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*Tourism industry sub-sectors*

**COUNTRY REPORT**

**SPAIN**

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March 2014

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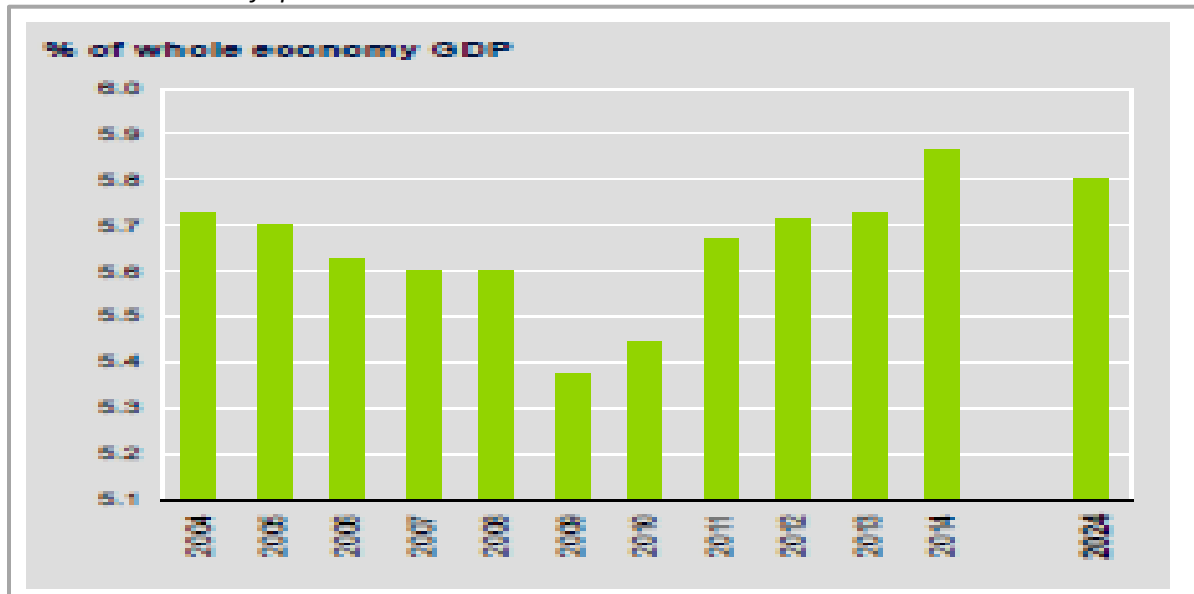
## GENERAL OVERVIEW

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### Data and Figures

Despite the harsh economic crisis – mostly affecting domestic spending capacity - tourism continues to contribute substantially to the Spanish Economy. Traditionally the sector accounted on average for over 10% of GDP and employed around 1,000 000 people (11% of the workforce), although these figures have seen a sharp decline in the past few years, and notably after 2008<sup>1</sup>.

#### *Direct contribution of Spanish tourism to GDP*



Source: WTTC, 2014

Tourism policy is centrally managed by the Spanish Ministry of Industry, Energy and Tourism and specifically the State Secretariat for Tourism, which is responsible for defining and implementing tourism policy as well as for any promotional activities at central level. The Spanish Tourism Institute (*Turespaña*) is the administrative unit of central government charged with promoting Spain abroad as a tourist destination.

The Autonomous Regions have instead the competence for tourism promotion and organisation, urbanism, public works and infrastructures and historic heritage management in their own territories. Coordination between regional/central government is managed through the Inter-Ministry Committee for Tourism (*Comisión Interministerial de Turismo*); The Sectoral Tourism Conference (*Conferencia Sectorial de Turismo*); and the Spanish Tourism Board (*Consejo Español de Turismo – CONESTUR*).

Currently the Spanish strategy for tourism is set out in the policy document *National and Integral Tourism Plan 2012 – 2015* which follows up on the previous strategy of *2010 Tourism Plan - Horizon 2020*. The strategy aims to innovate Spanish tourism and increase attractiveness by shifting from standards/basic products in traditional markets to specialised products which address new markets and

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<sup>1</sup> OECD, Tourism and Trends policies 2012 Spain, 2012

are tuned on different consumers' preferences. Innovation, technological change, Environmental responsibility and investment in Human resources are key axes of the strategy accompanied by supportive marketing campaigns.

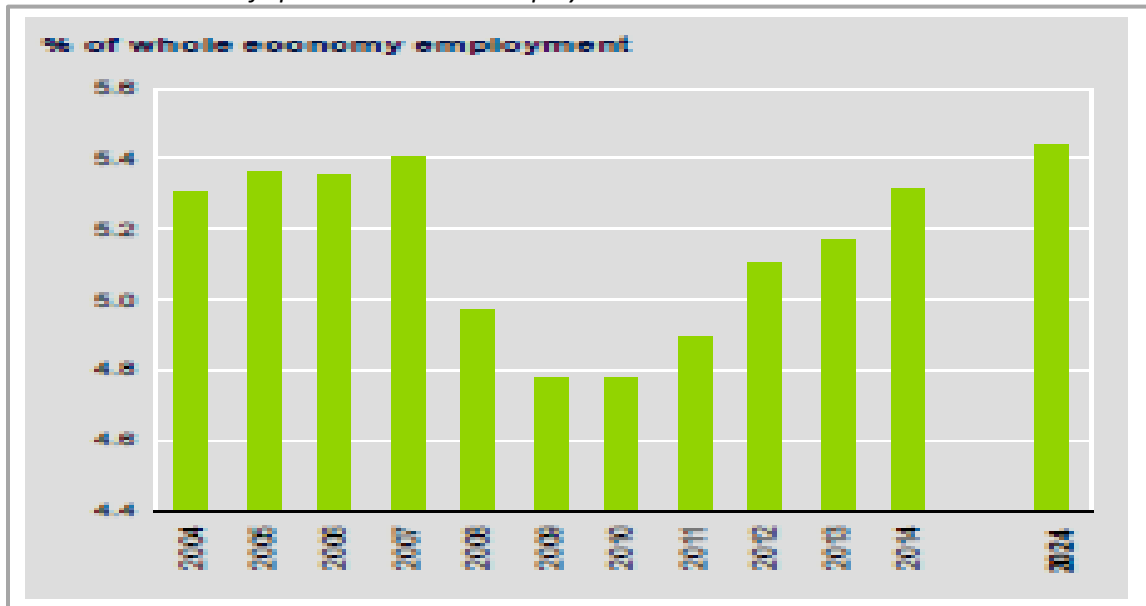
### Main Tourism Offer

- Coastal tourism
- Cruising/Yachting/Sailing
- Winter sports
- Cultural tourism
- Spirituals tourism
- Historical tours and cities tours
- Health and wellness tourism
- Business and congress/convention travel

### Labour Market Trends

The economic crisis has been harshly affecting employment in the tourism sector which supposedly lost over 250,000 jobs over the past few years.

*Direct contribution of Spanish tourism to Employment*



Source: WTTC, 2014

After peaks of growth achieved in 2007 (with over 1,000, 000 jobs), employment in the sector has continued to decrease touching its lowest level in 2010. Signs of slow but steady recovery have been registered only after 2011. In 2013, the sector directly generated 894,000 jobs (5.2% of total

employment) and it is expected to rise 3.4% in 2014, though it is far from going back to employment rates similar to those of 2007<sup>2</sup>.

## **Education and Training**

Spain features a consolidated offer of courses at all levels and with different specialisations preparing for a career in Tourism as the sector has always been recognised as a key economic area for the country and a relevant employment opportunity.

The Tourism Plan Horizon 2020 recognised Human Resources as one of the key pillars of the future sustainability of the tourism model and invested in education and training with the aim to make tourism a more attractive career. In 2011 for instance the Ministry launched the program *Avanza Formación Turismo* to support professional training in the use of e-commerce and e-business in tourism, with the aim to support innovative and profitable business models.

The current strategy for tourism 2012-2015 stresses on improving the tourism-sector human resources on the basis of three perspectives

- Making further progress in the production, management and dissemination of knowledge.
- Attracting excellent talent for enhancing the sector's entrepreneurship.
- Bringing training supply more closely into line with sector demands in higher education and occupational training.

## **Trends and Prospects**

The economic crisis is negatively affecting domestic tourism. International arrivals is instead representing an important source of income for the whole country to survive the crisis as well as a sustainable way to full recovery.

Thanks to the government's policy of tourist promotions and simplified visa procedures, arrivals from China, Russia, Brazil and Mexico are constantly increasing attracted by food, wine, shopping, beaches and high quality accommodation. In addition, many consumers in northern European countries continue to choose the country for short trip holidays. Overall from January to August 2013, 42.3 million foreign tourists came to Spain - 4.5 per cent more than the same period last year<sup>3</sup>.

Spain is however mostly regarded as cheap destination for low-cost trips, a feature which represents both a threat and an opportunity for the country and needs to be strategically handled by policies.

The Spanish government considers tourism to be one of the main strategic thrusts for the economic upturn in its 2012-2015 agenda. The government has recently identified the following products as deserving special investment in view of their potential to increase sector's revenues:

- Seaside Resort Tourism
- Cultural and City Tourism
- Meetings, Incentives and Exhibitions (MICE) Tourism
- Sports-Based Tourism
- Golf Tourism

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<sup>2</sup> World Travel and Tourism Council, Travel and Tourism – Economic Impact 2014, Spain, 2013

<sup>3</sup> Spanish Ministry of Industry, Energy and Tourism

- Yachting Tourism
- Skiing and Mountaineering Tourism
- Health and Wellness Tourism
- Rural and Active Tourism

Development of these products shall be addressed by systematically integrating sustainability and environmental issues, attention to technological innovation (and the role of social media) as well as investment in human resource development. In that respect The National and Integral Tourism Plan 2012-2015 (*Plan Nacional e Integral de Turismo: PNIT*) includes demand-side, supply-side and transversal measures to promote tourism and innovate its products, as shown in the table below.

*National and Integral Tourism Plan 2012-2015 – summary Specific measure*

<b>Demand-side measures</b>	<b>Supply-side measures</b>	<b>Transversal measures</b>
<ul style="list-style-type: none"> <li>- Launching of the programme “Fidelización España” (customer loyalty programme to support return of tourists)</li> <li>- Marketing campaign to stimulate national tourism demand.</li> <li>- Modulation of airport fees.</li> <li>- Streamlining of the tourism visa process.</li> </ul>	<ul style="list-style-type: none"> <li>- Repositioning of mature destinations.</li> <li>- Credit facilities for renewing tourism infrastructure.</li> <li>- Support for Tourism Municipalities</li> <li>- Smart destinations: innovation in destination management.</li> <li>- Networks of customer experience management agencies.</li> <li>- Standardisation of the rating and categorisation of hotels, rural accommodation and campsites.</li> <li>- Innovation of the Spanish Tourism Quality System.</li> <li>- External campaign on Spain's cultural and natural heritage, wine and cuisine.</li> <li>- Encouragement of eco-friendly, sustainable tourism</li> </ul>	<ul style="list-style-type: none"> <li>- Marketing and promotion</li> <li>- Support to the establishment of a Business-friendly environment</li> <li>- More effective governance and support to private/public partnerships</li> </ul>

Source – Ministry of Energy, Industry and Tourism, National and Integral Tourism Plan 2012-2015, 2012

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## SUBSECTORS

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In the following tables we will synthetize some significant data and information about Adventure, Cultural and Blue tourism in Spain.

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### ADVENTURE TOURISM IN SUMMARY

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#### Overview

- Adventure tourism in Spain is one of the sectors that are experiencing greater growth in recent years, with approximately 1,300 companies in the country engaged in this activity<sup>4</sup>.
- This type of tourism attracts over seven million people annually thanks to a heterogeneous offer which has developed around the great variety of the country's landscape, including mountains, coastal areas, islands, caves and parks.
- Land adventure attract tourists for both summer and winter holidays; the Pyrenean Trail is the most famous trail for hiking - including cross-country routes to France, while Andalusia offers for instance a rich set of natural caves open to the public as well as the third largest chasm in the world in the Sierra de Tolox in the province of Málaga. Sierra Nevada is one of the most popular winter sport destination in Europe, equipped with 105,44 km of runs for all levels.
- Spain is also one of the most attractive destination in Southern Europe for surfing, windsurfing and kitesurfing, with areas like the Basque Countries and Canary Islands which have been smartly promoted in this segment market as well-equipped low-cost destinations in Europe and the World.

#### Main services and products

- Canoeing/kayaking/rafting
- Surfing/windsurfing/kitesurfing
- Parachuting/skydiving/ paragliding
- Hiking/trekking
- Climbing
- Skiing/snowboarding
- Horse riding

#### Trend and prospects

Adventure tourism was explicitly recognised as a priority area of investment in the Spanish Tourism Plan Horizon 2020, as part of a specialisation strategy aimed to de-seasonalise tourism and better tune the sector's offer on different market segments.

Adventure tourism has resisted the crisis pretty well, as Spain is able to offer low-cost active holidays opportunities to European markets, which make it a high potential sector of investment.

Currently the National and Integral Tourism Plan 2012- 2015 (NITP) aims to further promote this tourism product in the wider support framework to more effective destination management, support to young and creative tourism entrepreneurs, and credit.-to-business facilitation.

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<sup>4</sup> <http://www.intermundial.es/>

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## CULTURAL TOURISM IN SUMMARY

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### Overview

- Whilst traditionally Spain was mainly associated to 'sun and beach' tourism, in the past decades attention has increasingly shifted towards cultural tourism as a main source of revenues and a key product to counteract seasonal concentration.
- Indeed cultural tourism in Spain revolves around a large offer and set of services which have developed around well-defined products. These include historical sites/buildings, celebrations and cultural events (the famous *Fiestas* and *Feiras*), eno-gastronomy, rural tourism, spiritual tourism and *turismo idiomático*
- In 2011, 9.4 million people travelled to Spain for cultural reasons, which accounts for 17% of visits that year. A further 29.5 million tourists enjoyed cultural activities a part of their holiday. Cultural tourism's contribution to total income from the tourism sector was €8.5 billion that year, accounting for 16.1% of the total and a 43.3% increase over 2010<sup>5</sup>.
- A significant area of revenues is also related to *Turismo Idiomático* which grew of 83% between 2011 and 2007 and mostly concentrate in Urban areas and the coast, with over 230,000 students visiting Spain in 2007<sup>6</sup>.

### Main services and products

- celebrations and cultural events
- religious and spiritual tourism
- eno-gastronomy
- rural tourism
- eco-tourism
- language learning (*Turismo Idiomático*)

### Trend and prospects

Since 2010, cultural tourism management has been developing and promoting the following product areas through over 1.100 promotional actions planned achieving a number of 30 million final consumers:

- Customs and Spanish lifestyle
- Museums, exhibitions and Performing arts
- Destinations and products on cultural routes
- Language tourism
- Spain as a location for the film and TV industries

In the current plan National and Integral Tourism Plan 2012- 2015 the Ministry intends to invest in cultural tourism in order to support geographical diversification of Spanish Tourism and attracting new markets. Priority areas are cultural heritage, natural heritage (Eco and rural tourism) and eno-gastronomic heritage. The latter is intended as integral to innovative cultural tourism experience and a strategic diversifier component of the tourism offer.

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<sup>5</sup> <http://marcaespana.es/>

<sup>6</sup> Turespaña, 2008

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## BLUE TOURISM IN SUMMARY

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### Overview

- The main products – and source of revenues - in the Blue tourism sector in Spain are coastal tourism followed by cruising.
- With over 5,000 km of coastlines (including Balearic and Canary islands), Spain is one of the most attractive destination for “sun and beach” tourism and nautical sports. This industry has been driving revenues also in the complementary sectors of hospitality and housing, with families and retired couples from northern and central Europe – primarily Germany and the UK - owning lots of apartments mainly in Costa Brava, Costa de la Luz and Costa del Sol.
- In the cruising sector Spain ranks as the second country of destination (port of calls) all over Europe, with leading ports Barcelona and Valencia. In 2011 the port of Barcelona accounted as the leading cruise port in Europe and the Mediterranean by total number of passengers (2.657).
- In many Spanish regions blue tourism and especially coastal tourism is the key employment generating sector

### Main services and products

- Coastal tourism
- Cruising
- Yatching
- Sailing

### Trend and prospects

In the current economic crisis, coastal tourism in Spain is suffering a scarce differentiation of the offer and the excessive dependence on the German and English market in beach resort regions. Mature destinations are experiencing a loss of competitiveness because of territorial saturation, environmental impacts, ageing of infrastructure and equipment. In this context first-class beach regions and resorts models are now losing attractiveness though they struggle to quickly re-invent themselves. Dependence on beaches as the primary attraction and an aggressive development model led to serious ecological damage and over-utilisation of local resource. A series of mergers is currently taking place among the hotel corporations, with the goal of absorbing the excess capacity they committed themselves to creating during the period of strong growth, though reduced size and costs optimisation is not deemed sufficient if it does not come with specialisation and innovation of products offered.

The associations representing the private sector have expressed concern which have been taken on board by the Government through an initiative to renew mature destinations. In particular the National and Integral Tourism Plan 2012-2015 aims to develop a plan for mature destination by identify and value the resources of the maritime-terrestrial public domain in seaside resorts and improving the use of Spain’s coastline and its image as important cultural and natural heritage through private tourism services.



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