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## Sun, sea and sand no longer enough for Spain

By Chris Wright

Madrid - Sun, sea and sand may have turned Spain into the world's second most popular tourist destination after France but the formula is looking jaded, delegates heard at an industry forum on Tuesday in Madrid.

Although Spain retained its second place in the overall global rankings as the World Tourism Organisation (WTO) released figures on global trends, it has to modernise and show greater imagination, vice-president of the country's Exceltur forum Jose Luis Zoreda indicated.

"Tourism remains a key sector of the Spanish economy," said Miguel Sebastian, director of the office of government economic affairs, noting its share of some 11 percent of GDP.

### Tourist spending slid four percent in 2005

However, a 4,7 rise in the traditional Spanish model along the costas and islands last year clearly lagged behind similar competitor markets, with Croatia registering a seven percent increase on its coast and Turkish sunshine resorts racing ahead 20,9 percent and Morocco up 11 percent and Egypt 6,1.

Spain has tried to reinvent itself, and Sebastian welcomed a 14,8 percent rise in 2005 bookings to the Spanish interior and "green" north.

He added that an estimated 600 000 foreigners owned property in Spain and, if they were not using hotels they were at least drip-feeding tourist spending into the economy.

However, Zoreda noted at the same time that per head tourist spending slid four percent in 2005 with sector professionals saying the average tourist spent €650 (about R4 800) compared with €1 300 for a Spaniard.

According to Exceltur, tourist spending nationwide hit €36,21-billion in 2005, down 0,4 percent in real terms on a year earlier.

Some sector professionals fretted that Spain finds itself in a difficult situation amid excessive supply and the emergence of other, often cheaper - and sometimes more varied - markets.

Some of those markets are long-haul, with the Caribbean in the ascendancy, particularly Mexico, firmly embedded in the top ten list of global destinations and not presenting Spanish tourists with any linguistic problems.

The same goes for Cuba and the Dominican Republic, the delegates heard, while Brazil is also making ground.

Nearer to home, the opening up of eastern Europe and the rise of low-cost air travel model has provided further competition, as has the growing popularity of Turkey.

Peter Long, of major British operator First Choice, said there were simple messages that the industry as a whole, and particularly Spain as a well-established mass-destination, had to address.

"You have to create a premium offer for a better price. The dynamics are changing. Don't compromise on service - if you do you'll alienate existing customers.

"If you reduce quality and don't reinvest you'll lose existing customers," added Long, who said that online reservations had transformed the game, favouring those who owned their own residence abroad and wanted to let it out.

"Today you've got a (distribution) channel through the Internet. That's introduced new competition that wasn't there."

Long said the new markets, such as Mexico which was "growing phenomenally," would easily vacuum up market share if pitted against tired old hotels that might have looked sparkling against a holidaymaker's modest house in the 1960s but now were in danger of losing their charms.

"Without doubt the standards of new-build four- and five-star hotels are of far superior quality than those built even ten years ago, said Long.

Pointing to Dubai and Florida as success stories, Long advised: "Reinvest and improve the quality of hotels. That generates demand."