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Slight Improvement in Spanish Tourism Sector

MADRID – Prospects are brightening marginally for Spain's tourism sector, now expected to suffer a downturn of 0.6 percent this year compared with the earlier forecast of 0.9 percent, the Alliance for Tourism Excellence, or Exceltur, said Tuesday.

The executive vice president of Exceltur, Jose Luis Zoreda, said at a press conference that the slight rebound in tourism in the first quarter had consolidated itself in the second, although the greater flow of tourists to Spain, encouraged by discounts, had not translated into higher revenues.



He lamented the fact that 10.5 billion euros (\$13.55 billion) in real income from foreign tourism had been lost in the past decade, with revenues dropping from 47.78 billion euros (\$61.63 billion) in 2002 to 37.22 billion euros (\$48 billion) last year.

Tourism activity picked up in the second quarter thanks to the trips Spaniards made and the recovery in business tourism, according to Exceltur.

Zoreda said that visits by Britons and Germans – Spain's top two sources of foreign tourists – continue to languish, while tourism from the United States, the Nordic countries, France and Italy are experiencing positive changes.

Travel agencies, along with automobile rental firms, are the few companies in the sector that have seen better revenues, which was contributed to in part by the redistribution of market share resulting from the bankruptcy of Viajes Marsans and the closure of its 2,000 sales points.

Regarding the airlines, the Icelandic volcanic ash cloud "cut short" the favorable scenario during the first quarter of 2010, except for the most specialized long distance flights, particularly those to and from South America.

Despite the slight improvement, Zoreda said that "there won't be any joy" during the summer season, which will be shorter and with "worse than sad" prices.

Hotels and other tourism-dependent businesses are expecting a summer similar to that in 2009, which "was not good," and some are anticipating slight drops in income due to lower average pricing.

That is due to "a new turn of the screw downwards in the price war."

Spanish hotels have been reducing their room rates for 19 consecutive months and travel agencies for 11 months in a row, he added. EFE