages on the Costa Brava.

The package holiday fed a tourism boom that saw the 2 million visitors who discovered virgin Spanish beaches and the dangers of all-over sunburn in 1956 become 17 million within a decade and close to 50 million within 30 years.

As the season hits its highest point this week, however, even four-star hotels in Marbella, the most expensive spot on the Costa del Sol, have been advertising accommodation at €65 (£40) a night, while similar Costa Brava hotels are reportedly asking €45.

At Malaga airport one major hotel chain, Sol Melia, is advertising bed and breakfast for €48 a night.

Competition for the traditional costa package is coming from cheaper, rival resorts elsewhere and from the holiday homes being bought, and then let via the internet or lent to friends, by British and other owners.

Britons are estimated to be buying 100,000 holiday homes a year, while 80,000 more are going to other nationalities.

At Malaga airport earlier this week there were more estate agents greeting morning arrivals, many stepping off self-booked budget flights rather than charter airlines, than tour reps.

"Some people go to the villa, stock up at the supermarket, switch on Sky television and do not leave for the next two weeks," explained Ann Taylor, a Costa del Sol property saleswoman.

"The housing is spreading all the way along the coast and even up into the hills," she added.

The change has alarmed Spanish hotel owners, who are demanding action against internet lets or private deals where money and, especially, taxes may never reach Spain.

"It is very important that the authorities take firm measures to make sure there is not illegal accommodation on offer," said Simón Pedro Barceló, co-chairman of one of Spain's largest tourism companies, Barcelo.

Up to a third of tourists arriving at some resorts now arrange their own villas or apartments.

Years of familiarity with Spanish airports, car hire companies and roads also mean many travellers no longer need trips laid on by tour companies or travel agencies, said Mr Barceló.

"We've been coming here for several years and now I just go on to the internet to look for something. Usually it belongs to someone in England and we might pay them there," said Tina O'Loughlin, from Wirral, as she and her husband, James, took their daughter Charlotte, aged seven, to a Marbella beach yesterday.

Choked roads, packed beaches and shoddy 1970s hotels have all contributed to the flight of tourists to other places.

A four-mile tailback on the coastal road out of Marbella yesterday was proof that the costas' infrastructure cannot always handle so many visitors.

Hotel owners blame greedy Spanish restaurant and bar owners, and those with licences to rent out overpriced sun-loungers on the beaches, for driving tourists away.

While the costas struggle to hold on to package tourists, their booming, cheaper and less-crowded rivals in countries such as Turkey, Tunisia, Egypt and Croatia enjoy annual growth rates of up to 50%.

They now jointly attract more than 60 million tourists a year, compared with Spain's 52 million.

Spain, meanwhile, expects just 1-2% growth in visitor numbers this year but an overall drop in tourism income as prices are forced down and people spend less time and less money in the country.

The number of foreigners occupying hotel beds in the Balearic islands, Andalucia and the Canaries fell by between 6.7% and 10.2% in April and May.

Exceltur predicts that €263m (£175m) of package tourist cash will be lost this year.

In a country which is considered a tourism superpower, and where tourism accounts for 12% of the economy, the crisis is a major worry.

Larger Spanish tourism companies became global players years ago, developing alternative resorts around the world, but Mr Barceló said that Spain itself must now offer quality hotels and more than just beaches, bars and restaurants.

"I don't think anybody will be getting rid of five-star hotels," he said.

A newspaper columnist, Enric Llarch, says that hotel owners, whose properties may open only four or five months a year, have had it too easy for too long.

"A large proportion have limited themselves to squeezing the tourist lemon," he wrote in La Vanguardia newspaper earlier this week.

This week's terrorist attacks on tourist hotels in Turkey were thought likely to encourage last-minute holiday buyers to turn back to Spain.

In any case, said Mr Barceló, the decline of package tourism does not mean the British, and northern European, love affair with Spain is over.

"Tourism is a living, changing phenomenon," he said. "Our growth opportunities are not so much in sea and sunshine but in the interior, in our cities, and in offering things like culture, health and beauty."

The holiday budget

 Amount by which package holiday market to Spain is thought to have fallen this year:
 20%

- Spain's receipts from British visitors in 2003: £5bn
- Percentage of Spain's 2003 GNP accounted for by tourism: 12% Number of Spaniards working in tourism:
 1.5m
- Number of second homes being built annually in Spain: 180,000
- Percentage of those homes being built for Britons:
 40%
- **·Isabelle Chevallot**