

HIGH-END TOURISM REPRESENTS ONLY 12% IN SPAIN



crossing the borders.

Spain, for tourists, is synonymous with sun and beach. Its climate and culture have positioned the country as the second highest in visitor inflow worldwide. However, the average income received per tourist shows a 15-year decline. This situation could be remedied by promoting the inflow of shopping and high-end tourism, because currently it accounts for only 11.8% of the total number of tourists

According to the latest report by The Shopping Tourism Institute, if this rate could be increased to 25%, tourism in Spain would benefit from the annual revenues from these visitors 8.7 billion Euros (currently 4.1 billion euros). **Also, it would put an end to the decline in average income which has fallen from 1,108 euros per tourist in 2000 to 741 euros in 2015, a 33% decline.**

The company says that today "there is a perception that Spain's supply targets low-cost tourism almost exclusively," and this puts us at a disadvantage compared to the neighboring countries which are working on strategies to attract more shopping tourism. Moreover, this trend runs counter to the country's economy, because "a continuation of the increasing growth in this type of low-cost tourism would mean a loss of some 10 billion euros in revenue," the report warns.

On the other hand, the massification of certain destinations with the brand of tourism which leaves little money in the city will drive away high-end tourism. The clearest example is Barcelona which has been a model of tourism success. However, it is currently saturated with visitors, and this could lead to rejection by tourists themselves.

To change this trend, the sector requires the Government to promote Spain as a shopping destination. The visa issuance process and streamline VAT collection procedures should be simplified. "What is needed is a 'call effect,' to be undertaken jointly by the different cities, as well as through a very close collaboration between the public and private sectors," they note.

Beach parties are currently the inducements most used by travel agencies to attract tourists to the country, but this attraction should be combined, according to the experts, with haute cuisine, theatre, museums and high-end shops. Such promotion is necessary seeing that in many cases the downtown area of the city is not where the shopping area is located.

In this regard, Pier Francesco Nervini, Director of Global Blue, explains that Barcelona is ahead of Madrid at least in this respect. "Barcelona has an advantage over the Spanish capital in that its city center is also the shopping hub. Everything goes through the Diagonal - Paseo de Gracia axis; in Madrid, however, the tourist does not know the Salamanca district. Madrid must sell this area as a product," he notes.

According to the report, **shopping tourism would generate better quality and more stable employment**, thanks to the "seasonal adjustment of tourism activity, because we are dealing with urban tourism where large cities are visited throughout the year, which boosts trade, pays for investments in major infrastructure, attracts hotel investment and ultimately bolsters tourism in Spain as a major source of economic and social development."

Another major pull factor for this tourism segment is the supply of major global hotel chains. In Spain, specifically, there has been an increase in the influx of these international companies which are taking advantage of the impact of the crisis in the real estate sector, which has caused a sharp decline in prices.

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