

Caracas, Monday, October 26, 2009

## Recession Batters Spain's Tourism Industry

MADRID – Spain's tourism industry is forecast to end 2009 down 5.6 percent from last year's already depressed level, its worst performance in a decade, the Alliance for Tourism Excellence, or Exceltur, said Thursday.

The crucial summer season "has not been at all encouraging" and the signs of a possible recovery in 2010 are still "very weak," the group said.

Although between July and September the pace of decline in tourist activity moderated slightly, that was achieved only by a steep reduction in prices.

The intense and generalized falloff in sales and tourist sector results during the summer caused many firms to come close to going under or to go into the red in the last quarter of 2009.

Foreign tourist behavior in Spain was worse than at other Mediterranean destinations that compete with the Spanish coast and islands in the sun-and-beach segment of the market, where Spanish operators reported a drop of 11.4 percent, while Morocco and Turkey registered small gains with respect to 2008.

Hotel occupancy was 61 percent during the summer season, 10 percentage points below the figures 10 years ago and 6 points below the numbers for 2007.

Spaniards, who over the last six years traveled more and more abroad, in 2009 reduced their trips to other countries by 11 percent compared with last year.

The subsectors that suffered most during the summer season were airline companies and urban hotels tied most closely to business travel, independent travel agencies and the vacation destination establishments that are most dependent on foreign demand. EFE