EUROPEAN COUNTRIES ATTRACT WEALTHY TOURISTS FROM THE GULF REGION

In 2008, when Europe was hit by the global economic crisis, European countries, especially France and Greece, realized that the only way to keep their domestic economy alive and employment numbers high was to lean on the tourism industry that would bring in the foreign currency and help keep their heads above water.

France: "The point is to not only get only more tourism but also better tourism."

To woo the high spenders, France has introduced a new hospitality segment called 'Palace' in which 42% of the occupants are Arabs. The yield per high net worth visitor from the Middle East is typically much more than such travellers from other parts of the world. In 2011, out of the 79 million tourists that France welcomed, 891,000 were mostly from the Middle Eastern Gulf countries of UAE, Kuwait and Saudi Arabia. The Middle East feeds only 2.5% of France's hotel nights but 30% of its hotel nights in luxury hotels comes from the Arabs. Fifty percent of Middle East tourists spend more than €5,000 a day with an average stay of 11 days in France.

Besides supporting 2 million employees, 6.5% of France's GDP comes from the tourism industry. According to Karim Mekachera, the director of Middle East and Turkey operations of Atout France, France's tourism promotion body, the tourism industry supports several other sectors such as infrastructure and development, retail sector and hotels.

Although Greece is staggering out of a sovereign debt crisis, the Secretary General of Greek National Tourism Organization (GNTO), George Koletsos, stays positive about boosting their tourism industry since the figures speak for themselves: out of about 737,000 beds housed in 9600 different hotels in Greece, 2011 saw 16.5 million visitors, which was 10% more than in 2010, and they contributed €10.5 billion to the economy. The direct and indirect contribution made by the tourism industry in Greece is close to €36 billion.

A good number of measures have been taken to ensure that tourist numbers rise. Greece has reduced VAT and airport taxes. GNTO has launched new marketing campaigns through various media outlets. Cheap hotel rates attract visitors who come to explore the history of the country.

The one big problem restraining the number of tourists from increasing is the restrictions faced by them for the Schenghen visa, as all these countries are part of the Schenghen visa system. To bypass this, Mekachera from Atout France, has decided to attract the big spenders from the GCC countries, especially the Arabs.

The importance of the GCC (Gulf Cooperation Council) countries, especially Saudi Arabia, as an important tourist source market could not be overlooked. According to UNWTO the region spent $20 billion on outbound travel representing 60% of the world's outbound travel with Egypt having a 20% share.

Other countries like Hungary are tying up with many direct airlines from the UAE to bring in visitors from the GCC countries. Not being part of the Schenghen agreement, Cyprus has made it possible for people from UAE to get their visa within a single working day, and this has increased the numbers.

By 2020, it is estimated that the highest percentage of tourism growth will come from Kuwait, Lebanon, Saudi, UAE and Egypt.

Despite being a resilient industry, tourism alone cannot help Europe recover, but it could help them stay afloat in the stormy seas of financial problems.

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