

100,000 Spanish Tourism Jobs at Risk

Madrid, Jan. 27, 2009: Spain+s €40bn (\$52bn, £37bn) tourism industry faces a bleak 2009, as recession in its main feeder markets and a sharp drop in domestic spending threaten up to 100,000 jobs, say sector representatives.

The country, the world+s most popular tourist destination after France, received 57.4m visitors last year, down 1.8m on 2007. It was the first year-on-year fall since the current method of measuring the sector was introduced in 1997.

Tourism+s contribution to gross domestic product could slip to under 10 per cent from about 11 per cent currently, José Luis Zoreda, vice-president of Exceltur, a lobby group, warned yesterday. "The global crisis is now being felt in Spanish tourism," he told the Financial Times, adding that the sector employed 1.8m people. "The impact has been delayed, but Spain+s ability to recover . . . will depend on how we confront it now."

His warning came as the government released figures showing that the number of foreign tourists to Spain fell about 3 per cent between 2007 and 2008, as high fuel prices in early 2008 and then the financial crisis kept Britons and the French at home.

Numbers of visitors from the UK, by far the most important feeder market, dropped 3 per cent to 15.75m. The pound+s fall against the euro was seen as a factor. The French also stayed away: the total of visitors from Spain+s third largest feeder market was down 8.5 per cent at about 8.2m. Germany, the second biggest market, held up relatively well, with visitor numbers almost flat at just over 10m.

Spanish tourists also spent less on hotels, restaurants and leisure during their traditional summer, Easter and Christmas breaks, said Exceltur. "Spaniards did not forgo their holidays," said Mr Zoreda. "However, they stayed with relatives instead of renting holiday flats."

This year could be worse, say most industry representatives, dealing a blow to an economy weakened by a collapse in house-building and a sharp consumer downturn.

Some economists see Spanish GDP shrinking more than 2 per cent this year, after growth decelerated from nearly 4 per cent in 2007 to 1.2 per cent last year. Joblessness is seen rising from about 13 per cent of the labour force to nearly 20 per cent this year.

(By Mark Mulligan, Financial Times)