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Spain fears for the future of its tourism industry (Feature)

Madrid - This year's symbol of Spain's tourism industry is the empty beach chair.

Such pictures appear in the media as tourism professionals brace for what is already being described as their worst year in memory.

In the first five months of 2009, the number of foreign visitors went down by nearly 12 per cent, with a fall of about 10 per cent expected for the entire year.

That would be a dramatic development in Spain, which had grown accustomed to its tourism climbing from one annual record to another.

In 2008, the number of tourists already plunged by 2.6 per cent in its first decline for over a decade.

The country of 45 million receives nearly 60 million visitors annually, with tourism contributing nearly 11 per cent of gross domestic product (GDP) and employing almost 2 million people.

Until recently, Spain was the world's second-biggest tourist destination after France, but it has now fallen to the third place, after the United States.

The industry has been hit by the economic crisis in countries like Britain or Germany, where most tourists to Spain come from.

Those who can still afford to travel often use last-minute bargains, and spend as little as they can while in Spain.

Spain's own recession is also affecting domestic tourism.

Foreigners or Spaniards 'will still travel, but they stay with friends instead of hotels, and only eat out every second day,' sources of the tourism professionals' association Exceltur said.

As result of the declining demand for travel and related services, about 1,000 travel agency offices have closed within a year, the tourism industry has cut tens of thousands of jobs, hotels are for sale, and airlines bringing tourists to Spain are losing passengers.

Tour companies are fighting for survival, slashing prices by as much as 35 per cent, the daily El Pais reported.

At the same time, the crisis has dealt a severe blow to Spain's key construction industry, making the economy look like an airplane with both of its engines broken, the daily El Mundo said.

Spanish authorities and tourism professionals are, however, aware that the problems of the tourism industry are not caused only by the economic crisis.

Spain is facing growing competition from cheaper beach holiday destinations such as Turkey, Tunisia, Morocco, Croatia or the Dominican Republic.

In the longer term, Spanish tourism could also be affected by global warming, which could encourage northern European tourists to spend their holidays closer to home.

The only solution is for Spain to diversify its tourism offer, about 70 per cent of which is still based on the traditional formula of the sea and sun, experts agree.

'Spain should follow the example of some regions in Italy and France,' economist Josep Oliver said. 'It is not a question of getting as many people to come as possible, but of how much they spend.'

The government is investing hundreds of millions of euros in the so-called Renove plan to modernize the tourist industry, which is trying to raise its quality and diversify the offer to include urban and cultural tourism.

The city of Barcelona, for instance, is now earning more from tourism than the Costa Brava coast, and the Basque city of Bilbao became a major tourist destination after opening the Guggenheim Bilbao modern art museum in 1997.

Spain cannot do without its tourism industry, which needs be integrated into the more competitive economic model that the government is promoting, Industry Minister Miguel Sebastian said.